



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF COMMUNITY BASED CARE SERVICES

BUREAU OF ELDERLY & ADULT SERVICES

Nicholas A. Toumpas
Commissioner

Diane Langley, Director
Sheri Rockburn, Director

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May 27, 2014

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Community Based Care Services, Bureau of Elderly and Adult Services to enter into agreements with vendors listed in the table below to provide In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care Services, and Adult Day Program Services to support elderly and disabled adults in order for them to remain in their homes and communities in an amount not to exceed \$7,319,907 in the aggregate, effective July 1, 2014 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Vendor	Location	Amount
Androscoggin Valley Home Care Services	Berlin, NH	\$401,786
Area Agency of Greater Nashua, Inc.	Nashua, NH	\$131,602
Area Home Care Family Services	Portsmouth, NH	\$1,518,401
Child and Family Services	Manchester, NH	\$1,333,999
CornerStone VNA	Rochester, NH	\$121,944
Easter Seals New Hampshire, Inc.	Manchester, NH	\$163,125
Lakes Region Community Services Council	Laconia, NH	\$535,626
Lake Sunapee Community Health Services	New London	\$59,301
North Country Home Health & Hospice Agency	Littleton, NH	\$158,699
Northern New Hampshire Healthcare Collaborative	Lancaster, NH	\$311,444
The Homemakers Health Services	Rochester, NH	\$901,662
The Visiting Nurse Association of Franklin	Franklin, NH	\$65,763
Valley Regional Healthcare	Claremont, NH	\$354,664
Visiting Nurse Home Care & Hospice of Carroll County	North Conway, NH	\$253,130
VNA at HCS	Keene, NH	\$1,008,761
Total		\$7,319,907

Funds to support this request in State Fiscal Year 2015 are available in account 7872 and are anticipated to be available in account 9255 pending Fiscal and Governor and Executive Council approval of a transfer of appropriation into this account. The contract provides the Department the authority to adjust amounts within the price limitation without further approval from the Governor and Executive Council.

MJT
110

47% Federal funds
53% General funds

05-95-48-481010-78720000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVCS, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, ADM ON AGING GRANTS (64% Federal and 36% General)

Fiscal Year	Class/Object	Class Title	Amounts
2015	540-500382	Social Service Contracts	\$849,498
		Subtotal	\$849,498

05-95-48-481010-92550000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SERVICES, HHS: ELDERLY AND ADULT SERVICES, GRANTS TO LOCALS, SOCIAL SERVICES BLOCK GRANT (44% Federal and 56% General Funds)

Fiscal Year	Class/Object	Class Title	Amounts
2015	543-500385	Adult In Home Care	\$6,143,782
2015	566-500918	Adult Group Daycare	\$326,627
		Subtotal	\$6,470,409
		Grand Total	\$7,319,907

EXPLANATION

This package includes 15 of 15 agreements that represent \$7,319,907 for In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care, and Adult Day Program Services provided to seniors who are not eligible for Medicaid. All selected vendors had contracts with the Department in State Fiscal Year 2014 and funding is relatively flat, from both State general funds and federal sources. The Department has included language in the contracts to allow for amendments limited to Exhibits B to transfer dollar amounts from one service to another and within the price limitation, to be made by written agreement of both parties without obtaining approval of Governor and Executive Council.

The purpose of this request is to provide direct services to clients that will support their health, independence and ability to remain in their homes and communities. The contractors will conduct client surveys on the quality of the services to ensure satisfactory services to the elderly and disabled population. Additionally, contractors will be collecting and reporting data on the number of clients served; the number of hours spent on delivering services to the clients; and the locations of the clients receiving services. Information collected by the contractors will be used by the Department to understand gaps in service delivery and to be better informed to engage in more meaningful discussions about these important services that assist elderly and disabled adults to remain in their homes and communities.

The Department posted two Requests for Applications to solicit Home and Community Based Services. Request for Applications #15-DHHS-DCBCS-BEAS-RFA-01 for In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care Services was posted on the Department's website from April 22, 2014 to May 8, 2014 and Request for Applications #15-DHHS-DCBCS-BEAS-RFA-02 for Adult Day Program Services was posted on the Department's website from April 24, 2014 to May 12, 2014. Three managers from the Bureau of Elderly and Adult Services, with over twenty years with community based programs, reviewed the applications and selected vendors to provide these services. See Summary of Applications and Selected Vendors in Attachment A.

One of the applicants, Northern New Hampshire Healthcare Collaborative, Inc. does not have audited financials reports because operations to provide services began on January 1, 2014. If the Department continues to contract with this agency in future State Fiscal years, then the Department will submit to Governor and Executive Council the audited financial reports at that time.

The contracts include an option to renew the contracts for up to two years to be exercised by mutual agreement by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.

Should the Governor and Executive Council not authorize these agreements, services provided to low income, elderly and/or disabled clients will be reduced, or eliminated, to a level that could jeopardize their ability to remain in their homes and communities. This would result in needing more costly long-term care services in traditional nursing homes or community based care programs. These direct care social services will allow the elderly and disabled adults to secure and maintain independence, health, and quality of life while remaining in their homes and communities.

Area served: See Summary of Services and Geographic Area (Attachment A).

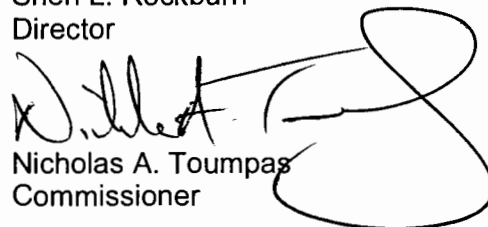
Source of Funds for these contracts: 47% Federal Funds from the Social Services Block Grant and Administration for Community Living's Special Programs for the Aging-Title III and 53% General Funds.

In the event that the federal funds become no longer available, general funds will not be requested to support this program.

Respectfully submitted,


Sheri L. Rockburn
Director

Approved by:


Nicholas A. Toumpas
Commissioner

In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care Services and Adult Day Program Services
(Title XX and Title III Programs)

Summary of Vendors, Services and Geographic Area

No.	Name of Vendor:	In Home Care	In Home Health Aide Level of Care	In Home Nursing Level of Care	Adult Day Program Services	Department Selection	Geographic Area
1	Area Agency of Greater Nashua	N/A	N/A	N/A	X	Selected	Adult Day Program Location: Alvirne High School, Hudson NH Monday to Friday 8am - 3:30pm
2	Androscoggin Valley Home Care Services	X	X	X	N/A	Selected	In Home Care Services, In Home Health Aide & Nursing Services: Coos Co. Towns of Berlin, Gorham, Randolph, Shelburne, Milan, West Milan, Dummer, Stark, Northumberland, Stratford, Groveton, West Stewartstown, Lancaster, and Columbia.
3	Area HomeCare Family Services, Inc.	X	NA	NA	N/A	Selected	In Home Care Services: Rockingham Co. - All
4	Child and Family Services of NH	X	X	X	N/A	Selected	In Home Care Services, In Home Health Aide & In Home Nursing Services: Hillsborough Co. Towns of Amherst, Bedford, Brookline, Deering, Goffstown, Hillsborough, Hollis, Hudson, Litchfield, Manchester, Merrimack, Milford, Mont Vernon, Nashua, New Boston, Pelham, Weare & Wilton. Merrimack Co. Towns of Allenstown, Boscawen, Bow, Bradford Canterbury, Chichester, Concord, Dunbarton, Epsom, Henniker, Hooksett, Hopkinton, Loudon, Pembroke & Pittsfield. Rockingham Co. Towns of Auburn, Candia, Derry, Londonderry, Salem & Windham
5	Cornerstone VNA	X	NA	NA	N/A	Selected	In Home Care Services: Belknap Co. Towns of Alton & Barnstead. Carroll Co. Towns of Brookfield & Wakefield. Rockingham Co. Towns of Greenland, New Castle,

New Hampshire DHHS Contract Unit

Attachment A

No.	Name of Vendor:	In Home Care	In Home Health Aide Level of Care	In Home Nursing Level of Care	Adult Day Program Services	Department Selection	Geographic Area
							Newington, Newmarket, Northwood, Nottingham & Portsmouth, Stafford Co. Towns of Barrington, Dover, Durham, Farmington, Lee, Madbury, Milton, Middleton, New Durham, Rochester, Rollinsford, Somersworth & Stafford.
6	Easter Seals New Hampshire, Inc.	N/A	N/A	N/A	X	Selected	Adult Day Program Location: 555 Auburn St, Manchester NH Monday to Friday 7:30am to 5:30 pm
7	Lake Sunapee Community Health Services	X	NA	NA	N/A	Selected	In Home Care Services: Merrimack Co. Towns of Andover, Bradford, Danbury, Newbury, New London, Sutton, Warner & Wilmot. Sullivan Co. Towns of Claremont, Croydon, Goshen, Grantham, Lempster, Newport, Springfield, Sunapee, Unity & Washington.
8	Lakes Region Community Services Council	X	N/A	N/A	N/A	Selected	In Home Care Services: Belknap Co. Towns of Alton, Barnstead, Belmont, Center Harbor, Gilford, Gilmanton, Laconia, Meredith, New Hampton, Sanbornton & Tilton. Grafton Co. Towns of Alexandria, Bridgewater, Bristol, Campton, Canaan, Dorchester, Ellsworth, Enfield, Grafton, Groton, Hanover, Holderness, Lebanon, Lyme, Orange, Orford, Plymouth, Rumney, Thornton, Warren & Wentworth. Merrimack Co. Towns of Danbury, Franklin, Hill & Northfield, Sullivan Co. Towns of Cornish & Plainfield.
9	North Country Home Health & Hospice Agency, Inc.	X	X	N/A	N/A	Selected	In Home Care Services and In Home Health Aide: Grafton Co. Towns of Bath, Benton, Bethlehem, Easton, Franconia, Haverhill, Landaff, Lincoln, Lisbon, Littleton,

New Hampshire DHHS Contract Unit

Attachment A

No.	Name of Vendor:	In Home Care	In Home Health Aide Level of Care	In Home Nursing Level of Care	Adult Day Program Services	Department Selection	Geographic Area
							Lyman, Monroe, Piermont, Pike, Sugar Hill, Twin Mountain, Warren, Woodstock & Woodsville. Coos Co. Towns of Carroll, Dalton & Whitefield.
10	Northern New Hampshire Health Care Collaborative, Inc.	X	X	N/A	N/A	Selected	In Home Care Services and In Home Health Aide: Coos Co. towns of: Carroll, Clarksville, Colebrook, Columbia, Dalton, Errol, Jefferson, Lancaster, Pittsburg, Stewartstown, Whitefield, Northumberland, Grovelton, Stark, and Stratford.
11	The Homemakers Health Services	X	X	X	X	Selected	In Home Care Services, In Home Health Aide & In Home Nursing Services: Carroll Co. Towns of Brookfield & Wakefield. Rockingham Co. Towns of Newington, Newmarket & Northwood. Strafford Co. - All.
12	The Visiting Nurse Association of Franklin	X	N/A	N/A	N/A	Selected	Adult Day Program Location: 215 Rochester Hill Rochester NH Monday to Friday 8am to 3pm In Home Care Services: Belknap Co. Towns of Belmont, Sanbornton & Tilton. Merrimack Co. Towns of Andover, Boscawen, Canterbury, Franklin, Hill, Northfield, Salisbury & Webster.
13	Valley Regional Healthcare, Inc.	X	X	N/A	X	Selected	In Home Care Services and In Home Health Aide: Grafton Co. Towns of Enfield, Grafton & Lebanon. Sullivan Co. – All. Adult Day Program Location: 958 John Stark Hwy, Newport NH, Monday to Friday 8am – 4pm
14	Visiting Nurse Home Care & Hospice of Carroll County	X	X	N/A	N/A	Selected	In Home Care Services and In Home Health Aide: Carroll Co. - All

No.	Name of Vendor:	In Home Care	In Home Health Aide Level of Care	In Home Nursing Level of Care	Adult Day Program Services	Department Selection	Geographic Area
15	VNA at HCS, Inc.	X	X	N/A	X	Selected	In Home Care Services and In Home Health Aide: Cheshire Co. – All. Hillsborough Co. Towns of Antrim, Bennington, Deering, Greenfield, Greenville, Hancock, Hillsborough, Lyndeborough, Mason, New Ipswich, New Boston, Peterborough, Sharon, Temple & Wilton. Sullivan Co. Towns of Acworth, Charlestown & Langdon. Adult Day Program Location 312 Marlboro Street Keene, NH Monday to Friday 8am-5pm
	Vendors Not Selected:						
16	Great Bay Services, Inc.						
17	Healthy At Home						
18	Maxim Healthcare Services, Inc.						

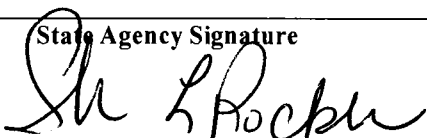
An "X" denotes the services to be provided under the contract.

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Androscoggin Valley Home Care Services		1.4 Contractor Address 795 Main Street Berlin NH 03570	
1.5 Contractor Phone Number 603-752-7505	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$401,786.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Joseph Dupuis, Board Chairperson	
1.13 Acknowledgement: State of <u>New Hampshire</u> , County of <u>Coos</u> On <u>5/27/2014</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public ~~or Justice of the Peace~~  [Seal]			
1.13.2 Name and Title of Notary ~~or Justice of the Peace~~ Pauline Tibbetts my commission expires 02/22/2017			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockman Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M. K. B...</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care , In Home Health Aide Level of Care, In Home Nursing Level of Care: Coos Co.
Towns of Berlin, Gorham, Randolph, Shelburne, Milan, West Milan , Dummer, Stark,
Northumberland, Stratford, Groveton, West Stewartstown, Lancaster, and Columbia.

5. Services Provided in this Agreement

	Services		
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	x	x
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



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6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat,



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- and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
- 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
- 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
- 6.2.1.2. receiving referrals from an individual's health care provider(s),
- 6.2.1.3. performing evaluations of individuals' medical needs,
- 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
- 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
- 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
- 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
- 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
- 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
- 6.3.3. The following nursing services shall be covered based on the individual's need:
- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.



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7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
 - The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
 - 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
 - 1) The reason(s) for the denial;
 - 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3) Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
 - The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.
- 7.3.4. Termination of Services. Services shall be terminated when:
 - 1) The individual or his or her authorized representative requests that the services be terminated;
 - 2) The individual no longer meets the eligibility requirements for services;



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- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.



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- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. **Service Delivery Verification**

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.

- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).

4) Service Delivery

- a) The number of open cases at the end of each reporting period, and



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- i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total



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amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services. The Contractor shall follow the plan of care established by the APS social worker. The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a



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prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. **Grievance and Appeals**

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. **Privacy and Security of Client Information**

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. **Culturally and Linguistically Appropriate Standards of Care**

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. **Wait Lists**

7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;



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- iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
- v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
- vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
- vii) A brief description of the individual's circumstances and the services he or she needs.
- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
- d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. **Notice of Failure to meet Service Obligations**

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.



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7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

- 1. Require a corrective action plan for identified deficiencies, or
- 2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.

7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.

7.21.4. Risk Assessment Process:

The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:

- Low Risk 70% and Above
- Moderate Risk From 26% to 69%
- High Risk 25% and Below

7.21.5. Weighted Average: The process for the scoring is



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1. Calculate the individual ratio for the Contractor
2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.

7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is	0.7:1	5.0%



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix						
Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				expressed as a ratio and represents 5% of the total risk assessment value.		
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	50%	10.0%
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%

New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates as identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$351,568
Title IIIB	In Home Care Services	\$8.38	\$21,788
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	\$25,000
Title IIIB	In Home Nursing Level of Care Services	\$24.50	\$3,430

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.



Exhibit B

6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.



Exhibit B

- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

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

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



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Androscoggin Valley Home Care Services

5/27/2014
Date

Joseph Dupuis
Name: Joseph Dupuis
Title: Board Chairperson



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Androscoggin Valley Home Care Services

5/27/2014
Date

Joseph Dupuis
Name: Joseph Dupuis
Title: Board Chairperson



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



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

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

PRIMARY COVERED TRANSACTIONS

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

5/27/2014
Date

Joseph Dupuis
Name: Joseph Dupuis
Title: Board Chairperson



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: Androscoggin Valley Home Care Services

5/27/2014
Date

Joseph Dupuis
Name: Joseph Dupuis
Title: Board Chairperson



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: Androscoggin Valley Home Care Services

5/27/2014
Date

Joseph Dupuis
Name: Joseph Dupuis
Title: Board Chairperson



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT**

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

(1) Definitions.

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



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

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

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

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

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

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

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

SD

5/27/14



Exhibit I

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
 - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
 - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
 - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
 - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
 - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
 - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

YD



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.

Dept of Health & Human Services
The State

Sh. L. Rocklin
Signature of Authorized Representative

Sheri Rocklin
Name of Authorized Representative

Director
Title of Authorized Representative

5/28/14
Date

Androscoggin Valley Home Care Services
Name of the Contractor

Joseph Dupuis
Signature of Authorized Representative

Joseph Dupuis
Name of Authorized Representative

Board Chairperson
Title of Authorized Representative

5/27/2014
Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Androscoggin Valley Home Care Services

5/27/2014
Date

Joseph Dupuis
Name: Joseph Dupuis
Title: Board Chairperson



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: 78-115-0172
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: _____

JD
5/27/14

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 ANDROSCOGGIN VALLEY HOME CARE SERVICES is a New Hampshire nonprofit corporation formed June 24, 1982. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 29th day of April A.D. 2014

A handwritten signature in cursive script, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

ANDROSCOGGIN VALLEY HOME CARE SERVICES
ABSTRACT OF CORPORATE MINUTES

The following is a true abstract from minutes of meeting of:

the Board of Directors of Androscoggin Valley Home Care Services on October 10, 2013,
which was duly called at which a quorum was present:

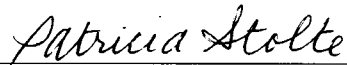
“On motion duly made and seconded, it was voted to authorize:

The Board Chairperson, to accept grants and awards and enter into contracts, and contract amendments from time to time with the New Hampshire Department of Health & Human Services, Bureau of Elderly and Adult Services, to sign and otherwise fully execute such acceptances and contracts, and contract amendments or modifications thereto, and any related documents requested by the Bureau of Elderly and Adult Services; this authorization to continue until revoked by vote of the governing board.

I certify the foregoing vote is still in effect 5/28/2014 and has not been revoked, rescinded or modified.

I further certify that Joseph Dupuis is the duly elected Board Chairperson of this corporation and is still qualified and serving in such capacity.

May 28, 2014



Patricia Stolte, Board Member

“No corporate seal”

STATE OF NEW HAMPSHIRE
COUNTY OF COOS

On May 28, 2014, before the undersigned officer personally appeared the person identified in the foregoing certificate, known to me (or satisfactory proven) to be a Member of the Board of the corporation identified in the foregoing certificate, and acknowledged that Patricia Stolte executed the foregoing certificate.

In witness whereof I unto set my hand and official seal



Pauline Tibbetts, Notary Public

My commission expires: 02/22/2017

A. V. Home Care Services



795 Main Street ♦ Berlin, NH ♦ 03570 ♦ (603)752-7505 ♦ www.avhomecare.org

Mission Statement

“The mission of Androscoggin Valley Home Care Services is to responsibly provide the best personal care, homemaking and respite possible according to each client’s needs.”

ANDROSCOGGIN VALLEY HOME CARE SERVICES

Financial Statements

June 30, 2013 and 2012

and

Independent Auditor's Report

✓ ①

ANDROSCOGGIN VALLEY HOME CARE SERVICES

FINANCIAL STATEMENTS

June 30, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Androscoggin Valley Home Care Services

We have audited the accompanying financial statements of the Androscoggin Valley Home Care Services (a non-profit organization) which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Androscoggin Valley Home Care Services as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Vachon Aubrey & Company PC

Manchester, New Hampshire
October 9, 2013

ANDROSCOGGIN VALLEY HOME CARE SERVICES
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2013 and 2012

	2013	2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 348,640	\$ 332,022
Investments	-	21,201
Accounts receivable	103,321	104,052
Prepaid expenses	8,982	9,808
TOTAL CURRENT ASSETS	<u>460,943</u>	<u>467,083</u>
PROPERTY AND EQUIPMENT-AT COST:		
Land	15,000	15,000
Building and improvements	220,304	217,227
Equipment	46,730	43,103
Furniture and fixtures	13,924	13,924
	<u>295,958</u>	<u>289,254</u>
Less accumulated depreciation	<u>167,517</u>	<u>155,697</u>
Property and equipment-net	<u>128,441</u>	<u>133,557</u>
OTHER ASSETS:		
Investment in North Country Consortium	<u>128</u>	<u>128</u>
TOTAL OTHER ASSETS	<u>128</u>	<u>128</u>
	<u>\$ 589,512</u>	<u>\$ 600,768</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 16,191	\$ 13,405
Accrued expenses	17,292	18,873
Prepaid rent income	725	-
Security deposit	650	650
Deferred revenues	2,593	2,593
TOTAL CURRENT LIABILITIES	<u>37,451</u>	<u>35,521</u>
NET ASSETS:		
Unrestricted:		
Undesignated	453,429	466,615
Designated by the governing board for restricted purposes	<u>98,632</u>	<u>98,632</u>
	<u>552,061</u>	<u>565,247</u>
TOTAL NET ASSETS	<u>\$ 589,512</u>	<u>\$ 600,768</u>

See notes to financial statements

ANDROSCOGGIN VALLEY HOME CARE SERVICES
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
CHANGES IN UNRESTRICTED NET ASSETS:		
Fees and grants from governmental agencies	\$ 812,798	\$ 857,286
Charges for services	336,041	321,451
Contributions	78,256	86,828
Other	2,570	3,387
Town of Gorham contribution	12,950	20,926
City of Berlin contribution	8,774	8,774
United Way	1,261	7,828
Rental income	8,625	8,250
Loss on disposal of assets	-	(392)
TOTAL UNRESTRICTED REVENUES AND GAINS	<u>1,261,275</u>	<u>1,314,338</u>
EXPENSES:		
Programs:		
Homemaker	201,436	230,847
In-Home	348,160	352,936
Health Aide	402,057	420,485
Home Community Based Care	75,254	64,871
Management and general	<u>247,554</u>	<u>234,327</u>
TOTAL EXPENSES	<u>1,274,461</u>	<u>1,303,466</u>
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS:	(13,186)	10,872
NET ASSETS, July 1	<u>565,247</u>	<u>554,375</u>
NET ASSETS, June 30	<u>\$ 552,061</u>	<u>\$ 565,247</u>

See notes to financial statements

ANDROSCOGGIN VALLEY HOME CARE SERVICES
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Cash received from clients and third-party reimbursements	\$ 1,146,302	\$ 1,146,935
Cash received from contributors	78,256	86,828
Cash received from United Way	1,261	7,828
Cash received from local governments	22,761	16,151
Investment income	2,060	3,279
Rental income	9,350	8,250
Other receipts	2,741	109
Cash paid to employees	(802,338)	(853,353)
Cash paid to suppliers	(458,272)	(451,123)
Net Cash Provided by (Used) Operating Activities	<u>2,121</u>	<u>(35,096)</u>
Cash Flows From Investing Activities:		
Purchases of Investments	-	(21,201)
Redemption of Investments	21,201	-
Rental deposit received		650
Purchase of equipment	(6,704)	(12,429)
Net Cash Provided by Investing Activities	<u>14,497</u>	<u>(32,980)</u>
Net Increase (decrease) in Cash	16,618	(68,076)
Cash at beginning of year	332,022	400,098
Cash at end of year	<u>\$ 348,640</u>	<u>\$ 332,022</u>
Reconciliation of Increase in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Increase (Decrease) in Unrestricted Net Assets	\$ (13,186)	\$ 10,872
Adjustments to Reconcile Increases in Unrestricted Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	11,820	12,587
Loss on investment-North Country Consortium	-	1,538
Loss on disposal of assets	-	392
Decrease (Increase) in accounts receivable	731	(46,012)
Decrease in prepaid expenses	826	296
Increase in accounts payable	2,786	2,434
(Decrease) in accrued expenses	(1,581)	(17,203)
Increase in prepaid rent	725	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,121</u>	<u>\$ (35,096)</u>

See notes to financial statements

ANDROSCOGGIN VALLEY HOME CARE SERVICES
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2013 and 2012

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Androscoggin Valley Home Care Services (the Organization) was organized as a nonprofit organization and was incorporated on May 12, 1992. The Organization provides health aide and homemaker services to clients of Social Service agencies and to the general public in the City of Berlin, New Hampshire and surrounding areas of Coos County, New Hampshire.

The accounting policies of Androscoggin Valley Home Care Services conform to accounting principles generally accepted in the United States of America as applicable to nonprofit organizations except as indicated hereafter. The following is a summary of significant accounting policies.

Basis of Presentation

The financial statements have been prepared in accordance with the reporting pronouncements pertaining to Not-for-Profit Organizations included within the FASB Accounting Standards Codification. The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Pervasiveness of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include the allocation of indirect expenses of programs and supporting services, which are allocated on the schedule of functional expenses based on percentage allocations determined by management.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting.

Revenues from program services are recorded when earned and received on a cost-reimbursement basis. Other miscellaneous revenues are recorded upon receipt.

Contributions

Contributions received by the Organization are recorded as unrestricted, temporarily restricted or permanently restricted support depending upon the existence and/or nature of any donor restrictions.

Accrued Vacation

Full time personnel accrue paid vacation at the rate of 10-15 working days per year. Part-time employees earn vacation time on a pro-rata basis.

ANDROSCOGGIN VALLEY HOME CARE SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2013 and 2012

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are stated at cost or estimated fair market value for donated assets. The Organization's policy is to capitalize expenditures for major improvements and to charge to operations currently for expenditures, which do not extend the lives of related assets. The provision for depreciation is determined by the straight-line method at rates intended to amortize the cost of related assets over their estimated useful lives as follows:

	<u>Years</u>
Building	31
Equipment	5 - 7
Furniture and fixtures	5 - 7

Bad Debts

The Organization uses the direct write off method for accounting for bad debts. No provision has been recorded for bad debts because the Organization believes that outstanding receivables at year-end are fully collectible.

Income Taxes

The Organization has received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code for its exempt function income. In addition, the Organization is not subject to state income taxes.

On July 13, 2006, the FASB issued *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Codification (ASC) 740*, which changes the way that the Organization will be required to treat its uncertain tax positions for financial accounting purposes. It prescribes rules regarding how the Organization should recognize, measure and disclose in its financial statements tax positions that were taken or will be taken on the Organization's tax return that are reflected in measuring current or deferred income tax assets and liabilities for interim or annual periods. Differences between tax positions taken in a tax return and amounts recognized in the financial statements will generally result in an increase in a liability for income taxes payable, or a reduction in a deferred tax asset or an increase in a deferred tax liability. The Organization is subject to unrelated business income taxes (UBI) on its rental income, net of related expenses. The Organization did not have any unrecognized tax benefits for the years ended June 30, 2013, 2012 and 2011, and determined that impact of this interpretation was not material to the Organization's financial statements. During 2013, no new additional unrecognized tax benefits were identified. Form 990s for the years ended June 30, 2013, 2012, and 2011 are open for possible examination.

Cash and Cash Equivalents

For the purposes of reporting cash flows, the Organization considers all highly liquid investments with an initial maturity of 90 days or less are classified as cash equivalents.

ANDROSCOGGIN VALLEY HOME CARE SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2013 and 2012

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments consist of certificates of deposit with original maturities of more than 90 days but less than one year and are carried at market value at June 30.

Concentrations of Credit Risk

The Organization maintains its cash in various financial institutions located in New Hampshire. At times, these balances exceed federal insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on these cash and cash equivalents.

Fair Value of Financial Instruments

Cash, trade receivable, accounts payable, accrued expenses and other liabilities are carried in the financial statements at amounts which approximate fair value due to the inherently short-term nature of the transactions. The carrying amount of long-term debt approximates fair value since the interest rate on this debt facility approximates market rates. The fair values determined for financial instruments are estimates, which for certain accounts may differ significantly from the amounts which could be realized upon immediate liquidation.

Effective July 1, 2008, the Organization adopted the FASB Accounting Standards Codification statement, *Fair Value Measurements* which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that priorities the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under *Fair Value Measurements* are described below.

Level 1—Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

ANDROSCOGGIN VALLEY HOME CARE SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2013 and 2012

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 3 -- Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs at the closing price reported on the active market on which the individual securities are traded.

Following is a description of the valuation methodologies used for assets measured at fair value.

Common stocks and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Organization has no investments at June 30, 2013.

Fair values of assets measured on a recurring basis at June 30, 2012 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
Investments in Certificates of Deposits	<u>\$ 21,201</u>	<u>\$ 21,101</u>

NOTE 2--ECONOMIC DEPENDENCE

The Organization's primary source of revenues are fees and grants received from the State of New Hampshire and Medicare reimbursements of \$812,798 and \$857,286, respectively, for the years ended June 30, 2013 and 2012. The Organization passed through \$170,784 and \$154,602 for the years ended June 30, 2013 and 2012 to another agency as a sub-grantee. The grant agreements have been renewed for the next fiscal year. Revenue is recognized as earned under the terms of the contract and is received on a cost reimbursement basis. Other support originates as allocations from United Way, charges for services for home community based care programs and private charges for services, contributions and other income.

NOTE 3--ACCRUED EXPENSES

Accrued expenses consist of the following at June 30:

ANDROSCOGGIN VALLEY HOME CARE SERVICES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
For the Years Ended June 30, 2013 and 2012

NOTE 3--ACCRUED EXPENSES (CONTINUED)

	<u>2013</u>	<u>2012</u>
Accrued payroll	\$ 222	\$ -
Accrued vacation	17,053	18,873
	<u>\$ 17,275</u>	<u>\$ 18,873</u>

NOTE 4--DEFERRED INCOME

Deferred income represents prepaid reimbursements in excess of actual costs incurred for the following at June 30:

	<u>2013</u>	<u>2012</u>
Elderly Abuse Program	<u>\$ 2,593</u>	<u>\$ 2,593</u>

NOTE 5--DESIGNATED NET ASSETS

The governing body has designated certain unrestricted net assets for the following purposes:

	<u>2013</u>	<u>2012</u>
Designated for capital expenditures and facilities management	<u>\$ 98,632</u>	<u>\$ 98,632</u>

NOTE 6--RETIREMENT PLAN

The Organization adopted a defined contribution retirement program (SEP Plan). The organization contributes up to 1% of employee wages, for employees with at least three years of service, to the plan. Pension plan expenses for 2013 and 2012 were \$8,014 and \$4,632, respectively.

NOTE 7--RECLASSIFICATION OF PRIOR YEAR STATEMENTS

Net unrestricted assets-designated by the governing board has been decreased \$50,218 and net unrestricted assets-undesignated has been increased by \$50,218 to correct the amount of funds set aside for designated purposes.

NOTE 8--POSSIBLE MERGER

The Organization has been approached by an independent organization for possible merger into the outside organization. No formal decisions have been taken by the Board of Directors as of October 9, 2013.

NOTE 9--SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 9, 2013, which is the date the financial statements were available to be issued.

ANDROSCOGGIN VALLEY HOME CARE SERVICES

SCHEDULE OF FUNCTIONAL EXPENSES

For the Years Ended June 30, 2013 and 2012

For the Year Ended June 30, 2013

	Program Services					Supporting Services	Total
	Homemaker	In-Home	Health Aide	Home Based Care Programs	Total Program Services	Management and General	
Salaries and wages	\$ 108,572	\$ 221,952	\$ 264,222	\$ 63,664	\$ 658,410	\$ 143,531	\$ 801,941
Sub-grantee payments	64,857	69,779	36,148		170,784		170,784
Payroll taxes	8,139	17,035	20,476	4,894	50,544	10,998	61,542
Insurance	10,213	23,075	20,123	3,461	56,872		56,872
Dues and memberships					-	7,280	7,280
Marketing					-	2,976	2,976
Employee benefits	3,422	8,422	29,279	1,006	42,129	12,139	54,268
Miscellaneous			12,566		12,566	5,168	17,734
Office					-	14,516	14,516
Occupancy			245		245	15,348	15,593
Professional fees					-	14,561	14,561
Supplies	499	1,056	993	160	2,708	159	2,867
Telephone	612	861	772	135	2,380	1,302	3,682
Training	396		-		396	2,511	2,907
Travel	4,726	5,980	17,233	1,934	29,873		29,873
Employer required expenses		-			-	385	385
Postage	-	-	-	-	-	4,156	4,156
Unrelated business taxes					-	704	704
Depreciation					-	11,820	11,820
	<u>\$ 201,436</u>	<u>\$ 348,160</u>	<u>\$ 402,057</u>	<u>\$ 75,254</u>	<u>\$ 1,026,907</u>	<u>\$ 247,554</u>	<u>\$ 1,274,461</u>

For the Year Ended June 30, 2012

	Program Services					Supporting Services	Total
	Homemaker	In-Home	Health Aide	Home Based Care Programs	Total Program Services	Management and General	
Salaries and wages	\$ 132,476	\$ 243,875	\$ 280,188	\$ 50,737	\$ 707,276	\$ 143,641	\$ 850,917
Sub-grantee payments	63,141	45,337	46,124		154,602		154,602
Payroll taxes	9,359	18,584	22,007	3,898	53,848	11,628	65,476
Insurance	11,437	22,692	24,085	4,452	62,666		62,666
Dues and memberships					-	4,721	4,721
Marketing					-	4,612	4,612
Employee benefits	7,112	14,515	15,221	4,218	41,066	5,931	46,997
Miscellaneous			9,893		9,893	7,841	17,734
Office					-	11,958	11,958
Outside services			430		430		430
Occupancy			327		327	12,686	13,013
Professional fees					-	8,465	8,465
Supplies	588	1,205	1,275	276	3,344	1,169	4,513
Telephone	549	788	850	191	2,378	1,254	3,632
Training	886		278		1,164	2,431	3,595
Travel	5,210	5,762	19,615	1,058	31,645		31,645
Postage	89	178	192	41	500	3,905	4,405
Bad debts					-		-
Printing					-	733	733
Depreciation					-	12,857	12,857
	<u>\$ 230,847</u>	<u>\$ 352,936</u>	<u>\$ 420,485</u>	<u>\$ 64,871</u>	<u>\$ 1,069,139</u>	<u>\$ 234,327</u>	<u>\$ 1,303,466</u>

**REPORT ON INTERNAL CONTROL BASED ON
AN AUDIT OF BASIC FINANCIAL STATEMENTS**

To the Board of Directors
Androscoggin Valley Home Care Services

In planning and performing our audit of the financial statements of the Androscoggin Valley Home Care Services (a nonprofit organization) as of and for the year ended June 30, 2013, in accordance with auditing standards generally accepted in the United States of America, we considered the Androscoggin Valley Home Care Services' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Androscoggin Valley Home Care Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Androscoggin Valley Home Care Services' internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management and the Board of Directors, Finance Committee and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.



Manchester, New Hampshire
October 9, 2013

Androscoggin Valley Home Care Services
795 Main Street
Berlin, NH 03570
752-7505

BOARD OF DIRECTORS

Joseph Dupuis, Chairperson
Berlin, NH 03570

Bernadette Hallgren, RN, Vice Chairperson
Berlin, NH 03570

Karen Eichler, RN, Treasurer
Gorham, NH 03581

Charlie Cotton, Secretary
Lancaster, NH 03584

Lucille St. Onge-Hickey
Milan, NH 03588

Patti Stolte
Berlin, NH 03570

Laurie Bryant, RN
Berlin NH 03570

Becky Roberge, Recording Secretary
Berlin NH 03570

Margo Carmela Sullivan, RN BSN

Professional Goals

1. To master the financial, policy and personnel aspects of a small business
2. To champion Long Term Care in the State of New Hampshire
3. To challenge barriers against the advancement of women

Employment

2000-Present	A.V. Home Care Services	Executive Director
1997-2000	A.V. Home Care Services	Nurse Supervisor
1993-1996	St. Vincent Nursing Home	Director of Nursing
1990-1993	IMED Corporation	Nurse Consultant
1981-1990	The Children's Hospital	Assistant Head Nurse
1979-1981	The Children's Hospital	Staff Nurse

A.V. Home Care Services, Executive Director, Berlin

Works in tandem with AVHCS Board, Management Team and In-Home Staff to administer and supervise all aspects of the agency's home care programs, including policy development and implementation, nursing, quality control, financial management, public relations, and strategic planning activities.

Member:

Home Care Association of New Hampshire
North Country Health Consortium
Berlin Area Health Consortium
White Mountain District Council
Coos County Committee on Aging
Leadership Council for ServiceLink

A.V. Home Care Services, Nurse Supervisor, Berlin

Supervised in-home staff to assure adherence to agency policies and procedures and to assure quality of care.

Director of Nursing, St. Vincent de Paul Nursing Home, Berlin

Directed the 24-hour nursing services for an 80 bed, Medicare/Medicaid Long Term Care facility.

IMED Nurse Consultant, San Diego, California

Served as one nurse expert in a team of 10 nurse consultants traveling nationwide and in Canada for this IV infusion equipment company.

Assistant Head Nurse, The Children's Hospital, Denver, Colorado

Supervised an all-RN staff in primary nursing care of infants and toddlers on a 44-bed medical/surgical/infectious disease unit.

Staff Nurse, The Children's Hospital, Denver, Colorado

Provided direct patient care by collaborating with medical residents and staff doctors of all specialties on a 44-bed, medical/surgical/infectious disease unit.

Education:

1974-1979 University of New Hampshire Bachelor of Science, Nursing

Minor: English Literature
Magna Cum Laude
Sigma Theta Tau
Phi Kappa Phi

1970-1974 Berlin High School Diploma

Highest Honors Graduate
NH Academic Achievement Scholar
National Honor Society
American Legion Award
DAR Good Citizen Award
Cheerleading for 3 sports, 4 years

Francoise R. Cusson

Education: Notre Dame High School, 1966

Workshops and Seminars Attended:

- Heating Oil Industry Related 1985-2002
 - Customer Relations
 - Accounts Receivable Management and Collection
 - Fuel Oil Options and Futures
 - Effective Office Management
 - Stress and Everyday Situations
 - Scheduling for Profitability
 - Inventory Control
 - Analyzing Financial Statements
- Home Health Care Industry 1999 to present
 - Changing Times in Home Health Care
 - Home Health Care vs Nursing Home
 - Medicare and Home Health Care
 - State and Federal Funds for Home Health Care
 - Changes in Medicare and Medicaid
- New Hampshire Office of State Planning Conferences 2002 to present
 - Planning Board Basics
 - Zoning
 - Site Plan Review and Subdivisions
 - Land Use Regulations
 - Wetlands
 - Law Lecture Series 1999 to present
- United Way and Non-Profit Organizations 1988-1994
 - Non Profit vs For Profit
 - Fundraising
 - Assessing and Identifying Community Needs
 - Funds Distribution Process
- Dale Carnegie Leadership Course 1986
- Basic Computer Courses 1980-1981
- Access/Database/Excel 2002

Francoise R. Cusson/2

Professional Experience:

- Chief Financial Officer, Androscoggin Valley Home Care Services, 2002 to present
- Irving Oil Corporations, Berlin, NH 1998 to 2002
 - Service Department Technician Scheduling and Dispatch
 - Service Billing
 - Inventory Control: Ordering, Receiving, Recording, Pricing
- The Oilman, Inc., Berlin, NH 1985-1998
 - Co-Owner and Office Manager
 - Accounts Receivable – Account Collections
 - Accounts Payable – Cash Flow
 - Payroll and Related Quarterly Reports
 - Bank Deposits and Statement Reconciliation
 - Preparation of Financial Statements
 - State and Federal Tax Reports
 - Service Department Billing
 - Inventory Receiving and Pricing
 - Customer Relations
- Hodgdon Energy, Inc., 1980-1985
 - Administrative Assistant
 - Service Department Dispatch
 - Service Billing
 - Inventory Receipts and Recording
 - Accounts Receivable Data Entry
- Berlin Oil Heating Co., Inc. 1978-1980 (part time)
 - Data Entry, Accounts Receivable Posting
 - Service Billing
- Berlin Savings Bank & Trust Co., 1966-1970
 - Data Entry Bookkeeping Department
 - Loan and Savings Department Teller

RESUME

Pauline Y. Tibbetts

EDUCATION

New Hampshire Vocational Technical College, Berlin NH
Licensed Practical Nurse Diploma Program, Graduated 1974

CONTINUING EDUCATION

Napnes Pharmacology Course
Certified Continuing Education Programs
Certified CCU Course
Basic Life Support-CPR Certified (renewed as needed)
Multiple Seminars and Conferences pertaining to Alzheimer's
Disease & Related Disorders
Support Group Coordinator/Facilitator Training
Hospice Training & Certified

WORK EXPERIENCE

<u>August 1997 to present</u>	Androscoggin Valley Home Care Services 795 Main Street Berlin, NH 03570 Client Services Coordinator
December 1993 to August 1997	St Vincent de Paul Nursing Home 39 Providence Avenue Berlin NH 03570 Director of Social Services
August, 1974 to December, 1995	Weeks Memorial Hospital Middle Street Lancaster, NH 03584 Staff Nurse
October 1987 to August, 1993	Tri-County CAP, NCEP North Country Alzheimer's Partnership 31 Pleasant Street Berlin, NH 03570 Program Coordinator

WORK EXPERIENCE (continued)

January 1982 to March, 1985	Mozes Variety Store Berlin, NH 03570 Co-Owner
June to October, 1973	Ship's Galley restaurant Berlin, NH 03570 Waitress
December, 1972 to April, 1973	Wildcat Ski Area Jackson, NH Bus Girl

WORK SKILLS

Nursing	Public Relations
Cashier	Inventory Control
General Bookkeeping	Accounts Payable
Scheduling	Team Leader
Ability to Work with Others	Group Facilitator
Telephone Communication Skills	Public Speaking
Leadership	Fundraising
Computer Skills	1:1 Counseling & Support

OTHER

Active member of BRCS PTO 1986 to 1995
Active member of BHS Backers 1995 to 2001
Past volunteer for school related functions
Past volunteer for North Country elderly Programs
Helped organized Alzheimer's Association, Greater New Hampshire Chapter
Past Vice President, President and BOD Member of Alzheimer's Association, Greater NH Chapter
Past coordinator of Greater NH Chapter-White Mountains Branch
Past Board member of DEAS New Hampshire Alzheimer's Advisory Board
Past member of North Country Alzheimer's Partnership Task Force
Assisted in organizing Death & Dying Committee at St. Vincent de Paul Nursing Home
Past Facilitator of Alzheimer's Disease & Related Disorders Support Group
Conduct In-services and Public Education Programs
Co-Facilitator of Rainbow Program at Berlin Regional Catholic School for 1 year
Notary Public
Marriage Preparation Advisor for Ste. Anne Parish, Berlin NH
Presently Board Member of Holiday Center, Berlin NH, have held positions of President, Vice President and Secretary

ANDROSCOGGIN VALLEY HOME CARE SERVICES

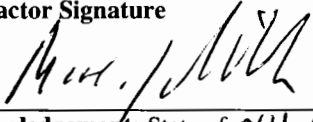
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Margo Sullivan	Executive Director	52,045	1%	4,018
Pauline Tibbetts	Client Services Coordinator	43,660	4%	16,071
Francoise Cusson	Finance Director	42,666	2%	8,035

Subject: Adult Day Program Services**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Area Agency of Greater Nashua, Inc.		1.4 Contractor Address 144 Canal Street Nashua, NH 03064	
1.5 Contractor Phone Number 603-459-2701	1.6 Account Number Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$131,602.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Richard Pietramalle, Board Chairman	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>5/21/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		JO-ANN J. SHEEHAN Notary Public - New Hampshire My Commission Expires October 16, 2018	
1.13.2 Name and Title of Notary or Justice of the Peace Jo-Ann Sheehan, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rocken Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M. K. Ben</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

Rep
5/21/14

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

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

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

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

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

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

7. PERSONNEL.
7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide Adult Day Program Services at the locations, hours, and days identified as:

Alvirne High School

200 Derry Road

Hudson, NH.

Monday through Friday from 8:00 am to 3:30 pm.

5. Services Provided in this Agreement

	Adult Day Program Services
Program:	
Title III	x
Title XX	x

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

- 6.1. Adult Day Services means a program that provides one or more of the following services for fewer than 12 hours a day to participants 18 years of age and older, based on an individual's needs:
- 6.2. Supervision in a protected environment;
- 6.3. The following services, as described in the NH Administrative Rule He-P 818.15:
 - 6.3.1. Personal care services;



Exhibit A

- 6.3.2. Health and safety services;
- 6.3.3. Dietary services;
- 6.3.4. Nursing services;
- 6.3.5. Social services; and
- 6.3.6. Recreational activities;
- 6.4. Monitoring of the individual's condition, and counseling, as appropriate, on nutrition, hygiene or other related matters; and
- 6.5. Referrals, as appropriate, to other services and resources that could assist the individual, including any necessary follow up.
- 6.6. Assistance and support to caregiving families.
- 6.7. Contract agencies providing adult day program services shall develop a person-centered plan for each individual in accordance with the NH Administrative Rule He-E 501.21.
- 6.8. The contractor shall be licensed in accordance with RSA 151:2 (f) and as governed by NH Administrative Rule He-P 818. In addition, contractors shall provide the specific services in accordance with NH Administrative Rules governing Adult Day Program Services He-E 501 and He-E 502; administered by the Bureau of Elderly and Adult Services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination



Exhibit A

The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.

- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
- 1) The reason(s) for the denial;
 - 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3) Contact information for requesting an appeal.

7.3.3. Redetermination of Service Eligibility.

The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.

7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
- 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.



Exhibit A

- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.



Exhibit A

- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
 - c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
 - d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.
- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
 - 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as Adult Day Program Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the Adult Day Program Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

- The number of hours served by client and by the cities or towns where the client comes from to attend the Adult Day Program.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.



Exhibit A

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio



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account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.



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- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area



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- (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

- 7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 7.20.2. Ensure the Department is provided with access that includes but is not limited to:
 - a) Data
 - b) Financial records
 - c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
 - d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
 - e) Scheduled phone access to Contractor principals and staff
 - f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

- 7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.



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- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
1. Require a corrective action plan for identified deficiencies, or
 2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and	30	10.0%

New Hampshire Department of Health and Human Services
Adult Day Program Services



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				represents 15% of the total risk assessment value.		
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk	3%	10.0%



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				assessment value.		
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	50%	10.0%
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rate per Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	Adult Day Program Services	\$7.25	\$73,602
Title III	Adult Day Program Services	\$7.25	\$58,000

3. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
Adult Day Program Services	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
Adult Day Program Services	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-566-500918

4. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
5. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
6. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
7. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State



Exhibit B

may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

8. Form Submission:

Prior to submittal of an invoice for Title III funded Adult Day Program Services, the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX Adult Day Program Services, the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

9. Invoice Submission:

- 9.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 9.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 9.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 9.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 9.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 9.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 9.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

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

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



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

New Hampshire Department of Health and Human Services
Exhibit C



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$3,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: *Area Agency of Greater Nashua, Inc.*

5/21/14
Date

[Signature]
Name: *Richard Pietravalle*
Title: *Chairperson*



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Area Agency of Greater Nashua, Inc.

5/21/14
Date

[Signature]
Name: Richard Pietravalle
Title: Chair person



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
 - 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Area Agency of Greater Nashua, Inc.

5/21/14
Date

Richard Pietravalle
Name: Richard Pietravalle
Title: Chairperson



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: Area Agency of Greater Nashua, Inc

5/21/14
Date

[Signature]
Name: Richard Pietraroale
Title: Chairperson



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: Area Agency of Greater Nashua, Inc.

5/21/14
Date

[Signature]
Name: Richard Pietralle
Title: Chairperson



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

NCP



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



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.

The State

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Date

Name of the Contractor

Signature of Authorized Representative

Name of Authorized Representative

Title of Authorized Representative

Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Area Agency of Greater Nashua Inc

5/21/14
Date

Richard Pretravaille
Name: Richard Pretravaille
Title: Chairperson

New Hampshire Department of Health and Human Services
Exhibit J



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: 193539343
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

_____ NO X 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 X 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: _____

CERTIFICATE OF VOTE

I, **James Leary**, do hereby certify that:

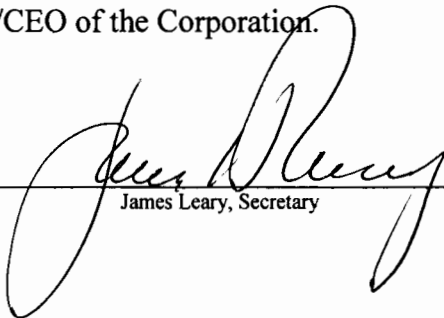
1. I am the duly elected Clerk of Area Agency of Greater Nashua, d.b.a. Gateways Community Services
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on **March 7, 2014**.

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Community Based Care Services, Bureau of Developmental Services, concerning the following matter:

To Provide: Elderly and Adult Services

RESOLVED: That the Chairman of the Board of Directors hereby is authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as (s)he may deem necessary, desirable or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of:
May 28, 2014
4. Richard Pietravalle is the President/CEO of the Corporation.


James Leary, Secretary

State of New Hampshire

County of Hillsborough

The foregoing instrument was acknowledged before me this 28 day of
May, 2014.

By James Leary


Name: **Jo-Ann Sheehan**
Title: Notary Public

(Seal)
(Notary Public)

Commission Expires:

JO-ANN J. SHEEHAN
Notary Public - New Hampshire
My Commission Expires October 16, 2018

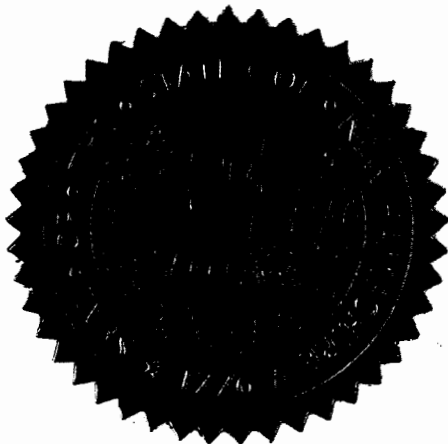
10/16/18 JS

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 Gateways Community Services is a New Hampshire trade name registered on March 20, 2008 and that AREA AGENCY OF GREATER NASHUA, INC. presently own(s) this trade name. I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 29th day of April, A.D. 2014

A handwritten signature in black ink, appearing to read "Wm Gardner", written in a cursive style.

William M. Gardner
Secretary of State

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/29/2014

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

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

PRODUCER USI Insurance Services LLC 5 Bedford Farms Drive, Ste 200 Bedford, NH 03110 603 625-1100	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): E-MAIL ADDRESS: <table border="1"> <tr> <th data-bbox="826 420 1445 451">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1445 420 1562 451">NAIC #</th> </tr> <tr> <td data-bbox="826 451 1445 483">INSURER A : Philadelphia Insurance Company</td> <td data-bbox="1445 451 1562 483">23850</td> </tr> <tr> <td data-bbox="826 483 1445 514">INSURER B : AIM Mutual Insurance Company</td> <td data-bbox="1445 483 1562 514">33758</td> </tr> <tr> <td data-bbox="826 514 1445 546">INSURER C :</td> <td data-bbox="1445 514 1562 546"></td> </tr> <tr> <td data-bbox="826 546 1445 577">INSURER D :</td> <td data-bbox="1445 546 1562 577"></td> </tr> <tr> <td data-bbox="826 577 1445 609">INSURER E :</td> <td data-bbox="1445 577 1562 609"></td> </tr> <tr> <td data-bbox="826 609 1445 634">INSURER F :</td> <td data-bbox="1445 609 1562 634"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Philadelphia Insurance Company	23850	INSURER B : AIM Mutual Insurance Company	33758	INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Philadelphia Insurance Company	23850														
INSURER B : AIM Mutual Insurance Company	33758														
INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															
INSURED Area Agency of Greater Nashua, Inc. dba Gateways Community Services 144 Canal Street Nashua, NH 03064															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC		PHPK1125239	01/23/2014	01/23/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS		PHPK1125239	01/23/2014	01/23/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$10000		PHUB447626	01/23/2014	01/23/2015	EACH OCCURRENCE \$3,000,000 AGGREGATE \$3,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	ECC04000286012012	07/01/2013	07/01/2014	☒ WC STATU-TORY LIMITS ☐ OTH-ER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	Professional Liab		PHPK1125239	01/23/2014	01/23/2015	\$1,000,000 Ea. incident \$3,000,000 Aggregate

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

This Certificate covers all operations usual and customary to the insured's business.

CERTIFICATE HOLDER

CANCELLATION

NH Dept. of Health and Human Services; Division of Community Based Care Services; Bureau of Elderly and Adult Services; RFA for Adult Day Program Services
 129 Pleasant St., Concord, NH

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

E. Arnold Z...

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Corporate Mission

Gateways Community Services believes that all people are of great value and strives to be innovative when providing quality supports needed for individuals to lead meaningful lives in their community.

**AREA AGENCY OF GREATER NASHUA, INC.
(D/B/A Gateways Community Services)**

AND AREA AGENCY PROPERTIES, INC.

Combined Financial Statements

For The Years Ended June 30, 2013 and 2012



P.A., Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To The Board of Directors
Area Agency of Greater Nashua, Inc.
and Area Agency Properties, Inc.
Nashua, New Hampshire

We have audited the accompanying combined financial statements of Area Agency of Greater Nashua, Inc. and Area Agency Properties, Inc., which comprise the combined statements of financial position as of June 30, 2013 and 2012, and the related combined statements of activities, combined statements of functional support and revenue, and combined statements of functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Area Agency Properties, Inc. were not audited in accordance with Government Auditing Standards.

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

451 Amherst St.
Nashua, N.H. 03063
(603) 886-1900

**AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**
COMBINED STATEMENTS OF FINANCIAL POSITION
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
<u>CURRENT ASSETS</u>		
Cash	\$ 4,436,185	\$ 1,310,283
Cash-escrow	459,201	442,759
Accounts receivable - Medicaid	1,282,261	3,370,915
Accounts receivable - other	233,452	729,645
Prepaid expenses	131,515	152,047
Refundable deposits	300	300
	<u>6,542,914</u>	<u>6,005,949</u>
 <u>PROPERTY & EQUIPMENT</u> , at cost, net of accumulated depreciation	 <u>2,089,305</u>	 <u>2,221,131</u>
 <u>OTHER ASSETS</u>		
Beneficial interest	28,346	25,674
Deposits	52,539	-
Loan fees, net	574	1,950
	<u>81,459</u>	<u>27,624</u>
	<u>\$ 8,713,678</u>	<u>\$ 8,254,704</u>
LIABILITIES AND NET ASSETS		
<u>CURRENT LIABILITIES</u>		
Current portion of long-term debt	\$ 226,161	\$ 49,873
Accounts payable	1,903,767	2,320,349
Other current liabilities	388,192	430,359
Unearned revenue	1,885,610	1,106,458
Client accounts	459,201	442,759
	<u>4,862,931</u>	<u>4,349,798</u>
 <u>LONG-TERM DEBT</u> , net of current portion	 <u>669,820</u>	 <u>894,622</u>
 TOTAL LIABILITIES	 <u>5,532,751</u>	 <u>5,244,420</u>
 <u>NET ASSETS</u>		
Unrestricted	3,157,595	2,985,112
Temporarily restricted	23,332	25,172
	<u>3,180,927</u>	<u>3,010,284</u>
	<u>\$ 8,713,678</u>	<u>\$ 8,254,704</u>

The Accompanying Notes Are An Integral Part
of These Financial Statements.

AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.
 COMBINED STATEMENTS OF CASH FLOWS
 For The Years Ended June 30, 2013 and 2012

	2013	2012
Cash flows provided by (used in)		
operating activities		
Cash received from public support and other revenue	\$ 39,354,633	\$ 33,587,563
Cash paid to suppliers and employees	(36,045,889)	(34,420,124)
Interest received	543	278
Interest paid	(51,041)	(60,663)
Net cash provided by (used in) operating activities	3,258,246	(892,946)
Cash flows provided by (used in)		
investing activities		
Capital expenditures	(31,291)	(104,070)
Cash flows provided by (used in)		
financing activities		
Payments on long-term debt	(48,514)	(44,721)
Deposits paid	(52,539)	-
Net cash used in financing activities	(101,053)	(44,721)
Net increase (decrease) in cash	3,125,902	(1,041,737)
Cash, Beginning of Year	1,310,283	2,352,020
Cash, End of Year	\$ 4,436,185	\$ 1,310,283

The Accompanying Notes Are An Integral Part
 of These Financial Statements.

**AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**
COMBINING STATEMENT OF FUNCTIONAL SUPPORT AND REVENUE
For The Year Ended June 30, 2013

	General Management	Fundraising	Adult Services	Children Services	Elder Services	Medicaid Infrastructure	Total Area Agency Revenues	Area Agency Properties	Eliminations	2013 Total
Medicaid	\$ -	\$ -	\$ 29,688,502	\$ 2,072,932	\$ 935,684	\$ 69,345	\$ 32,766,463	\$ -	\$ -	\$ 32,766,463
Division of Developmental Services	-	-	301,011	551,304	-	-	852,315	-	-	852,315
Other grants	-	-	92,214	84,630	374,437	-	551,281	-	-	551,281
Client fees	-	-	144,749	-	-	-	144,749	-	-	144,749
ADSP revenue	-	-	-	-	240,168	-	240,168	-	-	240,168
Rental income	-	-	24,121	-	-	-	24,121	366,228	(366,228)	24,121
Interest income	-	-	-	237	-	-	237	306	-	543
Increase in beneficial interest	-	-	-	-	-	-	2,854	-	-	2,854
Other revenues	2,751	-	196,171	95,946	192,505	-	487,373	-	-	487,373
Plus services	81,996	-	-	-	-	-	81,996	-	-	81,996
United Way	-	-	3,735	-	9,321	-	13,056	-	-	13,056
Third party insurance	-	-	-	415,520	-	-	415,520	-	-	415,520
Production service revenue	5,789	240	192,860	117,257	-	-	316,146	-	-	316,146
Contributions	-	34,554	23,924	20,451	96,370	-	175,299	-	-	175,299
Management fees	-	-	76,667	-	-	-	76,667	-	(76,667)	-
Total Functional Support and Revenue	\$ 90,536	\$ 37,648	\$ 30,743,954	\$ 3,358,277	\$ 1,848,485	\$ 69,345	\$ 36,148,245	\$ 366,534	\$ (442,895)	\$ 36,071,884

The Accompanying Notes Are An Integral Part
of These Financial Statements.

**AREA AGENCY OF GRASSER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**
COMBINING STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended June 30, 2013

	General Management	Fundraising	Adult Services	Children Services	Elder Services	Medicaid Infrastructure	Area Agency Expenses	Area Agency Properties	Eliminations	2013 Expenses
Personnel Costs										
Salary and wages	\$ 1,118,993	\$ 30,737	\$ 3,552,885	\$ 1,476,261	\$ 1,067,008	\$ 13,669	\$ 7,259,553	\$ -	\$ -	\$ 7,259,553
Employee benefits	331,131	7,434	622,825	268,291	152,283	4,180	1,386,144	-	-	1,386,144
Payroll taxes	86,799	2,425	279,993	118,034	84,022	995	572,268	-	-	572,268
Substitute staff	39,994	1,044	4,671	94	14,466	3	60,272	-	-	60,272
Professional fees and consultants										
Client treatment and services	178	277	401,261	912,343	245,103	-	1,559,162	-	-	1,559,162
Accounting and auditing	24,504	-	-	-	-	-	24,504	-	-	24,504
Legal	27,200	-	1,966	-	-	-	29,166	-	-	29,166
Other	214,855	4,467	327,326	88,390	19,206	76,715	730,959	6,365	(6,365)	730,959
Staff development and training	23,783	3,568	59,673	19,807	4,579	386	111,796	-	-	111,796
Occupancy costs										
Rent	37,472	1,161	282,801	54,592	101,648	1,824	479,498	-	(318,228)	161,270
Mortgage interest	-	-	13,818	-	-	-	13,818	-	-	13,818
Electricity and other utilities	7,223	224	38,882	10,523	4,587	352	61,791	-	-	61,791
Maintenance and repairs	8,423	261	53,316	12,346	5,666	410	80,422	152,680	(118,302)	114,800
Real estate taxes	-	-	935	-	-	-	935	22,837	-	23,772
Other occupancy costs	-	-	-	-	-	-	-	2,520	-	2,520
Consumable supplies										
Office	11,331	350	11,386	11,407	5,787	330	40,591	-	-	40,591
Building & household	19,101	64	20,002	17,265	5,153	840	62,425	410	-	62,835
Equipment rental	8,272	256	12,925	12,569	5,413	403	39,838	-	-	39,838
Equipment maintenance	23,292	122	6,175	5,759	4,270	192	39,810	-	-	39,810
Advertising	2,415	2,250	9,608	4,883	2,264	(233)	21,187	-	-	21,187
Printing	1,352	6,258	2,065	4,154	609	32	14,470	-	-	14,470
Telephone	9,885	482	25,040	13,404	11,081	536	60,428	344	-	60,772
Postage	7,898	1,771	12,293	10,771	6,759	360	39,852	-	-	39,852
Transportation	7,267	1,702	198,566	42,257	22,930	303	273,025	4,313	-	277,338
Client services	-	-	211,904	26,617	8,217	-	246,738	-	-	246,738
Insurance	17,733	283	15,549	13,327	6,169	445	53,506	21,298	-	74,804
Membership dues	52,365	12	50,943	42,129	1,772	17	147,238	-	-	147,238
Other expenditures	10,562	13,739	28,073	6,329	6,209	80	64,992	86	-	65,078
Subcontractor	-	-	22,317,534	70,530	16,065	-	22,404,129	-	-	22,404,129
Grants	100	9,472	12,651	25,377	5,450	-	53,050	-	-	53,050
Loss on disposal of asset	-	-	-	-	-	-	-	13,251	-	13,251
Total Expenses	2,092,128	88,359	28,575,066	3,267,459	1,806,716	101,839	35,931,567	261,327	(442,895)	35,749,999
Add: Depreciation & amortization	-	151	32,617	5,523	2,371	171	40,833	110,409	-	151,242
Area Agency Properties expenses	18,285	687	302,977	28,977	15,833	4,977	371,736	(371,736)	-	-
Less: Eliminations	(22,887)	(861)	(356,830)	(36,270)	(19,818)	(6,229)	(442,895)	-	(442,895)	-
	\$ 2,087,526	\$ 88,336	\$ 28,553,830	\$ 3,265,689	\$ 1,805,102	\$ 100,758	\$ 35,901,241	\$ -	\$ -	\$ 35,901,241

The Accompanying Notes Are An Integral Part
of These Financial Statements.

**AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS

For The Years Ended June 30, 2013 and 2012

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Agency provides a comprehensive service delivery system for people in southern New Hampshire with developmental disabilities and elders in need of long-term care. Its primary funding sources are federal and state governmental programs.

Combined Financial Statements

The combined financial statements include the accounts of Area Agency of Greater Nashua, Inc. and Area Agency Properties, Inc. All material intercompany accounts and transactions have been eliminated.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Support is recorded when received or pledged. Revenue is recorded when services are rendered. Expenses are recorded when the obligation has been incurred. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations. All contributions are considered to be available for unrestricted use unless specifically restricted by donor.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Agency and/or the passage of time. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Agency. There were no permanently restricted net assets at June 30, 2013 and 2012.

**AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**
NOTES TO COMBINED FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 and 2012

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the programs and supporting services benefited.

Statement of Cash Flows

The Agencies consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Bad Debts

The Agencies use the allowance method of accounting for bad debts. An allowance of \$63,540 and \$58,325 was required as of June 30, 2013 and 2012, respectively. The allowance is based upon specific identification by management.

NOTE B. PROPERTY AND EQUIPMENT

As of June 30, 2013 and 2012, property and equipment consisted of the following:

	2013	2012
Furniture and equipment	\$ 388,392	\$ 362,317
Land	467,842	467,842
Building and improvements	<u>2,821,791</u>	<u>2,855,142</u>
	3,678,025	3,685,301
Less accumulated depreciation	<u>1,588,720</u>	<u>1,464,170</u>
	<u>\$ 2,089,305</u>	<u>\$ 2,221,131</u>

**AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**

NOTES TO COMBINED FINANCIAL STATEMENTS

For The Years Ended June 30, 2013 and 2012

NOTE E. CONTINGENT LIABILITIES (Continued)

The Agencies received money under various state and federal programs. Under the terms of these programs, the Agencies are required to use the money within the period for purposes specified in the proposal. If expenditures of the program are found not to have been made in compliance with the proposal, the Agencies might be required to repay the funds.

Because specific amounts, if any, have not been determined by governmental audits or assessed as of June 30, 2013 and 2012, no provision has been made for this contingency.

NOTE F. ADVANCED PAYMENTS

The State of New Hampshire changed its Medicaid billing services provider in 2013. During the time period of the change, the Agency was unable to receive approval for claims or receive timely payment on approved claims. The State of New Hampshire advanced payments for services rendered during the period. The advanced payments totaled \$2,727,559 at June 30, 2013 and were reported as a reduction of accounts receivable.

NOTE G. UNEARNED REVENUE

Unearned revenue consists primarily of the prorated portion of revenue billed under individual care contracts in excess of the amount earned at June 30, 2013 and 2012.

NOTE H. CONCENTRATION OF RISK

The Area Agency of Greater Nashua, Inc. maintains accounts at two banks. Cash at one of these institutions totaled \$5,004,909 and \$2,055,193 as of June 30, 2013 and 2012, respectively. The account was insured by the Federal Deposit Insurance Corporation without limit from December 31, 2010 through December 31, 2012 as it is a non-interest bearing account. As of June 30, 2013, \$4,754,909 was uninsured.

The Agency received 93% of its revenue through contracts with the State of New Hampshire in 2013 and 2012. The federal government, through the Medicaid program, provided 91% of these funds for each year.

NOTE I. AFFILIATES

Area Agency of Greater Nashua, Inc. controls, through a majority representation on the board, one other not-for-profit organization. The Organization

**AREA AGENCY OF GREATER NASHUA, INC.
AND AREA AGENCY PROPERTIES, INC.**
NOTES TO COMBINED FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 and 2012

NOTE J. FUNDS HELD BY OTHERS (Continued)

The Area Agency of Greater Nashua, Inc. is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation. Pursuant to the terms of the resolution establishing this fund, property contributed to The New Hampshire Charitable Foundation is held as a separate fund designated for the benefit of Area Agency of Greater Nashua, Inc. In accordance with its spending policy, the Foundation can make distributions from the fund to Area Agency of Greater Nashua, Inc. The distributions are approximately 4.5% of the market value of the fund per year. The estimated value of the future distributions from the fund are included in these financial statements as required; however, all property in the fund was contributed to The New Hampshire Charitable Foundation to be held and administered for the benefit of Area Agency of Greater Nashua, Inc.

No contributions were made to the fund for the years ended June 30, 2013 or 2012. There was no distribution in the current year or prior year. The market value of the fund assets was \$28,346 on June 30, 2013, and \$25,674 on June 30, 2012.

NOTE K. NET ASSETS TEMPORARILY RESTRICTED

Temporarily restricted net assets are available for the following purposes or periods:

Special Purpose Restrictions:	2013	2012
TD Bank PIH	\$ 3,059	\$ 1,349
FS Recreation Program	2,506	4,536
Home/Vehicle Modification	-	1,309
Speedway Children's Charities	-	2,800
Transition Model	5,371	5,700
Alexander Eastman	3,682	5,263
Epic Man - Mission Possible Grant	3,990	3,990
First Church of Nashua	225	225
City of Nashua - Home Safety	1,999	-
Rotary Club ABSP	2,500	-
	<u>\$ 23,332</u>	<u>\$ 25,172</u>

AREA AGENCY OF GREATER NASHUA, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
For The Years Ended June 30, 2013 and 2012

NOTE M. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Beneficial Interest in the Foundation

The fair value of beneficial interest in the Foundation is based upon the fair value of the assets held by the Foundation.

The following tables present the Club's fair value hierarchy for the investments as of June 30, 2013 and 2012.

2013				
	Total	Quoted Prices Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Beneficial Interest in Foundation	\$ 28,346	\$ -	\$ 28,346	\$ -

2012				
	Total	Quoted Prices Active Markets for Identical Assets Level 1	Significant Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Beneficial Interest in Foundation	\$ 25,674	\$ -	\$ 25,674	\$ -

NOTE N. DATE OF MANAGEMENT EVALUATION OF SUBSEQUENT EVENTS

Subsequent to June 30, 2013, the Agency refinanced one of its notes payables that had a balloon payment due November 17, 2013. The total amount refinanced was \$185,000 with a term of ten years and an interest rate of 4.55%.

Management has evaluated events through December 18, 2013, the date that the financial statements were available to be issued.

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

To The Board of Directors
Area Agency of Greater Nashua, Inc.
Nashua, New Hampshire

We have audited the combined financial statements of Area Agency of Greater Nashua, Inc., which comprise the combined statement of financial position as of June 30, 2013, and the related combined statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Area Agency Properties, Inc. were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Area Agency Properties, Inc. We have expressed a qualified opinion on the financial statements due to the exclusion of the financial statements of an affiliate.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Area Agency of Greater Nashua, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Area Agency of Greater Nashua, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a



P.A., Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133

To The Board of Directors
Area Agency of Greater Nashua, Inc.
Nashua, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Area Agency of Greater Nashua, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Area Agency of Greater Nashua, Inc.'s major federal programs for the year ended June 30, 2013. Area Agency of Greater Nashua, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Area Agency of Greater Nashua, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Area Agency of Greater Nashua, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Area Agency of Greater Nashua, Inc.'s compliance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Seelye & Schulz, P.A. CPAs

Seelye & Schulz, P.A.
Certified Public Accountants
Nashua, New Hampshire
December 18, 2013

AREA AGENCY OF GREATER NASHUA, INC.,
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
MAJOR FEDERAL AWARD PROGRAMS AUDIT
For The Year Ended June 30, 2013

FINDING – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS

None.

JUNE 30, 2012 FINDINGS

None.

**Gateways Community Services
Board of Directors List**

Richard Pietravalle
Edgar Carter
James Leary
Joseph Gamache
Carol Bambrick
Craig Beck
Leah Brokhoff
Peggy Gilmour
Ken Coleman
Joseph Marshall
Helen Honorow
Jim McKenna
Thomas McCartney
Lauren Primmer
Tim McMahon
Marc Sadowsky
Richard Quinlan
James Testaverde
Mark Thornton

RIP
5/21/14

SANDRA B. PELLETIER

Gateways Community Services,

PROFESSIONAL SUMMARY

Chief Executive of a non-profit organization for the past 30 years. Experience includes hands-on leadership in all development phases of a community-based service delivery system (second largest of ten regions within the State of New Hampshire). Extensive background in all aspects of non-profit organization and oversight. Responsibilities include: executive and financial management; initiation of a close-knit affiliation between the Gateways and PLUS Company Boards of Directors, structuring and nurturing of community and civic partnerships between the Gateways, a myriad of vendors and sponsors, grant writing, strategic planning and total quality management. Experience also involves re-engineering, including new development and mergers, and significant involvement in redefining public policy vis-à-vis the legislative process. Consultant to other states in the field of developmental disabilities and elder participant driven services.

EDUCATION

Leadership New Hampshire Certificate Intensive 10-month statewide leadership development program (seminar format)	1994
Anitoch College Management Institute, Keene, NH Certificate Management of Non-Profit Agencies	1983
University of New Hampshire, Durham, NH M.Ed. Developmental Disabilities	1979
University of Maine, Orono, ME B.A. Speech Pathology Summa Cum Laude, Phi Beta Kappa	1977

PERSONAL AWARDS

Easter Seals Special Achievement in the area of developmental services	2003
"Citizen of the Year" designate, The PLUS Company, Nashua, NH	2001
Recipient, "Book of Golden Deeds Award" from the Nashua Exchange Club	1991
Recipient, "Distinguished Service Award in the field of Developmental Disabilities", New Hampshire Developmental Disabilities Service Providers	1989

CORPORATE AWARDS

Recognized nationally as the primary entrepreneurial leaders for Consumer Directed Services By the Center on Human Policy, Syracuse University	2012
Recipient of "The Walter J. Dunfey Award for Excellence in Management" from the New Hampshire Charitable Foundation - The Corporate Fund	1990

EXPERIENCE

Gateways Community Services, Nashua, NH President/CEO	1983 - Present

Oversees a \$38 million private non-profit corporation, recognized nationally as a highly effective model of delivery, and one promoting community participant driven services. Responsibilities include executive oversight and fiscal management of new development, operations, and maintenance of a continuum of services to 2,900 children and adults with disabilities, their families, and elder in need of long term care in the State of New Hampshire and Massachusetts. Gateways is supported by the State's general funds, Federal Medicaid billings, Insurance dollars and Development dollars

Manages Two Subsidiary Corporations/Organizations:

- The PLUS Company, Inc. a 9 million dollar residential and vocational provider for 200 students and adults with disabilities in need of support services, in New Hampshire and Northern Massachusetts
- Area Agency Housing Corporation, a property holding company

Community Support Network, Inc. (CSNI), Concord, NH
President of the Board/Founder

1995 - 1998
2004 - 2006
2011 - 2013

Executive Board member of a formal alliance of ten area agencies whose network, with revenues totaling approximately \$136 million dollars, is governed by a board of directors comprised of the Executive Directors of each of the area agencies. CSNI is an organizational tool designed to achieve continuing improvements in operating economies - quality of services, integration and innovation - while accessing needed resources to meet expanding community needs.

The PLUS Company, Nashua, NH
Deputy Director

1981 - 1983

A provider of residential and supported work programs for the disabled, PLUS Company manages and oversees development of the newly created Area Agency system, mandated by the State of New Hampshire (in lieu of services provided by the now de-institutionalized Laconia State School for residents) to create, maintain and grow local resources for individuals who are developmentally disabled.

BOARD MEMBERSHIPS

Endowment for Health Foundation - President of the Board
Endowment for Health Foundation- Vice Chair of the Board
Rotary of Nashua West
The PLUS Company, Nashua, NH
CSNI, Concord, NH (founding Board Chair)
Present Regional Special Education Consortium, Amherst, NH

2012 - Present
2008 - 2012
2002 - Present
1996 - Present
1995 - Present
1992 - Present

CHIEF FINANCIAL OFFICER

Professional capable of immediate impact on organization's issues with respect to finance/fiscal operations, corporate tax, audit, budget preparation, revenue recognition, reporting and compliance, data analysis, strategic and organizational planning, business operations and administration.

SUMMARY OF QUALIFICATIONS

M.B.A., C.P.A. with extensive professional experience in financial/fiscal operations, performance and business analysis, compliance, staff development and training, business operations and administration. Bottom-line individual with a solid track record for increasing operational efficiency, generating cost savings and contributing to company profits. Demonstrated ability to coordinate and manage multiple complex projects simultaneously. Designed/implemented policies and procedures with respect to business, finance/fiscal operations and administration. Proven ability to interface with all levels of an organization, to lead, to motivate and to get the job done. Reliable, goal-oriented achiever, Innovative problem solver, and effective decision-maker. Excellent communication, leadership, interpersonal, presentation and organizational skills.

Expertise and knowledge in financial areas such as:

- Certified Public Accountant	- Audits/Internal Controls	- Policy Design
- International Operations	- Finance/Fiscal Operations	- Budgeting
- Strategic/Organizational Planning	- Revenue Recognition	- Corporate Tax
- Foreign Currency Translations	- System Implementation	- Staff Development
- Consolidated Financials	- Procurement of Goods	- Asset Management

SELECTED ACCOMPLISHMENTS

IMPROVED consolidated financial statement timeliness and accuracy by reducing cycle time by three days through process improvements despite headcount reductions. The consolidated financials include American, European, and Asian operations. The financial statement and narrative summary are completed within six workdays of month end for presentation to the Board of Directors.

COORDINATED annual audit and tax return prepared by Ernst & Young resulting in savings of \$15K. Responsible for preparing consolidated financial statements through supporting documentation including footnotes for American, European, and Asian operations. Corporate tax includes six state returns.

DEVELOPED accounts receivable policies and procedures and initiated billing to worldwide customers. Responsible for global billing, collecting, and establishing customer credit limit. Billing is generated within two working days of month end. One hundred percent of billings have been collected to date.

SUCCESSFULLY implemented three new accounting systems for organizations. Also served as part of organization-wide implementation team to coordinate all applications throughout firm.

PROFESSIONAL EXPERIENCE

AREA AGENCY OF GREATER NASHUA, INCORPORATED, Nashua, NH

2003 – present

Chief Financial Officer

- Responsible for the day to day business operations of the Area Agency.

ACCELLION INCORPORATED, Auburn, NH (Global Internet Start Up)

2001 – 2003

Senior Finance Manager

- Promoted to Senior Finance Manager within six months.
- Prepared monthly consolidated financial statements for Board of Directors, including consolidation of American, Asian, and European operations; and maintain a level of proficiency in foreign currency exchange transactions.
- Monitored cash on a daily basis; reported weekly cash forecast (American, European, and Asian) to CFO for global operations; monitored global budget; and monitored global accounting policies and procedures; and prepared annual audit and corporate tax returns including multiple states returns.
- Managed all accounts receivable, including functions such as new client set-up, billing, follow-up, customer relations, and collections.

Senior Accountant

- Implemented General Ledger, Accounts Payable/Receivable functions for a global Internet start-up.
- Prepared monthly close of American operations including preparation and posting of all required journal entries.
- Installed Best Fixed Asset System software for asset tracking; monitored all worldwide fixed assets.

MONADNOCK COMMUNITY HOSPITAL, Peterborough, NH

1989-2000

Accounting Manager

- Supervised the Accounting and Accounts Payable functions of the Hospital and prepared monthly financial and statistical information for Management, Board of Trustees, and Affiliated Healthcare entities.
- Served as Hospital resource for all financial issues; prepared and monitored operating and capital budgets; handled all receipts and disbursements; monitored cash position of a daily basis; maintained the fixed asset system; and oversaw the processing of accounts payable invoices for payment; managed the Hospital insurance policies (Workers Compensation, Property, and Umbrella), including the functions of contracting, monitoring, and upgrading the Hospital insurance portfolio.
- Chaired capital budget, investment, management information system, condo association, and Y2K committees; active member of strategic operations, finance, resource, and leadership committees.
- Presented monthly financial statements to the Board of Trustees, Finance Committee, and Leadership Group and acted as liaison for all financial matters pertaining to the Hospital as Interim Chief Financial Officer from February through April 2000.

PURDY, BORNSTEIN, HAMEL & BURRELL CPA's, Salem, NH

1988-1989

Senior and Staff Accountant

- Performed audit, review, and compilation engagements; prepared corporate, partnership, and personal tax returns.

EDUCATIONMaster of Business Administration, New Hampshire College, Manchester, NHBachelor of Science in Accounting, New Hampshire College, Manchester, NH**LICENSE/CERTIFICATION**

Licensed Certified Public Accountant in the State of New Hampshire

ASSOCIATIONS/AFFILIATIONS

New Hampshire Society of CPAs, Milford Community Athletic Association (MCAA) Coach,
Volunteer – Nashua Soup Kitchen

BETH RAYMOND

EDUCATION: Masters Degree in Education
University of New Hampshire, Durham NH
Areas of concentration: Guidance and Personnel Services

EMPLOYMENT HISTORY:

November 1990 to Present

Gateways Community Services (formerly Area Agency of Greater Nashua, Inc.)

Vice President of Individual and Family Services

Responsible to assist the President/CEO in the administration of Gateways Community Services. Currently supervise Service Coordination, Family Support and Adult Day Service Program. Have supervised the following programs: Infant and Toddler, Benefits Dept., Maintenance, Elders Case Management, Early Intervention and Pediatric Therapy Program.

July 1989-November 1990

Area Agency for Developmental Services of Greater Nashua
Community Resource Developer

Responsible to maximize the Area Agency's use of rental assistance programs, low income housing finance programs, untapped funding sources and alternative housing models.

1986-1989

Nashua Housing Authority
Assistant Executive Director

Responsible to assist the Executive Director in the administration of the Nashua Housing Authority, senior member of Management Team and special projects.

1984-1986

Nashua Housing Authority
Director of Management and Occupancy

Responsible for administration of Public House Program and Section 8 Housing Programs including certificates, vouchers, rental rehabilitation program and moderate rehabilitation program.

- 1980-1984 *Nashua Housing Authority*
Director of Resident Services
- Responsible to meet the social service needs of residents through referral to appropriate agency, development of direct service program.
- 1977-1980 *Nashua Housing Authority*
Adult Day Service Program Coordinator
- Responsible for the creation and maintenance of Nashua's first Adult Day Care Program.
- 1974-1977 *Community Council Mental Health Center*
Mental Health Worker
- Participated on team which developed and implemented Nashua's first partial hospitalization program for chronically mentally ill patients.

PROFESSIONAL AND COMMUNITY AFFILIATIONS

Service Link – Board of Directors

Mary Beth Smaha

Education

Northeastern University, Boston, MA
Master of Business Administration

New England Deaconess Hospital, Boston, MA
Dietetic Internship

Rivier College, Nashua
Bachelors of Science

Professional Experiences

Gateways Community Services (formerly Area Agency of Greater Nashua, Inc.)

Director of Gateways for Seniors – 2013- present

- Develops and implements multi-service non-medical in-home support programs for seniors and adults with chronic illness with two revenue streams, Medicaid and privately paid from the client, or an insurance company. Provides outreach to business, community organizations, and groups in order to generate service sales leads in Hillsborough and Rockingham Counties.

Adult Day Service Manager 2005-2013

- Responsible for the planning, coordinating and effectively implementing of the Adult Day Service Program and supervision of all staff

New England Home Therapies, Southborough, MA.

Nutrition Care Coordinator - 1996 – 2005

- Process new referrals for patients receiving tube feeds – coordinate patient teaching, VNA services and insurance authorization.
- Assess nutritional status of enteral and TPN patients as requested. Evaluate clinical, nutritional and metabolic response to therapy. Monitor and revise nutrition plan based on changes in patient status.
- Assist in the development of policies and procedures for patient care and operation.
- Support reimbursement staff by procuring medical documentation and justification of services and obtaining authorization from case managers.

State of New Hampshire, Department of Special Medical Services, Concord, NH

Pediatric Nutrition Consultant - 2002 – 2004

- Make home visits to interview parents/caregivers and patients to obtain medical, nutritional, medication, and psychosocial history to assess nutritional status of children identified at high nutritional risk.
- Complete nutrition assessment based on above findings.
- Educate parents/caregivers and patients on suggested plan and communicate findings and recommendations with community physicians and clinicians. Monitor outcome with follow up home visits and discussions with physicians.

Children's Hospital, Boston, MA

Clinical Nutrition Manager - 1989 – 1996

Annemarie Conroy

Education

University of Southern Maine, Portland, ME
Associate Degree Therapeutic Recreation 1981

Park Danforth, Portland, ME
Internship summer 1981

University of Southern Maine, Portland, ME
Studied Nursing, Three nursing 1982-1985

Professional Experiences

Gateways Community Services Nashua, Inc.

Adult Day Service Program Activity Manager – 2006-Present

Nashua Center, Nashua, NH

Day Program – 2005-2006

Cooperative Elder Services, Adult Day, Lexington, MA

Activity Aid-2004

Park Danforth, Portland, ME

Security-Three years 1982

Responsibilities included securing Building, handle emergencies and all other issues that arose.

Danforth Nursing Home-Portland, ME

Certified Nurses Aid-One year.1982

Various Home Health Agencies-Portland, ME

CNA for 3 or more years during college and summer.

CONTRACTOR NAME

Key Personnel

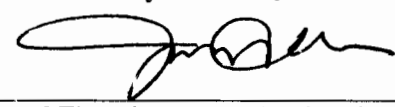
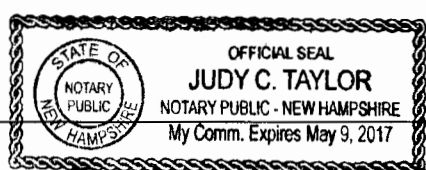
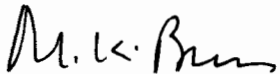
Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Sandy Pelletier	President/CEO	\$149,999.98	0	0
Tim Leach	CFO	\$88,082.28	0	0

AP
5/21/14

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Area HomeCare Family Services, Inc.		1.4 Contractor Address 1320 Woodbury Avenue Portsmouth, NH 03801	
1.5 Contractor Phone Number 603-436-9059	1.6 Account Number Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$1,518,401.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jill Johnstone-Chair	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Rockingham</u> On <u>5/21/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Judy C. Taylor, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockham Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G&C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services: All cities and towns in Rockingham County.

5. Services Provided in this Agreement

	In Home Care Services	Services	
		In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	na	na
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



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Exhibit A

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier

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Exhibit A

- management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
- 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
- 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
- 6.2.1.2. receiving referrals from an individual's health care provider(s),
- 6.2.1.3. performing evaluations of individuals' medical needs,
- 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
- 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
- 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
- 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
- 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
- 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
- 6.3.3. The following nursing services shall be covered based on the individual's need:
- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.



Exhibit A

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
- 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
- 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
 - The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
 - 1) The reason(s) for the denial;
 - 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3) Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
 - The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.
- 7.3.4. Termination of Services.
 - Services shall be terminated when:



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- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.



Exhibit A

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.

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- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.
-

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



Exhibit A

is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

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- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait

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list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
- d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.



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- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

1. Require a corrective action plan for identified deficiencies, or
2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.



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- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

<i>Category</i>	<i>Name of Ratio</i>	<i>Description</i>	<i>How it is Calculated</i>	<i>What the Ratio Measures</i>	<i>Benchmark</i>	<i>Percentage of Total Risk Assessment</i>
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates as identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$1,453,020
Title IIIB	In Home Care Services	\$8.38	\$65,381
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	N/A
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.

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Exhibit B

6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.

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[Handwritten Date: 7/2/14]

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- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.

[Handwritten Signature]
[Handwritten Date: 5/2/14]



SPECIAL PROVISIONS

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

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

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2/1/14



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

mg
Date *7/2/14*



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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[Handwritten Date: 5/21/14]



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

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Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.

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Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and

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CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

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2/11/14



- 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)

Client's homes in Rockingham County.

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

Contractor Name: *Area HomeCare Family Services, Inc*

5/21/14
Date

[Signature]
Name: *Jill Johnstone*
Title: *Chair*

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5/21/14



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: *Area Home Care & Family Services, Inc.*

5/21/14
Date

[Signature]
Name: *Jill Johnstone*
Title: *Chair*



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

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

5/21/14
Date

[Signature]
Name: Jill Johnstone
Title: Chair

[Signature]
Date 5/21/14



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: Aree Home Care & Family Services, Inc.

5/21/14
Date

[Signature]
Name: Jill Johnstone
Title: Chair

Contractor Initials ny
Date 5/21/14



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: Area Home Care Family Services, Inc.

5/21/14
Date

[Signature]
Name: Jill Johnstone
Title: Chair

Contractor Initials ms
Date 5/21/14



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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

mk
3/21/14



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

[Handwritten Signature]
5/21/14



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

WY
5/21/14



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

[Handwritten Signature]
5/21/14



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.

The State

Signature of Authorized Representative

Shari Rockbarn

Name of Authorized Representative

Director

Title of Authorized Representative

5/27/14

Date

Area Home Care & Family Services, Inc.

Name of the Contractor

Signature of Authorized Representative

Jill Johnstone

Name of Authorized Representative

Chair

Title of Authorized Representative

5/21/14

Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Area Home Care + Family Services, Inc.

5/21/14
Date

[Signature]
Name: Jim Johnstone
Title: Chair

WJ
5/21/14



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: 602030181
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 X 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: _____

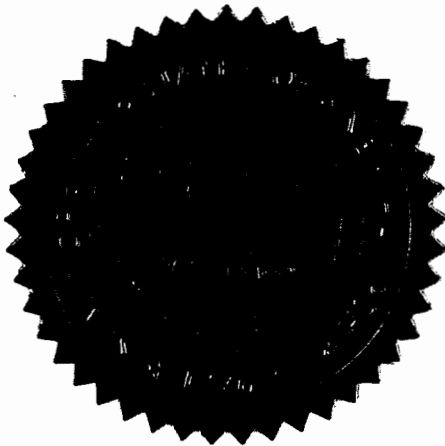
MS
5/21/14

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 AREA HOMECARE FAMILY SERVICES, INC. is a New Hampshire nonprofit corporation formed January 27, 1972. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 29th day of April A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

I, CAMIE DE STEFANO SECRETARY, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of AREA HOMECARE & FAMILY SERVICES, INC.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 4/28/14:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, , for the provision of

IN-HOME CARE services.

RESOLVED: That the CHAIR OF BOARD OF DIRECTORS
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 21ST day of MAY, 2014.
(Date Contract Signed)

4. JILL JOHNSTONE is the duly elected CHAIR
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Camie De Stefano
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Rockingham

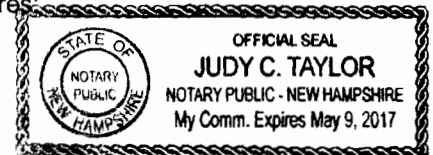
The forgoing instrument was acknowledged before me this 21st day of May, 2014.

By Camie De Stefano
(Name of Clerk of the Corporation)

(NOTARY SEAL)

[Signature]
(Notary Public/Justice of the Peace)

Commission Expires:





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/5/2014

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

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

PRODUCER Masiello Insurance Agency 234 Lafayette Road Hampton NH 03842		CONTACT NAME: Jamie DeStefano PHONE (A/C, No. Ext.): (603) 601-1281 FAX (A/C, No.): (603) 215-2857 E-MAIL ADDRESS: jamied@masiello.com	
INSURED Area HomeCare & Family Services, Inc. The Ballard Building 1320 Woodbury Avenue Portsmouth NH 03801		INSURER(S) AFFORDING COVERAGE INSURER A: Hanover Insurance Company INSURER B: Wesco Insurance INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER: CL145508007

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 SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR		ZHV926516402	8/9/2013	8/9/2014	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 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ Included
	GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC					
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☒ ALL OWNED AUTOS ☐ HIRED AUTOS ☒ SCHEDULED AUTOS ☐ NON-OWNED AUTOS		ABV926528102	8/9/2013	8/9/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	☒ UMBRELLA LIAB ☐ EXCESS LIAB DED ☐ RETENTION \$ 0	☐ OCCUR ☐ CLAIMS-MADE		UHV926567602	8/9/2013	8/9/2014
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ N	N/A	5/1/2014	5/1/2015	☒ WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Professional Liability Occurrence Form		ZHV926516402	8/9/2013	8/9/2014	Each occurrence \$1,000,000 Aggregate \$3,000,000

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

CERTIFICATE HOLDER**CANCELLATION**

State of New Hampshire DHHS Bureau of Elderly & Adult 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 Jamie DeStefano/JAMIE <i>Jamie B. DeStefano</i>

Area HomeCare & Family Services, Inc.

Mission Statement
Bylaws - Article III
Section 3.1 Powers and Purposes

The purpose of the corporation shall be to;

Our mission is to provide non-medical home care services to the elderly and adults with disabilities, so they may remain in their homes for as long as possible.

AREA HOMECARE & FAMILY SERVICES, INC. *N* ②

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2013
with Summarized Financial Information
for the Year Ended June 30, 2012

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Sanders & Karcher
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Area HomeCare & Family Services, Inc.

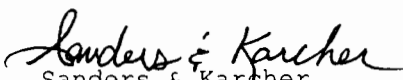
We have audited the accompanying statement of financial position of Area HomeCare & Family Services, Inc. (a nonprofit organization) as of June 30, 2013 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based upon our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Area HomeCare & Family Services Inc. as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated October 7, 2013 on our consideration of Area HomeCare & Family Services, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Area HomeCare & Family Services, Inc. taken as a whole. The accompanying supplementary information and schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Sanders & Karcher
Portsmouth, New Hampshire
October 7, 2013

AREA HOMECARE & FAMILY SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
June 30,

	2013		2012
	Unrestricted	Temporarily Restricted	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 45,036	\$ -	\$ 45,036
Accounts receivable, net of allowance of \$1,000 for both years	178,289	-	178,289
Unconditional promises to give	-	29,875	29,875
Investments at fair value	505,052	-	505,052
Prepaid expenses	1,005	-	1,005
Total current assets	<u>729,382</u>	<u>29,875</u>	<u>759,257</u>
			<u>902,387</u>
PROPERTY & EQUIPMENT, net of accumulated depreciation of \$211,543 & \$197,511, respectively	<u>301,620</u>	-	<u>301,620</u>
TOTAL ASSETS	<u>\$ 1,031,002</u>	<u>\$ 29,875</u>	<u>\$ 1,060,877</u>
			<u>\$ 1,218,039</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 1,352	\$ -	\$ 1,352
Accrued expenses	84,791	-	84,791
Line of credit	79,760	-	79,760
Long-term debt, current portion	3,154	-	3,154
Total current liabilities	<u>169,057</u>	-	<u>169,057</u>
			<u>319,267</u>
LONG-TERM LIABILITIES			
Long-term debt, net of current portion	3,321	-	3,321
Total liabilities	<u>172,378</u>	-	<u>172,378</u>
			<u>22,284</u>
			<u>341,551</u>
NET ASSETS			
Board designated	425,000	-	425,000
Unrestricted	433,624	-	433,624
Temporarily restricted	-	29,875	29,875
Total net assets	<u>858,624</u>	<u>29,875</u>	<u>888,499</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,031,002</u>	<u>\$ 29,875</u>	<u>\$ 1,060,877</u>
			<u>\$ 1,218,039</u>

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

AREA HOMECARE & FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES
Years Ended June 30,

	2013		2012
	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUES			
PUBLIC SUPPORT			
Government contracts and grants	\$ 164,913	\$ 1,340,048	\$ 1,504,961
Local municipalities	-	70,094	70,094
Contributions	-	10,389	10,389
Total public support	<u>164,913</u>	<u>1,420,531</u>	<u>1,585,444</u>
REVENUES			
Private services	29,952	-	29,952
Investment return	65,647	-	65,647
Total revenues	<u>95,599</u>	<u>-</u>	<u>95,599</u>
Public support and revenues	<u>260,512</u>	<u>1,420,531</u>	<u>1,681,043</u>
NET ASSETS RELEASED FROM RESTRICTIONS			
Satisfaction of usage restrictions	1,390,656	(1,390,656)	-
Satisfaction of time restrictions	<u>27,947</u>	<u>(27,947)</u>	<u>-</u>
Total public support, revenues and restrictions released	<u>1,679,115</u>	<u>1,928</u>	<u>1,681,043</u>
EXPENSES			
Program services	1,442,586	-	1,442,586
Management and general	226,446	-	226,446
Total expenses	<u>1,669,032</u>	<u>-</u>	<u>1,669,032</u>
CHANGE IN NET ASSETS	10,083	1,928	12,011
NET ASSETS, Beginning of year	<u>848,541</u>	<u>27,947</u>	<u>876,488</u>
NET ASSETS, End of year	<u>\$ 858,624</u>	<u>\$ 29,875</u>	<u>\$ 888,499</u>
			<u>\$ 876,488</u>

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

AREA HOMECARE & FAMILY SERVICES, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30,

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from public support	\$ 1,578,848	\$ 1,888,624
Cash received from private services	29,952	29,691
Cash received from investments	19,094	22,261
Cash paid for expenses	(1,652,329)	(1,833,884)
Cash paid for interest	(5,175)	(7,598)
Net cash (used) provided by operating activities	(29,610)	99,094
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash gain from investments	97,033	7,689
Cash paid for property and equipment	-	(20,054)
Net cash (used) provided by investing activities	97,033	(12,365)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash (paid) received from borrowings	(125,342)	35,102
Cash paid for reduction of debt	(34,585)	(28,916)
Net cash (used) provided by financing activities	(159,927)	6,186
NET INCREASE (DECREASE) IN CASH	(92,504)	92,915
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>137,540</u>	<u>44,625</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>45,036</u>	\$ <u>137,540</u>
ADJUSTMENTS TO RECONCILE CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets	\$ 12,011	\$ 14,707
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	<u>14,032</u>	<u>15,193</u>
Unrealized loss (gain) on investments	(46,554)	6,032
(Increase) decrease in:		
Accounts receivable	(4,395)	52,462
Unconditional promises to give	(2,200)	13,850
Prepaid expenses	6,741	2,726
Increase (decrease) in:		
Accounts payable	184	(9,105)
Accrued expenses	(9,429)	3,229
Total adjustments	(41,621)	84,387
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	\$ (29,610)	\$ 99,094

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

AREA HOMECARE & FAMILY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Years Ended June 30,

	2013				2012	
	Homemakers	In-Home/ Title XIX	Total Program Services	Management and General	Total	Total
EXPENSES						
Salaries and wages	\$ 454,875	\$ 617,294	\$ 1,072,169	\$ 145,827	\$ 1,217,996	\$ 1,348,358
Payroll taxes	37,011	51,522	88,533	11,743	100,276	111,469
Employee benefits	66,188	17,969	84,157	23,138	107,295	115,554
Travel	31,927	3,472	35,399	5,846	41,245	45,862
Payroll service fees	4,635	6,855	11,490	395	11,885	12,066
Insurance	29,282	42,585	71,867	12,615	84,482	101,880
Maintenance	3,715	3,715	7,430	1,857	9,287	16,362
Equipment Rental	-	-	-	-	-	1,497
ADRD group daycare	-	-	-	-	-	616
Bank service charges	10	-	10	10	20	12
Conference and meetings	1,718	1,718	3,436	718	4,154	5,593
Dues and Subscriptions	263	263	526	131	657	1,015
Licenses	185	185	370	65	435	385
Interest expense	2,070	1,973	4,043	1,132	5,175	7,598
Community assistance	211	226	437	7,332	7,769	7,816
Miscellaneous	882	824	1,706	-	1,706	2,362
Office	5,946	5,946	11,892	2,178	14,070	6,972
Professional fees	6,392	6,392	12,784	3,196	15,980	16,706
Telephone	2,640	2,640	5,280	1,348	6,628	5,785
Uniforms and physicals	1,450	1,545	2,995	-	2,995	2,622
Utilities	2,081	2,081	4,162	2,055	6,217	5,065
Advertising	240	240	480	-	480	629
Printing	675	675	1,350	-	1,350	2,848
Supplies	1,392	820	2,212	410	2,622	3,056
Postage	4,092	3,294	7,386	1,344	8,730	9,196
Depreciation	5,613	5,613	11,226	2,806	14,032	15,193
Bad debt	1,246	-	1,246	2,300	3,546	1,556
TOTAL EXPENSES	\$ 664,739	\$ 777,847	\$ 1,442,586	\$ 226,446	\$ 1,669,032	\$ 1,848,073

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

AREA HOMECARE & FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Area HomeCare & Family Services, Inc. was incorporated as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. The Organization provides non-medical home care services in the seacoast area of New Hampshire to the elderly and people with disabilities so that they may remain in their homes as long as possible.

Major programs of Area HomeCare and Family Services, Inc. include the following:

Homemaker services provide companionship, emotional support and services such as food shopping, errands, assistance with meals and other related services.

In-home care provides services similar to homemaker services. Clients of this program typically need services more frequently and for longer periods of time.

Basis of Accounting

Income and expenses are reported on the accrual basis, which means that income is recognized as it is earned or when promises are made and expenses are recognized as they are incurred whether or not cash is received or paid out at that time.

Financial Statement Presentation

Area HomeCare and Family Services, Inc. presents its financial statements in accordance with recommendations of the Accounting Standards Codification No. 958-210, "Financial Statements of Not-for-Profit Organizations". Under ASC No. 958-210, Area HomeCare and Family Services, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Investment Valuation and Income Recognition

The Organization's investments as of June 30, 2013 are stated at fair value. Shares of the separate investment accounts are valued at quoted market prices, which represent the net value of shares held by the Organization at year-end. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. As of June 30, 2013, investments have a market value of \$505,052, cost basis of \$504,082 and unrealized gain of \$970.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Area HomeCare and Family Services, Inc. considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established based on historical experience and management's evaluation of outstanding accounts receivable at the end of each year. The allowance for doubtful accounts was \$1,000 for years ended June 30, 2013 and 2012, respectively.

AREA HOMECARE & FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Unconditional Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. An allowance for uncollectible unconditional pledges is established based on historical experience and management's evaluation of outstanding unconditional pledges at the end of each year. As of June 30, 2013 and 2012 management considers all pledges to be collectable.

Unconditional promises to give consisted of the following as of June 30,

	2013	2012
Town warrants	\$ <u>29,875</u>	\$ <u>27,674</u>

All amounts are due in less than one year.

Property and Equipment

Building and equipment have been recorded at cost and depreciated over the following estimated useful lives of the assets using the straight-line method of depreciation.

Building and improvements.....	40 years
Equipment.....	5-10 years
Furniture and fixtures.....	5-10 years

Maintenance and repairs are charged to expense as incurred, major renewals and betterments are capitalized. Depreciation expense was \$14,032 and \$15,193 for the years ended June 30, 2013 and 2012, respectively.

Accrued Earned Time

Area HomeCare and Family Services, Inc. have accrued a liability for future compensated leave time that is vested with the employees.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

AREA HOMECARE & FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses

The costs of the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Area HomeCare and Family Services, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for Federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

Subsequent Events

Subsequent events have been evaluated through October 7, 2013, the date the financial statements were available to be issued. The Board has signed a Letter of Intent to merge with Granite State for Independent Living (GSIL). The date of the projected acquisition is January 1, 2014.

NOTE B - ACCOUNTS RECEIVABLE

Area HomeCare & Family Services, Inc. utilizes the allowance method for bad debts on client receivables. Client receivables were due from the following sources as of June 30,

<u>2013</u>	<u>Receivable</u>	<u>Allowance</u>	<u>Total, net</u>
Medicaid - HC/BC	\$ 3,415	\$ -	\$ 3,415
Medicaid - Title XIX	13,258	-	13,258
Clients	8,159	1,000	7,159
Grants and Contracts	153,022	-	153,022
Employee's	<u>1,435</u>	<u>-</u>	<u>1,435</u>
TOTALS	\$ <u>179,289</u>	\$ <u>1,000</u>	\$ <u>178,289</u>
 <u>2012</u>	 <u>Receivable</u>	 <u>Allowance</u>	 <u>Total, net</u>
Medicaid - HC/BC	\$ (10,937)	\$ -	\$ (10,937)
Medicaid - Title XIX	58,267	-	58,267
Clients	7,850	1,000	6,850
Grants and Contracts	118,545	-	118,545
Employee's	<u>1,170</u>	<u>-</u>	<u>1,170</u>
TOTALS	\$ <u>174,895</u>	\$ <u>1,000</u>	\$ <u>173,895</u>

AREA HOMECARE & FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2013

NOTE C - INVESTMENTS AT FAIR VALUE

Investments consist of mutual funds, money market funds and corporate bonds. Area HomeCare and Family Services, Inc. records its investments at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets and are reported as an investment return.

The following is a description of the valuation methodologies used for assets measured at fair value. Common stocks, corporate bonds and U.S. government securities: Valued at the closing price reported on the active market on which the individual securities are traded. Mutual and money market funds: Valued at the net asset value of shares held by the plan at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments at fair value consist of the following as of June 30, 2013:

	Cost	Fair Value	Unrealized Gain (Loss)
Money Market Funds	\$ 60,546	\$ 60,546	\$ -
Mutual Funds	423,813	417,763	(6,050)
Corporate Bonds	<u>19,723</u>	<u>26,743</u>	<u>7,020</u>
TOTALS	\$ <u>504,082</u>	\$ <u>505,052</u>	\$ <u>970</u>

Investments at fair value consist of the following as of June 30, 2012:

	Cost	Fair Value	Unrealized Gain (Loss)
Money Market Funds	\$ 11,653	\$ 11,653	\$ -
Mutual Funds	408,408	453,328	44,920
Corporate Bonds	<u>79,089</u>	<u>90,551</u>	<u>11,462</u>
TOTALS	\$ <u>499,150</u>	\$ <u>555,532</u>	\$ <u>56,382</u>

NOTE D - LINE OF CREDIT

Area HomeCare and Family Services, Inc. has a \$170,000 revolving line of credit established to provide working capital support. The agreement requires monthly interest only payments of prime plus 1%, is secured by all business assets and real property. As of June 30, 2013 the interest rate was 4.25% and the outstanding balance was \$79,760. The line of credit is due in full upon lender's demand.

AREA HOMECARE & FAMILY SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 Year Ended June 30, 2013

NOTE D - LINE OF CREDIT (continued)

Area HomeCare and Family Services, Inc. also has a line of credit, borrowed against securities held at Edward Jones. The approved credit amount as of June 30, 2013 was \$226,264. This amount is based on the value of the investments which could change daily. Should the value of this collateral significantly decline, the Organization may be required to deposit cash or additional securities or sell securities in the account. The interest rate will vary depending on the borrowed amount. As of June 30, 2013 the interest rate was 5.75% and the outstanding balance was \$0.

NOTE E - ACCRUED EXPENSES

Accrued expenses consist of the following at June 30,

	2013	2012
Accrued earned time	\$ 49,689	\$ 55,184
Accrued salaries	31,313	34,726
Accrued payroll taxes	2,385	2,644
Accrued travel	588	635
Accrued postage	45	56
Other withholdings	<u>771</u>	<u>975</u>
TOTALS	\$ <u>84,791</u>	\$ <u>94,220</u>

NOTE F - LONG-TERM DEBT

The Organization has a note payable to TD Bank for an auto loan. The loan amount was \$15,829 beginning September 14, 2011 and the interest rate is fixed at 4.59%. The term on this loan is 60 months. As of June 30, 2013 the outstanding balance was \$6,475.

Future principal loan payments are as follows for the years ended June 30,

2014.....	\$ 3,154
2015.....	3,302
2016.....	19

AREA HOMECARE & FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2013

NOTE G - LEASING ARRANGEMENTS

Area HomeCare and Family Services, Inc. entered into a non-cancellable operating lease for a HP Laserjet Copier with Leaf Funding, Inc. which began in December, 2010. The lease requires monthly payments of \$121, including taxes, for 60 months.

The Organization also entered into a non-cancellable operating lease for a T1000 Digital Postage Meter with Great America Leasing Corp. which began in April, 2010. The lease requires monthly payments of \$50 for 60 months.

Future minimum lease payments are as follows for the years ended June 30,

2014.....	\$	2,053
2015.....		1,953
2016.....		606

NOTE H - RISK CONCENTRATION AND ECONOMIC DEPENDENCE

Area HomeCare & Family Services, Inc. derives significant revenue from grants and contracts with other nonprofit organizations and government agencies. Continuation of certain programs is dependent upon such revenues.

Grants receivable, accounts receivable and unconditional promises to give were primarily due from governmental agencies.

NOTE I - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets represents donor and time restricted funding. Temporarily restricted net assets consist of the following as of June 30,

	2013	2012
Town warrants	\$ 29,875	\$ 27,674
Project Cool Air	-	273
TOTALS	\$ <u>29,875</u>	\$ <u>27,947</u>

AREA HOMECARE & FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
Year Ended June 30, 2013

NOTE J - CONTRACTS, FEES AND GRANTS FROM GOVERNMENT AGENCIES

Contracts, fees and grants from government agencies consist of the following for the years ended June 30,

	<u>2013</u>	<u>2012</u>
New Hampshire Division of Elderly and Adult Services		
-- Title XX	\$ 1,187,667	\$ 1,366,355
-- Title III	63,381	67,248
Medicaid - HC/BC	52,634	39,989
-- Title XIX	112,279	165,903
Other	<u>89,000</u>	<u>90,000</u>
TOTALS	\$ <u>1,504,961</u>	\$ <u>1,729,495</u>

NOTE K - PENSION PLAN

Area HomeCare & Family Services, Inc. has a deferred revenue compensation pension plan under Section 403(b) of the Internal Revenue Code. Under the terms of the plan, employee contributions are made through a salary reduction plan. The employer makes no contribution to the plan.

NOTE L - CONTINGENT LIABILITIES

Area Homecare and Family Services, Inc. received money under various state and federal grants. Under the terms of these grants, the Organization is required to use the money within the grant period for purposes specified in the grant proposal. If expenditures of the grant were found not to have been made in compliance with the proposal, the organization might be required to repay the grantors' funds. Because specific amounts, if any, have not been determined by grantor agency audits or assessed as of June 30, 2013, no provision has been made for this contingency.

NOTE M - SUMMARIZED FINANCIAL INFORMATION

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2012, from which the information was derived.

SUPPLEMENTARY INFORMATION

AREA HOMECARE & FAMILY SERVICES, INC.
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
Years ended June 30,

Federal Grantor/ Pass-Through Grantor/ Program Title	2013			2012	
<u>U.S. Department of Health and Human Services</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number(s)</u>	<u>Program or Award Amount</u>	<u>Federal Disburse- ments</u>	<u>Federal Disburse- ments</u>
Passed through State of New Hampshire Department of Health And Human Services:					
Social Services Block Grant	93.667	010-048- 9255-542- 0384 and 5543-0385	\$ 710,955	\$ 577,087	\$ 663,912
Older Americans Act	93.044	010-048- 7872-540- 0382	30,797	30,797	32,676
<u>U.S. Department of Housing and Urban Development</u>					
Passed through City of Portsmouth, NH:					
Community Development Block Grants	14.218	-	9,000	9,000	10,000
TOTALS			\$ 750,752	\$ 616,884	\$ 706,588

NOTE A - BASIS OF PRESENTATION

] The accompanying schedule of expenditures of federal awards includes the federal grant activity of Area HomeCare & Family Services, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented or used in preparation of the financial statements.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Board of Directors
Area HomeCare & Family Services, Inc.

We have audited the financial statements of Area HomeCare & Family Services, Inc. as of and for the year ended June 30, 2013 and have issued our report there on dated October 7, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Area Homecare & Family Services, Inc. financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Area HomeCare & Family Services, Inc. internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operations of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Sanders & Karcher
Sanders & Karcher
October 7, 2013

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Area HomeCare & Family Services, Inc.

Compliance

We have audited the compliance of Area HomeCare & Family Services, Inc. (the Organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2013. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Area HomeCare's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Area HomeCare and Family Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, Area HomeCare & Family Services, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2013.

Internal Control Over Compliance

The management of Area HomeCare & Family Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Area HomeCare's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Sanders & Karcher
October 7, 2013

AREA HOMECARE & FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2013

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified: ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: ☐ yes ☒ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ yes ☒ no

AREA HOMECARE & FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year ended June 30, 2013

Identification of major programs:

CFDA Number(s)
93.667

Name of Federal Program or Cluster
Social Services Block Grant

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

 X yes no

Section II - Financial Statement Findings

NONE.

Section III - Federal Award Findings and Questioned Costs

NONE.

SANDERS & KARCHER

Certified Public Accountants

October 15, 2013

Board of Directors
Area HomeCare & Family Services, Inc.
1320 Woodbury Avenue
Portsmouth, NH 03801

To the Board of Directors:

In planning and performing our audit of the financial statements of Area HomeCare & Family Services, Inc. for the year ended June 30, 2013 we considered the organization's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This letter does not affect our report dated October 7, 2013 on the statements of Area HomeCare & Family Services, Inc.

CURRENT YEAR COMMENTS

None

We wish to thank the executive director and her staff for their assistance and support during our audit.

Very truly yours,

Sanders & Karcher

Sanders & Karcher
Certified Public Accountants

AREA HOMECARE & FAMILY SERVICES, INC.

Ballard Building

1320 WOODBURY AVENUE PORTSMOUTH, NH 03801

January 2014 BOARD OF DIRECTORS

NAME	ORGANIZATION, MAILING ADDRESS AND PHONE NUMBER	PROFESSION	OFFICE ----- COMMITTEE	DATE TERM BEGAN & EXP. DATE	TELEPHONE NUMBER EMAIL
Il Johnstone 012			Chair	2012-2015	
iana Smith 008			Vice-Chair	2012-2015	
obert Harbeson 012			Treasurer	2012-2015	
imie DeStefano 001			Secretary	2009-2015	
oderick Bowles			All	2013-2016	
ike Schwartz			All	2014-2015	
arstin McNamara			All	2014-2015	
urie Peyser			All	2014-2015	
ayne Benjamin			All	2014-2015	

ADVISORY BOARD

Lawrence E. Day, Jr.

John Bosen, Esquire

.....
udy Taylor

Judy Taylor

Employment	August 2, 2013 – present - Area HomeCare & Family Services, Inc. Portsmouth, NH 03801 603-436-9059		
History	Executive Director		
	1998 – 2013	Area HomeCare & Family Services, Inc.	
	Senior Vice-President & CFO		
	▪ Maintain accounting records, generate monthly financial statements, and work directly with accounting firm to complete year end audit. ▪ Perform and/or oversee all office functions ▪ Human Resource Manager		
	1989 - 1995	TimberMart, Inc.	Seabrook, NH
	Bookkeeper		
	▪ Accounts Payable ▪ Accounts Receivable ▪ Dealt with vendors, processed special orders ▪ Inventory control ▪ Customer service		
Education	2003 – 2004	Antioch New England	Keene, NH
	▪ Certificate in Community Health Care Management Program		
	2002	Antioch New England	Keene, NH
	▪ Nine-month seminar – Nonprofit Management ▪		
	1995 – 1997	McIntosh College	Dover, NH
	• Accounting Associates Degree • GPA 3.89 • Courses in various computerized accounting software • MS Office • D-base programming		
Related Instruction	Numerous certificates in associated topics – ADP payroll, Access, Quickbooks Pro, Human Resources, etc.		

References and transcripts available upon request

MaryJane Walsh

Employment History:

- January 2003- **Area HomeCare & Family Services, Portsmouth, NH**
 Program Director of Homemaker Services:
- June 2000- **Area HomeCare & Family Services, Portsmouth, NH**
January 2003 **Assistant Director of Homemaker Services:**
Assists in the daily supervision of thirty five staff who provide
homecare services to six hundred elderly and people with
disabilities. Duties included managing funds and scheduling for
ADRD program, responsible for scheduling, intake, income
eligibility assessment and re-certification of clients.
- August 1999- **Area HomeCare & Family Services, Portsmouth, NH**
June 2000 **Parent Aide / Scheduler:** Duties included, supervised
visits between foster children and their non-custodial parents,
assisting non-custodial parents on appropriate ways to interact
with their children.
- September 1998- **Great Bay Kids Company, Exeter, NH**
June 1999 **Assistant Teacher:** Duties included planning classroom
activities, assisting the site director, and parent/teacher
conferences.
- June 1997- **Wentworth By the Sea Country Club, Rye, NH**
August 1999 **Assistant Camp Director / Counselor**

Education:

- 2003 – 2004 Antioch New England Graduate School
 Community Health Care Management Certificate Program
- 1995-1999 University of New Hampshire, Durham, NH
 Major: Sociology
- 1994-1995 Sacred Heart University, Fairfield CT.

Area HomeCare & Family Services, Inc.

Key Personnel

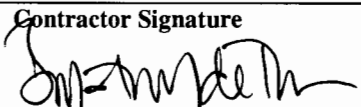
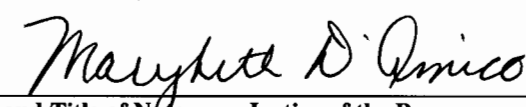
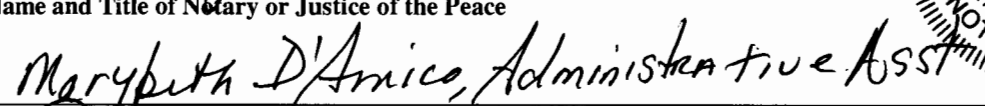
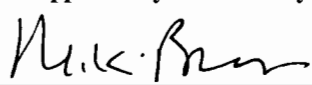
Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Judy Taylor	Executive Director	67,400	77%	51,898
MaryJane Walsh	Program Director	46,350	77%	35,690

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Child and Family Services of New Hampshire		1.4 Contractor Address 464 Chestnut Street Manchester, NH 03105	
1.5 Contractor Phone Number 603-518-4300	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$1,333,999.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Suzi AWAARD DE TOUEN PRESIDENT & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>5/24/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace  Marybeth D'Amico, Administrative Asst			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockburn Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services, In Home Health Aide & In Home Nursing Services: Hillsborough Co. Towns of Amherst, Bedford, Brookline, Deering, Goffstown, Hillsborough, Hollis, Hudson, Litchfield, Manchester, Merrimack, Milford, Mont Vernon, Nashua, New Boston, Pelham, Weare & Wilton. Merrimack Co. Towns of Allenstown, Boscawen, Bow, Bradford Canterbury, Chichester, Concord, Dunbarton, Epsom, Henniker, Hooksett, Hopkinton, Loudon, Pembroke & Pittsfield. Rockingham Co. Towns of Auburn, Candia, Derry, Londonderry, Salem & Windham

5. Services Provided in this Agreement

	Services		
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	x	x
Title XX	x	na	na



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

-
- 6.1.11.6. Opening the container
 - 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
 - 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
 - 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
 - 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
 - 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
 - 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
 - 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:
 - 6.3.3.1. Receiving referrals;
 - 6.3.3.2. Evaluation of the individual's needs;
 - 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
 - 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
 - 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
- 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
- 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
1)The reason(s) for the denial;
2)A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
3)Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.



**New Hampshire Department of Health and Human Services
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7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1.** With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1.** Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1.** Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2.** Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3.** Individual receives the information he/she needs to make informed decisions.
- 7.5.2.** Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3.** Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4.** The system is committed to excellence and quality improvement:
- 7.5.5.** Individual rights are affirmed and protected.
- 7.5.6.** Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7.** The service system is accessible, responsive, and accountable to the individual.
- 7.5.8.** Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.



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7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.



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- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

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- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



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is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services. The Contractor shall follow the plan of care established by the APS social worker. The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.



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- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.



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7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and



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- d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

- 1. Require a corrective action plan for identified deficiencies, or



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2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates as identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$1,181,150
Title IIIB	In Home Care Services	\$8.38	\$119,499
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	\$26,000
Title IIIB	In Home Nursing Level of Care Services	\$24.50	\$7,350

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.



Exhibit B

6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.

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In Home Care, In Home Health Aide Level of Care and
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Exhibit B

- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

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

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

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New Hampshire Department of Health and Human Services
Exhibit C



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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New Hampshire Department of Health and Human Services
Exhibit C



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

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Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.

**New Hampshire Department of Health and Human Services
In Home Care Services, In Home Health Aide Level of Care Services and
In Home Nursing Level of Services**



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$4,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES 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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5/22/14

New Hampshire Department of Health and Human Services
Exhibit D

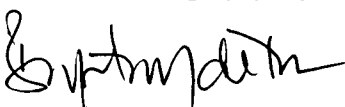


- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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

5/21/14
Date

Contractor Name: Child and Family Service of NH

Name: SOJEA AWARAZ DE TOLEDO
Title: PRESIDENT & CEO

Contractor Initials SAT
Date 5/21/14



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

5/21/14
Date

Contractor Name: Child and Family Services of NH
Samuel A. Almeida
Name: Samuel A. Almeida
Title: President & CEO



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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5/21/14

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.

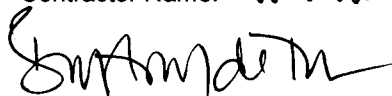
PRIMARY COVERED TRANSACTIONS

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 (l)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

5/21/14
Date

Contractor Name: Child and Family Services of NH

Name: Sergio Alvarez de Toledo
Title: President & CEO

Contractor Initials SA
Date 5/21/14



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

5/21/14
Date

Contractor Name: Child and Family Services of NH
[Signature]
Name: Supa Awor de Toledo
Title: President & CEO

Contractor Initials BA
Date 5/21/14



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.

5/21/14
Date

Contractor Name: Child and Family Services of NH

[Signature]

Name: Boja Awoer de Toledo
Title: President & CEO

Contractor Initials BA
Date 5/21/14



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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

345

5/21/14



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

BA

5/21/14



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
 - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
 - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
 - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
 - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
 - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
 - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

BAF



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

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

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

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

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

The State

Shirley P. Rock
Signature of Authorized Representative

Shirley Rockman
Name of Authorized Representative

Director
Title of Authorized Representative

5/27/14
Date

Child and Family Services of NH
Name of the Contractor

[Signature]
Signature of Authorized Representative

Borja Alvarez de Toledo
Name of Authorized Representative

President & CEO
Title of Authorized Representative

5/21/14
Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

5/21/14
Date

Contractor Name: Child and Family Services of NH
[Signature]
Name: Brian Antonio de Toledo
Title: President & CEO

New Hampshire Department of Health and Human Services
Exhibit J



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: 09-550-5905
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: _____

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 CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE is a New Hampshire nonprofit corporation formed September 25, 1914. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 2nd day of April A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of CHILD AND FAMILY SERVICES OF NH
(Agency Name)

2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of
the Agency duly held on 1/28/2014:
(Date)

RESOLVED: That this corporation enters into a contract with the State of New Hampshire, acting through its
Department of Health and Human Services.

RESOLVED: That the PRESIDENT AND CEO
(Title of Contract Signatory)

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

BORJA ALVAREZ DE TOLEDO is the duly elected PRESIDENT/CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 21st day of May, 2014.

Marilyn T. Mahoney
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 21st day of May, 2014.

By Marilyn T. Mahoney
(Name of Elected Officer of the Agency)

Marybeth D'Amico
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 3/6/18





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/7/2014

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

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

PRODUCER FIAI/Cross Insurance 1100 Elm Street Manchester NH 03101	CONTACT NAME: Linda Dacey, CIC PHONE (A/C No. Ext): (603) 669-3218 FAX (A/C No.): (603) 645-4331 E-MAIL: ldacey@crossagency.com ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Ins Co INSURER B: QBE Insurance Corp 39217 INSURER C: Travelers Ins. Co. INSURER D: INSURER E: INSURER F:

COVERAGES CERTIFICATE NUMBER: 13-14 All incl F&F & Prof REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR			PHPK1043433	7/1/2013	7/1/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000	
	GENL AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC							
	A	AUTOMOBILE LIABILITY ☒ ANY AUTO ALL OWNED AUTOS ☒ HIRED AUTOS ☒ SCHEDULED AUTOS NON-OWNED AUTOS			PHPK1043433	7/1/2013	7/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Drive other car \$ 1,000,000
		A	UMBRELLA LIAB ☒ OCCUR EXCESS LIAB ☐ CLAIMS-MADE			PHUB427096	7/1/2013	7/1/2014
DED ☒ RETENTION \$ 10,000								
B			WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ N	N/A	QWC4001064 (3a.) NH All officers included	4/4/2014	4/4/2015
	C	Fidelity & Forgery		105912196	4/1/2013	4/1/2016	Limit: \$200,000	
		A	Professional Liability		PHPK879641	7/1/2013	7/1/2014	Aggregate: \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

State of NH
Department of Health & Human Services
Office of Human Services
129 Pleasant Street
Concord, NH 03301

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

T Franggos/JSC

MISSION STATEMENT

Child and Family Services is dedicated to advancing
the well-being of children by providing an array of services
to strengthen family life and by promoting community commitment
to the needs of children.

CHILD AND FAMILY SERVICES 125
OF NEW HAMPSHIRE

FINANCIAL STATEMENTS

DECEMBER 31, 2013

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HESSION & PARE, PC

CERTIFIED PUBLIC ACCOUNTANTS

62 Stark Street, Manchester, New Hampshire 03101
603-669-5477 FAX 603-669-0197

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Child and Family Services of New Hampshire
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying consolidated statements of Child and Family Services of New Hampshire (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and 2012, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

The Board of Trustees
Child and Family Services of New Hampshire

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Child and Family Services of New Hampshire as of December 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2014, on our consideration of Child and Family Services of New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Child and Family Services of New Hampshire's internal control over financial reporting and compliance.

Hession, PARE, P.C.

March 19, 2014

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF FINANCIAL POSITION

As of December 31, 2013 and 2012

ASSETS

	2013	2012
Assets		
✓ Cash and cash equivalents	\$ 299,616	\$ 255,465
✓ Cash restricted for payment of long-term debt	30,000	30,000
✓ Accounts receivable, less allowance for doubtful accounts of \$6,805 in 2013 and \$7,505 in 2012	826,082	949,727
CA ✓ Prepaid expenses	171,481	130,667
Deferred expenses	10,175	24,843
Bequest receivable	50,000	50,000
Beneficial interest in funds held by others	1,872,875	1,736,855
Property, plant and equipment, net	7,048,577	7,316,090
Investments (CA - Cash equiv in investments) CA 329,359	16,978,687	14,955,171
CA = cash & equiv portion of inv per note #7		
Total assets	\$ 27,287,493	\$ 25,448,818
CA = 1,744,395		

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable	\$ 206,247	\$ 130,627
Accrued vacation	271,820	260,070
CA ✓ Accrued wages and related expenses	351,068	309,579
Annuities payable	362	1,487
Mark to market interest rate swap liability	937,081	1,558,953
Long-term debt	5,319,031	5,432,682
Total liabilities	7,085,609	7,693,398
Net assets		
Unrestricted	(73,905)	255,496
Designated by Board	14,210,820	11,983,121
Temporarily restricted	2,943,580	2,771,474
Permanently restricted	3,121,389	2,745,329
Total net assets	20,201,884	17,755,420
Total liabilities and net assets	\$ 27,287,493	\$ 25,448,818

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 8,394,288	\$ -	\$ -	\$ 8,394,288
Contributions	265,340	-	240,040	505,380
Foundations and trusts	712,659	-	-	712,659
United Way	273,560	-	-	273,560
Special events (net of direct costs of \$98,956)	299,357	-	-	299,357
Net assets released from restriction for operating activities	72,301	(72,301)	-	-
Total public support	<u>10,017,505</u>	<u>(72,301)</u>	<u>240,040</u>	<u>10,185,244</u>
Revenue				
Program service fees	1,862,787	-	-	1,862,787
Endowment transfer to support operations	694,226	-	-	694,226
In-kind donations	120,954	-	-	120,954
Rents	2,985	-	-	2,985
Income from HEFA trust	6,514	-	-	6,514
Total other revenue	<u>2,687,466</u>	<u>-</u>	<u>-</u>	<u>2,687,466</u>
Total public support and revenue	<u>12,704,971</u>	<u>(72,301)</u>	<u>240,040</u>	<u>12,872,710</u>
Expenses				
Program services				
Family counseling	911,726	-	-	911,726
Teen and youth	1,716,126	-	-	1,716,126
Child abuse treatment and family strengthening	3,652,550	-	-	3,652,550
Child abuse prevention	2,004,988	-	-	2,004,988
Early intervention	408,720	-	-	408,720
Homecare	1,952,380	-	-	1,952,380
Residential services	578,849	-	-	578,849
Adoptions and pregnancy counseling	133,858	-	-	133,858
Child advocacy	108,281	-	-	108,281
Summer camp	280,018	-	-	280,018
Total program services	<u>11,747,496</u>	<u>-</u>	<u>-</u>	<u>11,747,496</u>
Supporting services				
Public relations and financial development	453,384	-	-	453,384
Management and general	834,321	-	-	834,321
Total supporting services	<u>1,287,705</u>	<u>-</u>	<u>-</u>	<u>1,287,705</u>
Total expenses	<u>13,035,201</u>	<u>-</u>	<u>-</u>	<u>13,035,201</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>(330,230)</u>	<u>(72,301)</u>	<u>240,040</u>	<u>(162,491)</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>\$ (330,230)</u>	<u>\$ (72,301)</u>	<u>\$ 240,040</u>	<u>\$ (162,491)</u>
Non-operating gains and losses				
Investment gain (net of fees) reduced by the portion of cumulative net appreciation designated for current operations	1,606,655	244,407	-	1,851,062
Unrealized gain on mark to market interest rate swap	621,873	-	-	621,873
Change in beneficial interest in funds held by others	-	-	136,020	136,020
Increase in net assets	1,898,298	172,106	376,060	2,446,464
Net assets, beginning of year	12,238,617	2,771,474	2,745,329	17,755,420
Net assets, end of year	<u>\$ 14,136,915</u>	<u>\$ 2,943,580</u>	<u>\$ 3,121,389</u>	<u>\$ 20,201,884</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES

Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue				
Public support				
Government and other grants and fees	\$ 8,236,067	\$ -	\$ -	\$ 8,236,067
Contributions	267,930	-	159,275	427,205
Foundations and trusts	602,049	-	-	602,049
United Way	304,996	-	-	304,996
Special events (net of direct costs of \$103,656)	198,954	-	-	198,954
Net assets change in restrictions	281,064	(350,282)	69,218	-
Total public support	<u>9,891,060</u>	<u>(350,282)</u>	<u>228,493</u>	<u>9,769,271</u>
Revenue				
Program service fees	1,823,706	-	-	1,823,706
Endowment transfer to support operations	856,719	-	-	856,719
In-kind donations	147,429	-	-	147,429
Rents	15,207	-	-	15,207
Income from HEFA trust	8,410	-	-	8,410
Total other revenue	<u>2,851,471</u>	<u>-</u>	<u>-</u>	<u>2,851,471</u>
Total public support and revenue	<u>12,742,531</u>	<u>(350,282)</u>	<u>228,493</u>	<u>12,620,742</u>
Expenses				
Program services				
Family counseling	1,047,925	-	-	1,047,925
Teen and youth	1,900,608	-	-	1,900,608
Child abuse treatment and family strengthening	1,984,898	-	-	1,984,898
Child abuse prevention	3,270,527	-	-	3,270,527
Early intervention	403,047	-	-	403,047
Homecare	1,736,040	-	-	1,736,040
Residential services	556,649	-	-	556,649
Adoptions and pregnancy counseling	152,139	-	-	152,139
Child advocacy	129,760	-	-	129,760
Summer camp	274,385	-	-	274,385
Total program services	<u>11,455,978</u>	<u>-</u>	<u>-</u>	<u>11,455,978</u>
Supporting services				
Public relations and financial development	452,551	-	-	452,551
Management and general	798,942	-	-	798,942
Total supporting services	<u>1,251,493</u>	<u>-</u>	<u>-</u>	<u>1,251,493</u>
Total expenses	<u>12,707,471</u>	<u>-</u>	<u>-</u>	<u>12,707,471</u>
Increase (decrease) in net assets before non-operating gains and losses	<u>35,060</u>	<u>(350,282)</u>	<u>228,493</u>	<u>(86,729)</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF ACTIVITIES (concluded)

Year Ended December 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Increase (decrease) in net assets before non-operating gains and losses	\$ 35,060	\$ (350,282)	\$ 228,493	\$ (86,729)
Non-operating gains and losses				
Investment gain reduced by the portion of cumulative net appreciation designated for current operations	809,399	158,899	-	968,298
Unrealized gain on mark to market interest rate swap	101,448	-	-	101,448
Change in beneficial interest in funds held by others	-	-	90,730	90,730
Increase (decrease) in net assets	945,907	(191,383)	319,223	1,073,747
Net assets, beginning of year, as originally stated	11,374,816	2,619,139	2,687,718	16,681,673
Reclassification to comply with UPMIFA (Note 18)	(82,106)	343,718	(261,612)	-
Net assets, beginning of year as restated	11,292,710	2,962,857	2,426,106	16,681,673
Net assets, end of year	<u>\$ 12,238,617</u>	<u>\$ 2,771,474</u>	<u>\$ 2,745,329</u>	<u>\$ 17,755,420</u>

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENTS OF CASH FLOWS

Year Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 2,446,464	\$ 1,073,747
Adjustments to reconcile change to net cash provided (used) by operating activities		
Depreciation	362,791	369,616
Realized (gain) on sale of investments	(435,757)	(102,398)
Unrealized (gain) on investments	(1,770,261)	(1,463,682)
Unrealized (gain) on mark to market interest rate swap	(621,872)	(101,448)
Amortization of NHHFA notes payable	19,530	18,426
(Increase) in restricted cash	-	(5,000)
Decrease in accounts receivable	123,645	31,147
(Increase) in prepaid expenses	(40,814)	(68,441)
Decrease in deferred expenses	14,668	17,529
(Increase) in bequest receivable	-	(50,000)
(Increase) in beneficial interests in trusts	(136,020)	(90,729)
Increase in accounts payable	75,620	21,035
Increase (decrease) in accrued vacation and expenses	53,240	43,537
Net cash provided by (used in) operating activities	<u>91,234</u>	<u>(306,661)</u>
Cash flows used in investing activities		
Contribution restricted to endowment	(240,040)	(159,275)
Reinvested income	(396,458)	(310,652)
Proceeds from appropriation of endowment	819,000	1,151,675
Proceeds from release of restricted endowment	-	24,400
Cash paid for land, buildings and equipment	<u>(95,279)</u>	<u>(83,477)</u>
Net cash provided by investing activities	87,223	622,671
Cash flows from financing activities		
Cash advance on line of credit	5,348,845	5,674,677
Cash (payment) on line of credit	(5,348,845)	(5,799,212)
Cash payments on long-term debt	(133,181)	(138,423)
Cash paid on annuity	<u>(1,125)</u>	<u>(1,125)</u>
Net cash (used in) financing activities	<u>(134,306)</u>	<u>(264,083)</u>
Increase in cash and cash equivalents	44,151	51,927
Cash and cash equivalents, beginning of year	<u>255,465</u>	<u>203,538</u>
Cash and cash equivalents, end of year	<u>\$ 299,616</u>	<u>\$ 255,465</u>
Supplemental disclosure of cash flow information		
Interest paid in cash	<u>\$ 319,434</u>	<u>\$ 332,900</u>
Amortization of 2007 NHHFA note payable	<u>\$ 10,373</u>	<u>\$ 9,786</u>
Amortization of 2005 NHHFA note payable	<u>\$ 9,157</u>	<u>\$ 8,640</u>
See notes to financial statements.		

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2013

	Family Counseling	Teen and Youth	Child Abuse Treatment and Family Strengthening	Child Abuse Prevention	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Public Relations and Financial Development	Management and General	Total
Salaries	\$ 525,824	\$ 880,092	\$ 1,968,360	\$ 1,078,120	\$ 232,297	\$ 1,403,372	\$ 333,640	\$ 75,403	\$ 76,934	\$ 92,872	\$ 230,481	\$ 557,151	\$ 7,454,546
Employee benefits	72,334	129,319	252,237	132,292	39,776	76,044	55,127	13,216	6,589	10,429	30,150	94,349	911,862
Payroll related costs	55,849	96,379	208,029	126,828	23,359	157,958	39,696	6,883	6,461	10,960	19,121	51,604	803,127
Assistance to individuals	29,947	180,505	294,768	79,876	315	10,494	29,606	4,866	-	50,331	93,137	-	773,845
Travel and transportation	13,763	61,450	379,407	88,099	19,774	60,826	13,996	2,938	365	4,175	2,401	1,210	648,404
Professional fees	91,664	44,849	32,638	180,052	41,936	33,190	18,932	9,407	579	16,606	7,615	28,552	506,020
Occupancy	32,432	72,533	138,525	68,176	10,610	39,025	20,474	3,358	2,737	50,404	9,773	5,589	453,636
Interest	26,719	48,021	108,889	59,276	12,154	59,802	16,366	3,853	3,282	8,191	-	698	347,251
Communications	12,722	36,945	63,202	29,042	6,244	17,454	6,683	4,848	2,100	4,401	12,963	1,609	198,213
Rental and equipment maintenance	7,683	17,832	10,840	19,025	2,285	2,716	3,901	2,120	1,087	3,354	-	34,747	105,590
Supplies	2,819	21,179	13,711	21,118	1,605	10,614	7,064	550	440	9,941	2,183	4,577	95,801
Insurance	3,928	11,346	21,303	12,271	2,629	8,108	4,489	754	570	666	1,794	5,628	73,486
Printing and publications	1,339	2,029	6,046	3,051	1,074	6,368	249	897	961	5,331	35,955	5,557	68,857
Miscellaneous	1,810	6,083	7,673	17,962	924	10,168	2,213	(345)	177	1,117	3,009	1,922	52,713
Conferences and meetings	4,399	5,665	4,761	5,747	1,271	524	1,656	582	918	2,148	2,655	9,872	40,198
Membership dues	840	1,459	1,980	4,371	487	907	555	80	1,601	179	1,420	4,028	17,907
Total expenses before depreciation and in-kind donations	884,072	1,615,686	3,512,369	1,925,306	396,740	1,897,570	554,647	129,410	104,801	271,105	452,657	807,093	12,551,456
Depreciation	27,654	51,685	102,612	58,812	11,980	54,810	21,650	4,448	3,480	7,964	-	17,696	362,791
In-kind donations	-	48,755	37,569	20,870	-	-	2,552	-	-	949	727	9,532	120,954
Total functional expenses	\$ 911,726	\$ 1,716,126	\$ 3,652,550	\$ 2,004,988	\$ 408,720	\$ 1,952,380	\$ 578,849	\$ 133,858	\$ 108,281	\$ 280,018	\$ 453,384	\$ 834,321	\$ 13,035,201

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2012

	Family Counseling	Teen and Youth	Child Abuse Treatment and Family Strengthening	Child Abuse Prevention	Early Intervention	Homecare	Residential Services	Adoptions and Pregnancy Counseling	Child Advocacy	Summer Camp	Public Relations and Financial Development	Management and General	Total
Salaries	\$ 635,022	\$ 980,976	\$ 1,018,969	\$ 1,850,539	\$ 223,647	\$ 1,263,462	\$ 324,070	\$ 86,153	\$ 90,880	\$ 90,924	\$ 226,793	\$ 567,760	\$ 7,359,195
Employee benefits	62,019	154,674	109,230	215,323	38,382	55,487	55,452	19,627	8,535	6,471	30,140	64,858	820,198
Payroll related costs	65,661	98,404	106,101	204,609	21,182	142,134	35,232	7,405	7,506	11,192	18,632	45,821	763,879
Assistance to individuals	29,206	177,457	72,615	214,692	11	4,578	18,265	730	2	49,812	95,100	4	662,472
Travel and transportation	24,096	52,934	79,841	388,858	20,320	50,256	10,100	2,666	738	4,451	3,446	186	637,912
Professional fees	81,389	60,976	161,099	24,117	46,216	17,640	19,001	9,972	376	20,588	9,412	29,116	479,902
Occupancy	43,459	82,619	43,816	118,572	10,716	39,261	19,245	4,149	2,496	41,108	8,430	3,778	417,649
Interest	32,624	56,590	111,426	53,916	12,732	56,106	16,575	4,685	4,176	8,299	-	2,264	359,393
Communications	15,213	41,282	30,509	61,441	7,981	17,712	7,302	5,184	2,429	4,463	13,447	1,649	208,612
Rental and equipment maintenance	8,342	19,195	30,641	13,277	2,474	3,117	4,175	2,257	1,180	2,842	357	36,211	124,068
Supplies	3,968	23,377	6,917	17,635	1,275	8,731	8,046	677	390	9,948	3,212	3,977	88,153
Printing and publications	3,745	2,365	8,812	18,351	1,070	5,753	600	2,111	1,522	4,884	34,547	1,233	85,193
Insurance	4,211	11,741	9,200	15,874	2,367	6,979	4,264	790	535	544	1,679	5,442	63,626
Miscellaneous	3,304	8,353	10,688	6,862	1,499	12,628	2,903	251	308	1,377	1,687	2,921	52,781
Conferences and meetings	2,858	9,334	12,963	5,721	672	913	2,105	246	3,280	4,027	2,986	6,835	51,940
Membership dues	332	1,507	2,737	1,865	269	941	1,972	86	1,146	152	1,015	3,431	15,453
Total expenses before depreciation and in-kind donations	1,015,449	1,781,784	1,815,564	3,211,852	390,813	1,685,698	529,307	146,989	125,519	261,082	450,883	775,486	12,190,426
Depreciation	32,476	58,623	103,499	51,970	12,234	50,342	21,530	5,150	4,241	11,377	-	18,174	369,616
In-kind donations	-	60,201	65,835	6,705	-	-	5,812	-	-	1,926	1,668	5,282	147,429
Total functional expenses	\$ 1,047,925	\$ 1,900,608	\$ 1,984,898	\$ 3,270,527	\$ 403,047	\$ 1,736,040	\$ 556,649	\$ 152,139	\$ 129,760	\$ 274,385	\$ 452,551	\$ 798,942	\$ 12,707,471

See notes to financial statements.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 1. NATURE OF ACTIVITIES

Child and Family Services of New Hampshire (the "Organization") operates as a voluntary, non-sectarian, non-profit organization located throughout the State of New Hampshire providing direct social services for families and children. The Organization's major source of revenue is derived from government and other grant income.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification (ASC) 958-205 and subsections.

This Topic establishes standards for general-purpose external financial statements of not-for-profit organizations, including a statement of financial position, a statement of activities and a statement of cash flows. This Topic further requires classification of net assets and its revenues, expenses, gains and losses into three categories, based on the existence or absence of externally imposed restrictions. The categories, unrestricted, temporarily restricted and permanently restricted net assets are defined as follows:

Unrestricted – include the following:

Undesignated – Net assets include revenue and expenses associated with the principal operating mission of the Organization.

Board Designated – Net assets include the fair value of unrestricted investments that the Board of Trustees has set aside and elected to use towards future operations.

Temporarily Restricted – Net assets whose use is limited by law or donor-imposed stipulations that will either expire with the passage of time or fulfilled by actions of the Organization. It also includes the accumulated appreciation related to permanently restricted endowment gifts, which is a requirement of FASB ASC 958-205-45.

Permanently Restricted – Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes. Permanently restricted net assets also include the fair value of the Organization's beneficial interest in funds held by others.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of consolidation

The financial statements include accounts of the Organization and Child and Family Realty Corporation, a commonly controlled organization. All inter-organization transactions have been eliminated.

Use of estimates

The Organization uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses. Actual results could differ from those estimates.

Income taxes

The Organization applied for and has been granted recognition of exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986. Section 501(c)(3) of the Code provides for the exemption of organizations that are organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholders or individuals. The Organization had no unrelated business income at December 31, 2013 and 2012. Accordingly, no provision for income taxes has been recorded. The income tax filings for the tax years before 2010 are no longer subject to examination by federal and state taxing authorities.

Cash and cash equivalents

For financial statement purposes, the Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Temporary cash investments held in the investment portfolio are excluded from cash and cash equivalents.

Cash restricted for payment of long-term debt

Per the terms of the Series 2007 Bond, which included a refinancing of Series 1999 debt, the Organization deposited \$1,056,089 at December 31, 2008 to an escrow fund in order to pay off the Series 1999 Bonds. This payment took place during January 2009. At December 31, 2013 and 2012, the balance of this escrow fund was \$30,000.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Bond refinance costs

The Series 2007 bond was refinanced in 2009. Loan costs of \$39,250 associated with the refinancing are being amortized over the initial five year term of the agreement.

Accounts receivable and revenue

Accounts receivable is recognized when qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget Circular A-133 and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grants or reductions of future grant awards. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Allowance for doubtful accounts

The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The Organization's estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that the Organization's estimate of the allowance for doubtful accounts will change. At December 31, 2013 and 2012, accounts receivable are presented net of an allowance for doubtful accounts of \$6,805 and \$7,505, respectively.

Property, plant and equipment

Property, plant and equipment are recorded at cost, or in the case of donated assets, at fair market value on the date received. Any such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions over the useful life of the asset. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Major additions and improvements of \$1,000 or more are capitalized, while ordinary maintenance and repairs are charged to expense as incurred. The cost and accumulated depreciation of assets sold or retired are removed from the accounts, and any gains or losses are reflected in the statement of activities.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	15-50 years
Furniture and equipment	5-10 years
Leasehold improvements	10 years
Vehicles	5 years

Investments

The Organization accounts for investments in accordance with FASB ASC 958-320 and subsections. This standard requires that investments with readily determinable values and all investments in debt securities are stated at their fair values in the statement of financial position. Investments without readily determinable fair values are stated at cost. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities. Periodically, management reviews investments for which the market value has fallen significantly below cost and recognizes impairment losses where they believe these declines are other-than-temporary.

Annuities

Certain gifts require that the Organization pay the donor a predetermined amount during the donor's lifetime. Such gifts are recorded as revenue when received and the present value of the future amount payable is credited to a liability account. Periodically, an adjustment is made to annuities payable to record the actuarial income or expense due to the computation of the liability based upon the revised life expectancies.

Contributions and grants

In accordance with the Not-for-Profit Entities Topic of the ASC 958-605 and subsections, contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor/grantor restrictions. Contributions and grants restricted for a specific purpose are reported as temporarily restricted support and are then reclassified to unrestricted net assets upon satisfaction of those restrictions. If the restrictions on contributions and grants are satisfied in the same fiscal period in which they are received, then management has elected to classify them as unrestricted for reporting purposes.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Donated materials and services

Donated materials and equipment are reflected in the accompanying statements at their estimated fair values at date of receipt. A substantial number of volunteers have donated significant amounts of time to the Organization's program services; however, the value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Reclassification

Certain 2012 amounts have been reclassified to conform to 2013 classification. These reclassifications had no effect on the increase in net assets for 2012.

Note 3. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.

Level 2 inputs consist of quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or observable inputs other than quoted market prices.

Level 3 inputs consist of inputs that are unobservable and significant to the fair value measurement and have the lowest priority.

The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. An asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques must maximize the use of observable inputs and minimize the use of unobservable inputs.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following:

	<u>2013</u>	<u>2012</u>
Grants receivable	\$ 639,140	\$ 697,348
Fees for services	<u>193,747</u>	<u>259,884</u>
	832,887	957,232
Less allowance for uncollectible accounts	<u>(6,805)</u>	<u>(7,505)</u>
Total	<u>\$ 826,082</u>	<u>\$ 949,727</u>

Note 5. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

The Organization is the sole beneficiary of three funds that are established at the New Hampshire Charitable Foundation (NHCF). One of the funds was established in 2005. Income from the funds is to provide assistance to children attending Camp Spaulding and for capital improvements to the camp. The fund resolution provides that distributions from the funds can be made at the discretion of the NHCF Board of Directors. The Organization has received distributions from the funds over the last two years. Excess earnings, if any, are reinvested.

At December 31, 2013 and 2012, the fair market value of the funds, which approximates the present value of future benefits expected to be received, was \$823,141 and \$751,523, respectively. The Organization received \$28,983 and \$30,214 from the funds in 2013 and 2012, respectively.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 5. BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS (concluded)

In addition, the Organization has a split-interest in three charitable remainder trusts. The assets are held in trust by banks as permanent trustees of the trusts. The fair value of these beneficial interests is determined by applying the Organization's percentage interest to the fair value of the trust assets as reported by the trustee.

<u>Trust</u>	<u>Percentage Interest</u>	<u>2013</u>	<u>2012</u>
Greenleaf	100%	\$ 412,530	\$ 382,039
Spaulding	100%	358,793	329,237
Cogswell	50%	<u>278,411</u>	<u>274,056</u>
Total		<u>\$ 1,049,734</u>	<u>\$ 985,332</u>

In 2013 and 2012, income distributed by these trusts was \$39,498 and \$43,342, respectively.

Beneficial interest in funds held by others is reported at its fair value, which is estimated as the present value of expected future cash inflows on a recurring basis. As discussed in Note 3, the valuation technique used by the Organization is a Level 3 measure because there are no observable market transactions.

Changes in fair value of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) are comprised of the following:

	<u>Beneficial Interest in Funds Held by Others</u>
Balance at December 31, 2011	\$ 1,646,125
Change in value of beneficial interest	<u>90,730</u>
Balance at December 31, 2012	1,736,855
Change in value of beneficial interest	<u>136,020</u>
Balance at December 31, 2013	<u>\$ 1,872,875</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	<u>2013</u>	<u>2012</u>
Land	\$ 1,144,949	\$ 1,144,949
Buildings and improvements	8,620,212	8,540,136
Furniture and equipment	1,879,897	1,864,695
Vehicles	128,606	128,606
Leasehold improvements	66,783	66,783
Software	168,608	168,608
	<u>12,009,055</u>	<u>11,913,777</u>
Less accumulated depreciation	<u>(4,960,478)</u>	<u>(4,597,687)</u>
Property, plant and equipment, net	<u>\$ 7,048,577</u>	<u>\$ 7,316,090</u>

Note 7. INVESTMENTS

Investments consist of the following:

	<u>2013</u>		<u>2012</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Domestic equities	\$ 5,645,782	\$ 8,236,680	\$ 5,378,589	\$ 6,563,094
International equities	3,924,889	4,564,826	3,858,629	3,891,869
Fixed income securities	2,035,902	2,082,570	1,988,704	2,207,774
Inflation hedging	1,813,431	1,765,252	1,768,387	1,883,898
Cash and equivalents	<u>329,359</u>	<u>329,359</u>	<u>408,536</u>	<u>408,536</u>
Total	<u>\$ 13,749,363</u>	<u>\$ 16,978,687</u>	<u>\$ 13,402,845</u>	<u>\$ 14,955,171</u>

Under the terms of a line of credit agreement with a bank, the Organization has agreed not to pledge these assets as security on any other debt.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 7. INVESTMENTS (continued)

Investment return is summarized as follows:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 396,458	\$ 310,652
Net realized and unrealized gain	<u>2,206,018</u>	<u>1,566,080</u>
Total investment gain	<u>\$ 2,602,476</u>	<u>\$ 1,876,732</u>

For the years ended December 31, 2013 and 2012, expenses relating to investment revenues, including management fees, amounted to \$86,474 and \$88,028, respectively, and have been netted against investment revenues in the accompanying statements of activities.

The Organization's policy is to avail itself of a Board approved percentage of investment income for operations with any remaining interest, dividends, or appreciation reinvested. The spending policy approved by the Board of Trustees for 2013 was 5% of the average fair market value of all investments over the previous twelve quarters. The income recognized was \$694,226 and \$856,719 at December 31, 2013 and 2012, respectively. Additional appropriation of income from Board designated funds were \$58,016 for management fees and \$294,956 for management fees and cash flow needs at December 31, 2013 and 2012, respectively. Appreciation on permanently restricted investments of \$66,758 and \$73,594 was released at December 31, 2013 and 2012, respectively. The total cash transferred to operations from investments during the years ended December 31, 2013 and 2012 was \$819,000 and \$1,176,075, respectively.

As discussed in Note 3 to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of December 31, 2013. Level 2 is for investments measured using inputs such as quoted market prices for similar assets. Level 3 is for investments measured using inputs that are unobservable, and is used in situations for which there is little, if any, market activity for the investment.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 7. INVESTMENTS (concluded)

The following table sets forth by level, within the fair value hierarchy, the valuation techniques used to determine the fair value of the Foundation's marketable securities as follows:

	<u>Fair Value</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
December 31, 2013				
Value on a recurring basis				
Marketable securities				
Domestic equities	\$ 8,236,680	\$ 8,236,680	\$ -	\$ -
International equities	4,564,826	4,564,826	-	-
Fixed income securities	2,082,570	-	2,082,570	-
Inflation hedging	<u>1,765,252</u>	<u>1,765,252</u>	<u>-</u>	<u>-</u>
Total marketable securities	<u>\$ 16,649,328</u>	<u>\$ 14,566,758</u>	<u>\$ 2,082,570</u>	<u>\$ -</u>
December 31, 2012				
Value on a recurring basis				
Marketable securities				
Domestic equities	\$ 6,563,094	\$ 6,563,094	\$ -	\$ -
International equities	3,891,869	3,891,869	-	-
Fixed income securities	2,207,774	-	2,207,774	-
Inflation hedging	<u>1,883,898</u>	<u>1,883,898</u>	<u>-</u>	<u>-</u>
Total marketable securities	<u>\$ 14,546,635</u>	<u>\$ 12,338,861</u>	<u>\$ 2,207,774</u>	<u>\$ -</u>

Note 8. LINE OF CREDIT

The Organization has available a \$1,500,000 revolving line of credit agreement with Citizens Bank. The line of credit expires on June 30, 2014, unless extended. The line carries a variable rate of interest at the Wall Street Journal prime rate (3.25% at December 31, 2013), adjusted at each change in the index. At December 31, 2013, there was no balance due on the line of credit.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT

	<u>2013</u>	<u>2012</u>
Obligation payable, original amount \$5,540,000, in monthly sinking fund installments, through January 1, 2038, plus fixed interest at 3.915% per annum paid to a counterparty to a swap agreement, plus variable rate interest paid to bondholders, minus variable rate interest received from the counterparty to a swap agreement. The debt is secured by the Organization's investments and gross receipts. In July 2009, the Organization converted this obligation to a bank purchase mode. Reference is made to Note 10.	\$ 4,960,000	\$ 5,075,000
Capital lease payable in monthly installments of \$1,573 including interest at 2.92%, through October 2014. The lease is for a phone system.	13,988	32,169
Note payable to the New Hampshire Housing and Finance Authority dated June 7, 2005. The face amount of the note is \$550,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Dover, New Hampshire.	161,785	152,628
Note payable to the New Hampshire Housing and Finance Authority dated May 22, 2007. The face amount of the note is \$700,000, does not require the payment of interest and is due in 30 years. Accordingly, the note has been recorded at its present value with interest imputed at 6.0%. The note is secured by real estate located in Manchester, New Hampshire.	<u>183,258</u>	<u>172,885</u>
Total	5,319,031	5,432,682
Less current maturities	<u>(128,988)</u>	<u>(133,093)</u>
Long-term debt	<u>\$ 5,190,043</u>	<u>\$ 5,299,589</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 9. LONG-TERM DEBT (concluded)

Future maturities of long-term debt are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2014	\$ 128,988
2015	120,000
2016	130,000
2017	135,000
2018	140,000
Thereafter	<u>4,665,043</u>
Total	<u>\$ 5,319,031</u>

Note 10. SERIES 2007 REVENUE BONDS

During 2007, the New Hampshire Health and Education Facilities Authority (the "Authority") sold \$5,540,000 of its Revenue Bonds, Child and Family Services Issue, Series 2007, and loaned the proceeds of the bonds to the Organization to refund its Series 1999 Series Bonds and to finance certain improvements to the Organization's facilities. The Series 2007 Bonds were issued with a variable interest rate determined on a weekly basis. Prior to issuing the Bonds, the Organization entered into an interest rate swap agreement (the "Swap Agreement") with Citizens Bank of NH (the "Counterparty") for the life of the bond issue to hedge the interest rate risk associated with the Series 2007 Bonds. The interest rate swap agreement requires the Organization to pay the Counterparty a fixed rate of 3.915%; in exchange, the Counterparty will pay the Organization a variable rate on the notional amount based on the 67% of one-month LIBOR. Counterparty payments to the Organization were intended to offset Organization payments of variable rate interest to bond holders. Counterparty credit worthiness and market variability can impact the variable rates received and paid by the Organization, with the potential of increasing Organization interest payments. As a result, the cost of the interest rate swap for 2013 and 2012 is added to interest expense in the statement of functional expense. The bonds mature in 2038 and can be repaid at any time.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 10. SERIES 2007 REVENUE BONDS (concluded)

The Organization is required to include the fair value of the swap in the statement of financial position, and annual changes, if any, in the fair value of the swap in the statement of activities. For example, during the bond's 30-year holding period, the annually calculated value of the swap will be reported as an asset if interest rates increase above those in effect on the date of the swap was entered into (and as an unrealized gain in the statement of activities), which will generally be indicative that the net fixed rate the Organization is paying on the swap is below market expectations of rates during the remaining term of the swap. The swap will be reported as a liability (and as an unrealized loss in the statement of activities) if interest rates decrease below those in effect on the date the swap was entered into, which will generally be indicative that the net fixed rate the Organization is paying on the swap is above market expectations of rates during the remaining term of the swap. The annual accounting adjustments of value changes in the swap transaction are non-cash recognition requirements, the net effect of which will be zero at the end of the bond's 30-year term. At December 31, 2013 and 2012, the Organization recorded the swap liability position of approximately \$937,081 and \$1,558,953, respectively.

During 2009, there occurred a downgrading of the credit rating of the Counterparty to the letter of credit reimbursement agreement, which triggered a mandatory tender of the Series 2007 Bonds in whole and a temporary conversion of one-hundred percent of the principal amount to a bank purchase mode under the terms of said letter of credit reimbursement agreement. Since it became evident that the credit markets would not soon return to normalcy, the Organization elected to convert the Series 2007 Bonds from a weekly rate mode to a bank purchase mode. This new bank purchase mode created a rate period in which the Series 2007 Bonds bear interest at the tax adjusted bank purchase rate of 68 percent of the sum of the adjusted period LIBOR (30 day) rate and 325 basis points. The bank purchase mode commenced on July 31, 2009 and expires on July 31, 2014; however, the expiration date may be extended by the Counterparty and the Organization has the option to convert back to the weekly rate mode.

The Series 2007 Bond documents require the Organization to comply with certain financial covenants. As of December 31, 2013, the Organization was not in compliance with one of these covenants. The Organization has received a default waiver from the bank for 2013.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific program services:

	<u>2013</u>	<u>2012</u>
Deferred loan interest	\$ 904,952	\$ 924,488
Cumulative appreciation on permanently restricted net assets	582,272	404,623
Camp Spaulding	448,328	498,104
Camp Pavillion	290,427	298,676
Union Street	231,413	238,219
Child abuse prevention	154,658	96,432
Teen and youth	128,577	114,939
Teen center	91,839	101,673
Camp	49,194	52,483
Family counseling	42,438	29,455
Homecare	19,482	6,140
Child abuse treatment	<u>-</u>	<u>6,242</u>
Total	<u>\$ 2,943,580</u>	<u>\$ 2,771,474</u>

Note 12. PERMANENTLY RESTRICTED NET ASSETS

At December 31, 2013 and 2012, permanently restricted net assets of \$3,121,389 and \$2,745,329, respectively, are restricted to investments in perpetuity and for which income earned is expendable to support operations subject to certain restrictions. At December 31, 2013 and 2012, permanently restricted net assets include \$1,872,875 and \$1,736,855, respectively, in investments held in perpetual trusts.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 13. LEASES

The Organization leases office and counseling space located in various New Hampshire communities.

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

<u>Year ending December 31,</u>	<u>Amount</u>
2014	\$ 101,601
2015	82,707
2016	82,707
2017	16,217
2018	<u>3,621</u>
Total	<u>\$ 286,853</u>

For the years ended December 31, 2013 and 2012, rent expense in connection with these leases was \$123,341 and \$123,117, respectively. The Organization also leases office and counseling space in New Hampshire on a tenant-at-will basis.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS

The Not-for-Profit Entities Topic of the ASC intends to improve the quality of consistency of financial reporting of endowments held by not-for-profit organizations. This Topic provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of the Uniform Prudent Management Institutional Funds Act (UPMIFA). New Hampshire has adopted UPMIFA. The Topic also requires additional financial statement disclosures on endowments and related net assets.

The Organization has adopted an investment and spending policy to ensure a total return (income plus capital change) necessary to preserve and enhance the principal of the fund and at the same time, provide a dependable source of support for current operations and programs. The withdrawal from the fund in support of current operations is expected to remain a constant percentage of the total fund, adjusted for new gifts to the fund.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Experience has shown financial markets and inflation rates are cyclical, and therefore, control of volatility will be achieved through diversification of asset classes and selection of investment managers of diverse investment styles. Asset allocation parameters have been developed for various funds within the structure, based on investment objectives, liquidity needs, and time horizon for intended use.

The spending policy is 5% of the average total endowment value over the trailing 12 quarters with a 1% contingency margin. This includes interest and dividends paid out to the Organization.

Measurement of investment performance against policy objectives will be computed on a total return basis, net of management fees and transaction costs. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (continued)

December 31, 2013	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments, beginning of year	\$ 13,542,074	\$ 404,623	\$ 1,008,474	\$ 14,955,171
Investment return				
Investment income	359,232	37,226	-	396,458
Realized gain	394,834	40,923	-	435,757
Unrealized gain	<u>1,604,003</u>	<u>166,258</u>	<u>-</u>	<u>1,770,261</u>
Total investment return	2,358,069	244,407	-	2,602,476
Contribution	-	-	240,040	240,040
Appropriation of endowment assets:				
Spending rate	(694,226)	(66,758)	-	(760,984)
Additional from Board designated for fees	<u>(58,016)</u>	<u>-</u>	<u>-</u>	<u>(58,016)</u>
	<u>(752,242)</u>	<u>(66,758)</u>	<u>-</u>	<u>(819,000)</u>
Investments, end of year	<u>\$ 15,147,901</u>	<u>\$ 582,272</u>	<u>\$ 1,248,514</u>	<u>\$ 16,978,687</u>

Investment Net Asset Composition by Fund Type:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Undesignated	\$ 937,081	\$ -	\$ -	\$ 937,081
Board designated	14,210,820	-	-	14,210,820
Donor designated	<u>-</u>	<u>582,272</u>	<u>1,248,514</u>	<u>1,830,786</u>
Total	<u>\$ 15,147,901</u>	<u>\$ 582,272</u>	<u>\$ 1,248,514</u>	<u>\$ 16,978,687</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE

NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (continued)

December 31, 2012	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investments, beginning of year	\$ 12,984,428	\$ -	\$ 1,110,811	\$ 14,095,239
Investment return				
Investment income	284,371	26,281	-	310,652
Realized gain	93,735	8,663	-	102,398
Unrealized gain	<u>1,339,727</u>	<u>123,955</u>	<u>-</u>	<u>1,463,682</u>
Total investment return	1,717,833	158,899	-	1,876,732
Contribution	-	-	159,275	159,275
Appropriation of endowment assets:				
Spending rate	(783,125)	(73,594)	-	(856,719)
Additional from Board designated funds	<u>(294,956)</u>	<u>-</u>	<u>-</u>	<u>(294,956)</u>
	<u>(1,078,081)</u>	<u>(73,594)</u>	<u>-</u>	<u>(1,151,675)</u>
Release of restriction	<u>-</u>	<u>(24,400)</u>	<u>-</u>	<u>(24,400)</u>
Reclassification to comply with UPMIFA	<u>(82,106)</u>	<u>343,718</u>	<u>(261,612)</u>	<u>-</u>
Investments, end of year	<u>\$ 13,542,074</u>	<u>\$ 404,623</u>	<u>\$ 1,008,474</u>	<u>\$ 14,955,171</u>

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 14. ENDOWMENT FUND ASSETS (concluded)

Investment Net Asset Composition by Fund Type:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Undesignated	\$ 1,558,953	\$ -	\$ -	\$ 1,427,154
Board designated	11,983,121	-	-	12,114,920
Donor designated	<u>-</u>	<u>404,623</u>	<u>1,008,474</u>	<u>1,413,097</u>
Total	<u>\$ 13,542,074</u>	<u>\$ 404,623</u>	<u>\$ 1,008,474</u>	<u>\$ 14,955,171</u>

Note 15. PENSION PLAN

The Organization sponsored a defined contribution plan that covered all employees at day of hire and who were at least twenty-one years of age. A pre-tax voluntary contribution is permitted by employees up to limits imposed by the Internal Revenue Code and other limitations specified in the Plan. There were no contributions made to the plan by the Organization for the years ended December 31, 2013 and 2012.

Note 16. RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of checking and money market accounts in one financial institution. The Federal Deposit Insurance Corporation (FDIC) insures the balances up to \$250,000 at each bank. At times during the year, funds carried in the Organization's accounts exceed FDIC limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk related to uninsured funds.

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS

Note 16. RISKS AND UNCERTAINTIES (concluded)

The majority of the Organization's grants are received from agencies of the state of New Hampshire. As such, the Organization's ability to generate resources via grants is dependent upon the economic health of that area and of the state of New Hampshire. An economic downturn could cause a decrease in grants that coincides with an increase in demand for the Organization's services.

Note 17. PRIOR PERIOD ADJUSTMENT

Endowment funds have been reclassified to reflect cumulative appropriations at the Organization's Board approved spending rate. The effect of this reclassification increased temporarily restricted net assets by \$343,718, decreased permanently restricted net assets by \$261,612 and decreased unrestricted net assets by \$82,106.

Note 18. SUBSEQUENT EVENTS

Child and Family Services of New Hampshire have evaluated subsequent events through March 19, 2014, the date which the financial statements were available to be issued, and have not evaluated subsequent events after that date. No subsequent events were identified that would require disclosure in the financial statements for the year ended December 31, 2013.

BOARD POSITION	FNAME	LNAME	Length of Service	Term Ending Date	Regional Board Position
Board Asst. Secretary, CEO	Borja	Alvarez de Toledo			President/CEO
Board Governance Committee	Suzanne	Boulter	1.5 Yrs	2018	
Board Governance Committee	Elaine	Brody	23 Yrs	2014	
Chair, Finance Committee, Treasurer	William	Conrad	15 yrs	2016	
Chair, Board Governance Committee, Executive Committee	Gail	Garceau	8 Yrs	2017	Chair, Governance Committee
Chair, Board Development Committee	Lou	Kaucic	2 Yrs	2018	
Board Secretary, Chair, Advocacy Committee	Bradford	Kuster	18 Yrs	2019	
Board Development Committee	Peggy	Lambert	8 Yrs	2017	
Board Finance Committee	Kirk	Leoni	1 Yr	2018	
Board Chair, Executive Committee	Marilyn	Mahoney	11 Yrs	2014	
Advocacy Committee	Willard "Bud"	Martin	3 Yrs	2016	
Board Governance Committee	Samantha	Pause	2 Yrs	2018	
Board Finance Committee	Kenneth	Sheldon	1 Yr	2018	
Board 2nd Vice Chair, Executive Committee	Lynne	Stahler	16 Yrs	2015	
Board 1st Vice Chair, Executive Committee	Kerry	Uhler	14 Yrs	2017	

Borja Alvarez de Toledo, M.Ed.

Professional Profile

- A seasoned leader with more than 15 years of senior level non-profit management experience.
- Strong business acumen with emphasis on developing processes to ensure the alignment of strategy, operations, and outcomes with a strength based approach to leadership development.
- Collaborative leader using systemic and strategic framework in program development, supervision and conflict resolution.

Professional Experience

Child and Family Services of New Hampshire
Manchester, NH

December 2013- Present

~ President and CEO

- Responsible for program planning and development, insuring that CFS meets the community needs.
- Advance the public profile of CFS by developing innovative approaches and building productive relationships with government, regional and national constituencies.
- Acts as advisor to the Board of Directors and maintains relationships with the regional Boards
- Responsible for all aspects of financial planning, sustainability and oversight of CFS' assets
- Work with Development staff and Board of Directors to design and implement all fundraising activities, including cultivation and solicitation of key individuals, foundations and corporations

Riverside Community Care
Dedham, MA

2009- 2013

~ Division Director, Child and Family Services

- Responsible for strategic vision, planning and implementation of the programmatic, operational and financial sustainability of a \$17M division with more than 300 employees.
- In partnership with The Guidance Center, Inc.'s board of directors, played leadership role in successfully merging with Riverside Community Care, through a process that involved strategic planning, analysis and selection of a viable partner.
- Provide supervision to managers using a strength based approach and a collaborative coaching model to leadership development.

The Guidance Center, Inc.
Cambridge, MA

1998 - 2009

~ Chief Operating Officer

2007 - 2009

- Hired initially as Director of an intensive home-based family program and through successive promotions became responsible for all operations in the organization.
- Responsible for supervision of Division Directors, strategic planning and development of new initiatives.
- Developed strategic relationships with state and local funders, and partnered with community agencies to support the healthy growth of children and families.

Private Practice in Psychotherapy and Clinical Consultation
Madrid, Spain

1992 - 1998

Universidad Pontificia de Comillas
Madrid, Spain

1991 - 1998

~Adjunct Faculty

- Taught graduate level courses in Family and Couples Therapy program
- Practicum program supervisor: Supervised first year Master's Degree students through live supervision in the treatment of multi-problem families.

Centro Médico-Psicopedagógico
Madrid, Spain

1994 - 1997

~Clinical Coordinator/Director of Training.

- Member of a multi-disciplinary team that provided assessment and treatment to families victims of terrorism and had developed Post Traumatic Stress Disorder.

ITAD (Institute for Alcohol and Drug Treatment),
Madrid, Spain

1991- 1994

~ Senior Drug and Alcohol Counselor, Drug and Alcohol Program

- Provided evaluation and treatment for chemically dependent adults and their families.

~ Senior Family Therapist, Couples and Family Therapy Program

- Worked as a family therapist in the evaluation and treatment of adolescents and families.

Charles River Health Management
Boston, MA

1989 - 1991

~ Senior Family Therapist, Home Based Family Treatment Program.

Education

Graduate Certificate of Business

University of Massachusetts, Lowell, 2000.

Master's Degree in Education

Counseling Psychology Program. Boston University, 1989.

B.A. in Clinical Psychology

Universidad Pontificia de Comillas, Madrid, Spain. 1988

Publications

- 2009 Ayers, S. & Alvarez de Toledo, B. Community Based Mental Health with Children and Families. In A. R. Roberts (Ed.), *Social Worker's Desk Reference* (2nd ed.), New York: Oxford University Press, 2009
- 2006 *Topical Discussion: Advancing Community-Based Clinical Practice and Research: Learning in the Field*. Presented at the 19th Annual Research Conference: A System of Care for Children's Mental Health: Expanding the Research Base, February 2006, Tampa, FL.
- 2001 Lyman, D.R.; Siegel, R.; Alvarez de Toledo, B.; Ayers, S.; Mikula, J. *How to be little and still think big: Creating a grass roots, evidence based system of care*. Symposium presented at the 14th Annual Research Conference in Children's Mental Health, Research and Training Center for Children's Mental Health, February 2001, Tampa, FL.
- 2006 Lyman, D.R., B. Alvarez de Toledo, *The Ecology of intensive community based intervention*. In Lightburn, A., P. Sessions. *Handbook of Community Based Clinical Practice*. Oxford University Press, 2006, England.
- 2001 Lyman, D.R., B. Alvarez de Toledo (2001) *Risk factors and treatment outcomes in a strategic intensive family program*. In Newman, .C, C. Liberton, K. Kutash and R. Friedman, (Eds.) *A System of Care for Children's Mental Health: Expanding the Research Base* (2002), pp. 55-58. Research and Training Center for Children's Mental Health, University of South Florida, Tampa, FL.
- 1994-98 Research papers and professional presentations in peer reviewed journals in Spain

Languages

Fluent in Spanish, French and Italian.

ANTHONY F. CHEEK, JR.

EXPERIENCE: Child & Family Services Manchester, NH
01/11- Present **Vice President/CFO**

Oversee finance, human resource and information technology functions for a private non-profit human services agency with 300 employees and a budget of \$12 Million.

3/07- 1/11 Fountains America, Inc., Pittsfield, NH
Vice President/Director of Finance

Overall responsibility for the corporate finance, human resource and information technology functions of a US holding company and its three operating divisions, all subsidiaries of fountains plc headquartered in the UK.

- US budget responsibility \$7 Million, Group budget \$100 Million.
- Prepare and monitor annual budgets.
- Provide monthly financial analysis and forecasts to US President and UK group CFO.
- Manage corporate risk matters including legal, insurance and compliance issues.
- Oversee corporate tax matters and accounting standards compliance.
- Manage accounting department staff of six for maximum efficiency and responsiveness to internal and external stakeholders.
- Manage all human resource and payroll functions.
- Manage IT infrastructure and support needs.
- Work with US President and Division Presidents on strategic issues, company growth initiatives, product and regional cost analysis and acquisition/due diligence projects.

2/96- 3/07 Lakes Region Community Services Council, Inc., Laconia, NH
Director of Finance (3/98-3/07)

Oversee finance, human resource and information technology functions for a private non-profit human services agency with 300 employees, involving four corporate entities and a budget of \$20 Million.

- Prepare and monitor annual budgets, and report monthly to Board of Directors.
- Negotiate funding with the New Hampshire Department of Health and Human Services.
- Prepare and manage contracts with funding sources and vendors.
- Supervision of 15 staff in finance, human resources and other administrative functions.
- Administer the agency's personnel policies, compensation and benefit plans.
- Ensure compliance with state and federal labor regulations.
- Oversee the installation and support of agency computer systems and networks.
- Implemented new IT network infrastructure for satellite offices to improve

- communication and optimize operations.
- Implemented new Medicaid billing and data collection software system.
- Manage all corporate risk management including legal issues, insurance coverage and corporate compliance matters.

Assistant Controller (2/96-3/98)

- Manage Accounting department responsible for five interrelated corporations.
- Oversee general ledgers for all corporations including timely monthly closings and account reconciliations.
- Present financial statements at monthly Board meeting.
- Manage staff of five including A/R, A/P, and G/L staff.
- Responsible for coordination of annual audits.
- Assist in preparation and maintenance of annual budgets.
- Converted general ledger software from an in-house system to Solomon IV, a Windows based multi-company software system.
- Responsible for the startup of two new corporations.
- Provide Executive Directors with accurate and timely operating statements and financial analysis.
- Responsible for daily cash management and banking relationships.

11/87 - 2/96

Boyd's Potato Chip Co., Inc., Lynn, MA

Controller/General Manager

- Prepared and analyzed monthly profit and loss statement.
- Monitored and controlled the flow of cash receipts and disbursements.
- Researched, designed specifications for and implemented a computer system to automate order entry, A/R, A/P, and inventory control, reducing data entry by 25% and improving inventory control.
- Coordinated annual audits.
- Administered group insurance plans and workers compensation program. Introduced new programs that resulted in savings to company and reduced workplace accidents.
- Renegotiated union contracts with union management.
- Managed all aspects of transportation and distribution, to ensure prompt deliveries and customer satisfaction.
- Supervised a staff of 20 including office, warehouse and transportation personnel.

EDUCATION:

1986

Bachelor of Science in Business Administration

University of New Hampshire, Durham, NH

COMPUTER SKILLS:

Advanced computer skills including Microsoft Excel, Word and Access. Solomon Dynamics and Sage Accpac accounting systems. Crystal and FRx report writers.

Maria Gagnon, MSW

SKILLS SUMMARY

~Project Management	~Non-Profit Operations	~Strategic Planning
~Project Evaluation	~Budget Development	~Staff Recruitment
~Data to Manage	~Local/Federal Grant Writing	~Staff supervision

PROFESSIONAL EXPERIENCE

Child and Family Services – Manchester, New Hampshire (2013 to present)

Senior Vice President, Chief Operating Officer

- Work with management team to ensure acceptable standards of professional practice & responsiveness to community needs.
- Support and consult with management team in the assignment, supervision, evaluation & termination of employees.
- Participate in preparation of the annual budget, ensure agency programs are administered within budgetary provisions and maintain proper accounting of funds.
- Participate in developing and coordinating sound welfare programs in the community.
- Participate in community collaborations on the local, regional and national level to increase understanding of agency programs.

***FIRST* – Manchester, New Hampshire (2011 to 2013)**

Director, Corporate & Foundation Relationships

- Manage team of eight to develop and cultivate strategic relationships with donor organizations to raise \$16 million annually. Responsible for hiring, training and supervising staff. Complete employee evaluations and develop goals for professional growth.
- Maintain and grow existing donor accounts by providing strategic vision, leadership, and direction. Set support level goals, develop short & long-term strategies and implement action plans to meet the growth objectives of *FIRST*. Work across departments to ensure adequate funding.
- Personally grew several major accounts by 50% in first year of position. Companies included Boeing, United Technologies, 3M and Grainger.
- Cultivated new relationships with several large companies including: Deloitte, Intel, MasterCard, Hitachi, Good Samaritan Society, AARP and the military.
- Create annual business plan, maintain accurate donor database, develop reports for agency leadership and participate in major event planning. Serve as spokesperson for the agency at national events.

CHILD ADVOCACY CENTER – Hillsborough County, New Hampshire (2010 to 2011)

Executive Director

- Provide strategic leadership & day to day management of the agency. Supervise 4 staff, 2 Americorp Advocates, & student interns. Report directly to the board of directors. Recruit & provide orientation to new board members.
- Grew agency in first year of leadership to include an additional staff person and three new services including: case management, extended forensic interviews and district court advocacy. Met rigorous standards for accreditation through the National Children's Alliance.
- Create annual work plan & budget. Manage funding to support agency operations, write grants and insure appropriate reporting to funding sources.
- Increased budget by 12% in FY2011; exceeded fundraising goals by 66% & served 10% more children. Secure agency funds through grants, contributions by cities & towns, fundraising events and business & individual donations.
- Successfully execute large fundraising events, utilizing staff and volunteer resources. Events include annual gala, triathlon, dance recital, special events & web-based appeal.

- Serve as spokesperson for the organization in the community, through local media outlets and social networks. Provide training to individuals working with children to help with identification of child abuse and to promote responsible reporting.

NEW FUTURES – Exeter, New Hampshire (2005 to 2009)

Director, Adolescent Treatment Initiative and Closing the Treatment Gap Initiative

- Manage \$5 million dollar investment of the New Hampshire Charitable Foundation & \$600,000 investment of the Open Society Institute. Manage & supervise 6 agencies and 15 staff across NH to implement this project.
- Implement evidence based treatment in five communities across the state. Have expanded use of evidence based practice from 1 agency to 7 in three years. Have provided training to more than 100 clinicians in New Hampshire on the use of evidence based treatment approaches.
- Project demonstrated successful outcomes consistent with or above national standards. Success includes reduction in substance use, decrease in illegal activity and alleviation of mental health symptoms. Clients report high treatment satisfaction.
- Create annual work plan and budget. Provide annual progress report to the New Hampshire Charitable Foundation & Open Society Institute.
- Develop data collection methods and identify target indicators. Utilize outcome data to make adjustments to programs to better serve youth, adults and their families.

RECLAIMING FUTURES – Concord, New Hampshire (2002 to 2005)

State Director

- Wrote grant to secure \$1.3 million from the Robert Wood Johnson Foundation for Reclaiming Futures.
- Responsible for hiring, supervising and evaluating work of 6 program staff.
- Demonstrated success in 8 out of 13 project indices including: data sharing, partner involvement, client information, targeted treatment, treatment effectiveness, assessment, family involvement, access to services and involvement with pro-social activities.
- Facilitated 5 year strategic planning process in collaboration with state level advisory board. Developed and implemented yearly work plans.
- Institutionalized screening and assessment protocol in juvenile court system reaching 95% of youth across seven jurisdictions. Screen for risk and protective factors to facilitate connection to appropriate services. Expanded juvenile drug courts from 2 sites to 7 in four years with no additional resources.

ADDITIONAL PROFESSIONAL EXPERIENCE

THE YOUTH COUNCIL – Nashua, New Hampshire (1998-2002)

Director of Operations and Program Development/Clinical Social Worker

RIVIER COLLEGE – Nashua, New Hampshire (2009 to 2011)

Adjunct Faculty, Communications Department Grant Writing Skills

NATIONAL CONSULTANT & TRAINER – Train on substance abuse assessment tools in various locations across the country consult on adolescent treatment issues in juvenile justice (2005- 2011)
Completed feasibility study for the NH Dental Association (2011)

EDUCATION

Master's Degree in Social Work (MSW)

University of New Hampshire, 1998

Bachelor's Degree in Social Work (BSW)

Rivier College, 1991

Objective: To be a profound leader and mentor for individuals who care for, advocate for, and pay for the services impacting the lives of children, families, seniors, and the community. To work with a progressive and highly functioning team.

Highlights of Qualifications:

- ❖ Organized, reliable, and dedicated professional, with a proven track record of success in working independently and assuming increased responsibilities.
- ❖ Outstanding organizational skills, with a talent for “seeing the big picture.”
- ❖ Articulate and persuasive in written and verbal presentations.
- ❖ Advanced numerous individual and business relationships into long term partnerships.

Education:

University of New Hampshire
Durham, NH

1983
Bachelor of Science – Nursing

St. Joseph Community College
Windham, ME

½ of required credits completed to achieve
Master of Science – Health Care Administration.

Certified Fund Raising Executive

2005

Experience:

2006 – Current Home Care Program Director, Child and Family Services

- ❖ Lead and direct program development, operations, fiscal management, and quality assurance.
- ❖ Care provider supervision, training, and management
- ❖ Oversee the referrals, admissions, and person centered plans of care for over 900 clients annually.

2001 – 2006 Director Development & Community Relations, VNA of Manchester & So. NH

- ❖ Met or exceeded budget raising \$1,000,000 in average annual support.
- ❖ Established VNA Legacy Society with eight members in first year.
- ❖ Established Donor and Memorial Recognition Tree with 83 leafs, acorns, and stones added in one year.
- ❖ Hosted Bi-Monthly Cable Access Television Show bringing health information to viewers.

1997 – 2001 Director Planning & Development, VNA of Manchester & So. NH

- ❖ Established and implemented successful and progressive development programs.
- ❖ Authored and published: Newsletters, brochures, case statements, funding proposals.
- ❖ Implemented and oversaw the annual sales and marketing plan, promoting services while developing and maintaining relationships with physicians, referring facilities, and payers.
- ❖ Led the strategic planning initiatives including market research, interviews, the annual board retreats as well as leading and overseeing work plan implementation.

1986 – 1997 Director Specialty Services, VNA of Manchester & So. NH (formerly Elliot)

Director of Home Health Services, responsible for clinical and financial success of business unit.

- ❖ Responsible for clinical, financial performance and regulatory compliance.

Community/Volunteer:

Past President: Kiwanis Club of Manchester, NH

Active Member 1994 – Current

Graduate: Leadership Manchester

2002

Chair & Past Sec. Manchester Regional Area Committee on Aging

2000 - 2013

Denise A. Bennett

Experience:

Child and Family Services, Controller 9/93 - Present
Responsible for managing the accounting department of a \$12 million dollar large non profit for over 20 years. Oversee a staff of 6. Responsible for all daily and monthly activities of a busy accounting department through to the processing of monthly financials including all closing entries. Assist with the annual budgeting process.

TRW Credit Bureau, Office Manager 2/91 – 2/92
Worked directly for the Northeast Regional Manager. Assisted Regional Manager with various projects. Researched and helped assist clients with problem credit reports and issues.

S.U.R. Construction, Office Manager/Bookkeeper 10/89 – 2/91
Managed all aspects of a 3 location busy construction company. Processed all accounts payables, accounts receivables and payroll for company. Assisted owners with processing job quotes and paperwork.

Lend Lease Cars, Inc. Administrator 4/88 – 10/89
Managed corporate car leasing accounts for the northeast region. Developed quotes for our corporate customers for fleets of vehicles. Processed car orders directly to car manufacturing plants and followed through paperwork until delivery of vehicles. Performed various secretarial functions for Regional Manager.

Data General Corporation, Senior A/P Analyst Group Leader 4/85 – 4/88
Responsible for training all new A/P analysts. Supervised a staff of 6. Maintained full charge of approximately 200 vendor accounts.

Electronics Corporation of America, Personnel Clerk 7/83 – 4/85
Set up interviews of applicants. Orientation of all new employees, typed minutes of meetings. Receptionist/Switchboard operator.

Education:

NH College BS, Business Management	1989
NH College AS, Accounting	1987
Manchester Memorial High School	1983

References:

Available upon request.

EXPERIENCE:

CHILD AND FAMILY SERVICES

Home Care Supervisor

2013 – Present

Responsible for the hiring, training and supervision of homemaking and companion staff while ensuring policies and procedures are adhered to. Manage the effective and efficient scheduling of clients authorized visits with direct care staff and communicate and coordinate services with clients, families, case managers and referral sources.

Coordinate with Human Resources to manage employee paperwork is up to date including auto insurance, licenses and evaluations. Support Office Coordinator with the processing of time slips. Communicate and work to effectively resolve unusual occurrences, conflicts and complaints with clients and employees. Administer the program during the absence of the Program Director.

Scheduling Coordinator

2007-2012

Responsible for the effective and efficient scheduling of clients authorized visits with direct care staff by preparing weekly schedules. Match each client's need for service with an available and appropriate care provider. Prevent conflicts with clients' appointments and staff requests for time off. Provide and discuss care plan with care provider as new clients are assigned.

Inform Program Director of re-assignment requests from providers or clients, excessive cancellations, unusual occurrences, complaints or changes in client of staff condition. Accept referrals for service determining baseline data and eligibility for services.

HOME INSTEAD SENIOR CARE

2003 – 2007

Staff Coordinator

Responsible for matching clients with appropriate caregivers according to their needs and continued to work closely with clients and caregivers to maintain compatibility for both parties. Instrumental in the growth of monthly billings from the mid \$20's to over \$100,000. Liason between office and clients we provided services for through state home care. Fielded inquiries from prospective clients and performed service calls when necessary. Provided back-up for the on-call Night and Weekend Supervisor.

NORTHWOOD REHABILITATION AND NURSING CENTER

1997 – 2003

Admissions Coordinator

Responsible for screening potential residents from hospitals or other nursing homes and reviewed screenings with management staff prior to admissions. Responsible for coordinating room set up with nursing staff. Worked with Business Office Manager to confirm that the correct insurance coverage was in place prior to admission, received additional approvals for skilled care as needed and assisted with Medicaid applications if necessary.

Receptionist

Provided support to facility management including answering incoming phone calls, typing of documentation and other tasks as necessary. Reported to and assisted Accounts Payable Manager as needed. Ordered and maintained Central Supply for facility and distributed supplies to nursing stations weekly.

Activities Assistant

Responsible for providing activity stimulation, redirection and motivation for memory impaired residents on the dementia unit. Enhancement involved activities such as music, trivia, cooking, crafts, sensory, religion, exercise and entertainment.

EDUCATION

1991 B.S. Degree Marketing, Franklin Pierce College

1986 A.S. Degree Executive Secretarial Science, Middlesex Community College

Alzheimer's Trained

VOLUNTEER

Manchester Animal Shelter since 2001

Northeast Pyrenees Rescue since 2007

Sharon A. Fredette

CHILD AND FAMILY SERVICES, (2010 – present). Nursing Supervisor

Responsibilities

- Assess physical, emotional, social and environmental needs of those seniors and individuals with disabilities living at home.
- Provide education, support and referral sources to the home care client.
- Consult and collaborate with other professionals involved in providing services to the home care client.
- Supervise licensed nursing assistants and personal care service providers to ensure that procedures and protocols are adhered to under the client's plan of care.

CHILD AND FAMILY SERVICES, (2008-2011). Registered Nurse Home Visitor in the Healthy Families Program.

Responsibilities

- Provided pertinent assessment and intervention, with respect to proper nutrition, maternal-infant health and wellness, infant growth and development, infant safety and smoking cessation.
- Assessed physical, emotional, social and environmental needs of those individuals that qualify for the Healthy Families Program.
- Educated families to ensure proper prenatal care, successful birth outcomes and positive early-child relationships.

HILLSBOROUGH COUNTY NURSING HOME AND REHABILITATION, (1997-2008). Registered Nurse – Per diem/House Float in a 300-bed Skilled and Intermediate Care facility.

Responsibilities

- Utilized the nursing process to provide care for patients and residents based on clinical nursing practice standards
- Provided direct patient care including admissions, assessments, treatments and medical administration.
- Collaborated with other professional disciplines to ensure effective and efficient patient and resident care delivery and the achievement of desired patient and resident outcomes.
- Ability to be flexible regarding daily job assignments, whether working as a floor nurse or, in a more supervisory position, as a charge nurse.
- Advocated for patients, residents and families.

GOODWIN, PROCTOR & HOAR (1988-1996). Legal Administrator in the Employee Benefits Department.

Responsibilities

- Produced a variety of legal documents (ranging from retirement plans to opinion letters) for an income partner and a senior associate.
 - Served as liaison between clients and attorneys providing requested information regarding case matters.
 - Organized and maintained multiple legal files, processed client/matter billing memoranda, scheduled meetings and appointments and coordinated all travel arrangements.
-

EDUCATION

- Massachusetts Bay Community College, Wellesley, MA, Associates Degree – Nursing (1996).
- Johnson and Wales University, Providence, RI, Associates Degree – Legal Administration (1988).

Child and Family Services of New Hampshire

Key Personnel

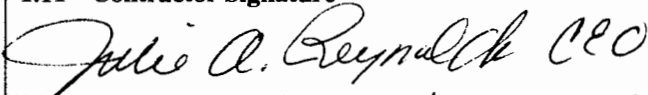
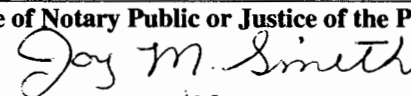
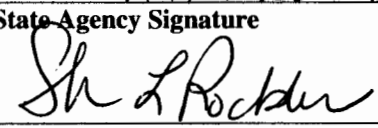
Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Borja Alvarez de Toledo	CEO	\$150,010	0	0
Maria Gagnon	COO	\$94,994	0	0
Anthony Cheek	CFO	\$92,914	0	0
Dorothy Gove	Program Director	\$65,437	60%	\$39,262

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Cornerstone VNA		1.4 Contractor Address 178 Farmington Road Rochester, NH 03867	
1.5 Contractor Phone Number 603-332-1133	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$121,944.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Julie A. Reynolds Chief Executive Officer	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>5/23/17</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal] <u>my commission expires: 05/09/2017</u>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Joy M. Smith</u> <u>HR Manager</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Sheri Rockburn Director</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M. K. Brown</u> On: <u>5/28/17</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services: Belknap Co. Towns of Alton & Barnstead. Carroll Co. Towns of Brookfield & Wakefield. Rockingham Co. Towns of Greenland, New Castle, Newington, Newmarket, Northwood, Nottingham & Portsmouth. Strafford Co. Towns of Barrington, Dover, Durham, Farmington, Lee, Madbury, Milton, Middleton, New Durham, Rochester, Rollinsford, Somersworth & Strafford.

5. Services Provided in this Agreement

	In Home Care Services	Services	
		In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	na	na	na
Title XX	x	na	na



Exhibit A

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**



Exhibit A

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- 6.1.11.6. Opening the container
 - 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
 - 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
 - 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
 - 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
 - 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
 - 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
 - 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:
 - 6.3.3.1. Receiving referrals;
 - 6.3.3.2. Evaluation of the individual's needs;
 - 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
 - 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
 - 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
- 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
- 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
1) The reason(s) for the denial;
2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
3) Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.



Exhibit A

7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.



Exhibit A

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.



Exhibit A

- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.
-

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



Exhibit A

is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information.

Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.



Exhibit A

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.



Exhibit A

7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and



Exhibit A

- d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

- 7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 7.20.2. Ensure the Department is provided with access that includes but is not limited to:
 - a) Data
 - b) Financial records
 - c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
 - d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
 - e) Scheduled phone access to Contractor principals and staff
 - f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

- 7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.
- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
 - 1. Require a corrective action plan for identified deficiencies, or

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2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%

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Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix						
Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rate per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$121,944
Title IIIB	In Home Care Services	\$8.38	N/A
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	N/A
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385



Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.



Exhibit B

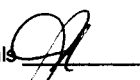
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- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

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

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


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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

[Signature]
5-22-14



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$2,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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



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

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

Base office: 178 Farmington Road Rochester N.H. 03867
Stafford County See Exhibit A 4.1 - work done is
in personal home residences of
these geographical areas.

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

Contractor Name: Cornerstone VNA

5-22-14
Date

Julie A. Reynolds
Name: Julie A. Reynolds
Title: Chief Executive Officer

Contractor Initials JR
Date 5-22-14



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: *Conerstone VNA*

5-22-2014
Date

Julie A. Reynolds CEO
Name: *Julie A. Reynolds*
Title: *Chief Executive Officer*

Contractor Initials *JR*
Date 5.22.14



**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

A handwritten signature in black ink, appearing to be "JL", is written over the "Contractor Initials" label.

5-22-14



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

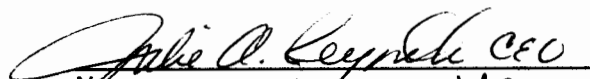
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 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: Cornerstone VNA

May 22, 2014
Date


Name: Julie A. Reynolds
Title: Chief Executive Officer



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: Cornerstone VNA

May 22, 2014
Date

Julie A. Reynolds CEO
Name: Julie A. Reynolds
Title: Chief Executive Officer

Contractor Initials [Signature]
Date 5-22-14



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: Cornerstone VNA

May 22, 2014
Date

Julie A. Reynolds CEO
Name: Julie A. Reynolds
Title: Chief Executive Officer



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



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.

The State

Shen Rockman

Signature of Authorized Representative

Shen Rockman

Name of Authorized Representative

Director

Title of Authorized Representative

5/27/14

Date

Cornerstone VNA

Name of the Contractor

Julie A. Reynolds

Signature of Authorized Representative

Julie A. Reynolds

Name of Authorized Representative

Chief Executive Officer

Title of Authorized Representative

May 22, 2014

Date

JR



**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: Cornerstone UNA

May 22, 2014
Date

Julie A. Reynolds CEO
Name: Julie A. Reynolds
Title: Chief Executive Officer



FORM A

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

1. The DUNS number for your entity is: ~~1989291127~~ 198929127
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: _____

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 CornerStone VNA is a New Hampshire nonprofit corporation formed January 4, 1967. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 6th day of May A.D. 2014

A handwritten signature in cursive script, reading "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

(Corporation without Seal)

I, Ruth Henderson, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Cornerstone VNA.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on May 15, 2014:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, , for the provision of

Home Health Services services.

RESOLVED: That the Julie Reynolds
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 22 day of May, 2014.
(Date Contract Signed)

4. Julie Reynolds is the duly elected
CEO
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.


(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Strafford

The forgoing instrument was acknowledged before me this 22nd day of May, 2014,

By Ruth Henderson.
(Name of Clerk of the Corporation)

(NOTARY SEAL)


(Notary Public/Justice of the Peace)

Commission Expires: 05/09/2017



CORNERSTONE VNA
HOME • HEALTH • HOSPICE

Trusted Care since 1913

RESOLUTION BY THE BOARD OF DIRECTORS

The following is a Resolution from minutes of the meeting of Board of Directors of Cornerstone VNA on May 15, 2014, which was duly called, at which a quorum was present:

"On motion duly made and seconded, it was voted to authorize the President of the Board of Directors and/or the Chief Executive Officer to accept grants and awards and enter into contracts, and contract amendments from time to time with the Department of Health & Human Services or other grant sources and to sign and otherwise fully execute such acceptances and contracts, and contract amendments or modifications thereto, and any related documents requested by the Department of Health & Human Services or other grant sources; this authorization to continue until revoked by vote of this governing board."

5-15-14

Date


Board Secretary

STATE OF NEW HAMPSHIRE
County of Strafford

The foregoing instrument was acknowledged before me this 15th day of May 2014.
By: Ruth Henderson, Board Secretary


Notary Public
Commission Expires: 4/14/15

/Board/Board of Director's/Resolution by the Board of Directors

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/29/2014

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

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

PRODUCER USI Insurance Services LLC 5 Bedford Farms Dr., Suite 200 Bedford NH 03110	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): E-MAIL ADDRESS:																					
INSURED Cornerstone VNA 178 Farmington Road Rochester, NH 03867	<table border="1"> <thead> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr> </thead> <tbody> <tr> <td>INSURER A:</td><td>Philadelphia Indemnity Ins.</td><td>18058</td></tr> <tr> <td>INSURER B:</td><td>Atlantic Charter Insurance Co.</td><td>44326</td></tr> <tr> <td>INSURER C:</td><td></td><td></td></tr> <tr> <td>INSURER D:</td><td></td><td></td></tr> <tr> <td>INSURER E:</td><td></td><td></td></tr> <tr> <td>INSURER F:</td><td></td><td></td></tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Philadelphia Indemnity Ins.	18058	INSURER B:	Atlantic Charter Insurance Co.	44326	INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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INSURER D:																						
INSURER E:																						
INSURER F:																						

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Professional Liab GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC			PHPK1039143	07/01/2013	07/01/2014	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 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS			PHPK1039143	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$10,000			PHUB425468	07/01/2013	07/01/2014	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/MEMBER EXCLUDED? ☒ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WCA00539902	07/01/2013	07/01/2014	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

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

This Certificate is issued for insured operations usual to a visiting nurse association.

CERTIFICATE HOLDER

CANCELLATION

State of New Hampshire
 Department of Health and Human Services
 129 Pleasant St
 Concord, NH 03301

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

E. Smith

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Mission Statement: *To promote the optimum level of well-being, independence and dignity of those living in the community by providing trusted, compassionate and expert health care.*

Vision Statement: *We aspire to be the preferred provider of home, health and hospice care in every community we serve.*

Core Values: **Trust – Respect – Understand – Support – Teach**

Operating Principles:

To act with Integrity

To serve with Passion

To think Innovatively

To engage Collaboratively

To be Accountable

To inspire Excellence

Code of Ethics:

- *I will be loyal to the mission, vision & values of Cornerstone VNA.*
- *I will respect the Patient Bill of Rights and Responsibilities.*
- *I will comply with regulations governing the organization.*
- *I will exercise due diligence in seeking to prevent and detect wrongful conduct.*
- *I will report any deviation from compliance with laws governing the organization.*
- *I will abide by the professional standards of practice.*
- *I will comply with organizational policies and procedures.*
- *I will present an honest representation of services.*



CORNERSTONE VNA
HOME • HEALTH • HOSPICE

Trusted Care since 1913

BOARD OF DIRECTORS
Susan Y. Gaudiello V.P.
Ruth Henderson, Sec
Sharla Rollins
Jean Corvinus, President
Frank Smart, Immediate Past Pres.
Dave Keefe, Treasurer
Evan Stowell, CPA
Cathy DiPentima
Archana Bhargava MD
Jacqueline Fitzpatrick, RN, MS, NP, CNE
Paul Drager, J. D.

CORNERSTONE VNA
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

CONTENTS

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BRAD BORBIDGE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
FAX 603/224-2397

INDEPENDENT AUDITOR'S REPORT

Board of Directors
CornerStone VNA
Rochester, New Hampshire

We have audited the accompanying financial statements of CornerStone VNA, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CornerStone VNA as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Concord, New Hampshire

CORNERSTONE VNA
BALANCE SHEETS
DECEMBER 31, 2012 AND 2011

ASSETS

	2012	2011
Current Assets		
Cash and cash equivalents	\$ 1,367,925	\$ 1,040,451
Temporary investments	612,958	556,168
Patient accounts receivable less allowance for uncollectible accounts of \$63,357 and \$61,836 for December 31, 2012 and 2011, respectively	824,334	932,178
Other receivables	31,920	39,459
Prepaid expenses	121,170	72,405
Total Current Assets	2,958,307	2,640,661
Assets Limited As To Use	903,439	793,044
Beneficial Interest In Perpetual Trust	734,866	677,990
Property And Equipment, Net	769,384	866,015
TOTAL ASSETS	<u>\$ 5,365,996</u>	<u>\$ 4,977,710</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 97,849	\$ 50,597
Accrued payroll and related expenses	442,558	436,090
Deferred revenue	333,355	331,088
Current maturities of long-term debt	26,705	25,044
Total Current Liabilities	900,467	842,819
Long-term Debt, Less Current Maturities	258,386	286,839
Total Liabilities	1,158,853	1,129,658
Net Assets		
Unrestricted	3,472,277	3,170,062
Permanently restricted	734,866	677,990
Total Net Assets	4,207,143	3,848,052
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,365,996</u>	<u>\$ 4,977,710</u>

(See accompanying notes to these financial statements)

CORNERSTONE VNA
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Operating Revenue		
Patient service revenue		
(net of contractual allowances and discounts)	\$ 6,790,050	\$ 5,803,179
Provision for bad debt	<u>(19,027)</u>	<u>(7,999)</u>
Net patient service revenue	<u>6,771,023</u>	<u>5,795,180</u>
Grants	62,030	91,375
Municipal appropriations	72,076	70,360
United Way	8,923	7,969
Other revenue	<u>5,965</u>	<u>1,500</u>
Total Operating Revenue	<u>6,920,017</u>	<u>5,966,384</u>
Operating Expenses		
Salaries and benefits	5,525,802	5,096,421
Professional fees and contract services	114,517	92,425
Transportation	218,633	192,501
Program supplies and expense	313,483	198,891
Occupancy	34,242	38,115
Depreciation	196,942	176,909
Interest expense	11,504	20,578
Other operating expenses	<u>387,583</u>	<u>359,256</u>
Total Operating Expenses	<u>6,802,706</u>	<u>6,175,096</u>
OPERATING INCOME (LOSS)	<u>117,311</u>	<u>(208,712)</u>
Other Revenue and Gains		
Contributions	60,104	60,647
Investment income	63,074	60,524
Recognized gain (loss) in fair value of instruments	60,776	(23,584)
Gain on disposal of fixed assets	<u>950</u>	<u>19,000</u>
Total Other Revenue and Gains, Net	<u>184,904</u>	<u>116,587</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	<u>\$ 302,215</u>	<u>\$ (92,125)</u>

(See accompanying notes to these financial statements)

CORNERSTONE VNA
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Unrestricted Net Assets:		
Excess (Deficit) of revenue over expenses	\$ 302,215	\$ (92,125)
Permanently Restricted Net Assets:		
Change in market value in beneficial interest in perpetual trust held by others	<u>56,876</u>	<u>(40,223)</u>
Change in Permanently Restricted Net Assets	<u>56,876</u>	<u>(40,223)</u>
Change in Net Assets	359,091	(132,348)
Net assets, beginning of year	<u>3,848,052</u>	<u>3,980,400</u>
NET ASSETS, END OF YEAR	<u><u>\$ 4,207,143</u></u>	<u><u>\$ 3,848,052</u></u>

(See accompanying notes to these financial statements)

CORNERSTONE VNA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 359,091	\$ (132,348)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities		
Depreciation	196,942	176,909
Bad debt expense	19,027	7,999
Gain on disposal of capital transactions	(950)	(19,000)
Recognized change in fair value of instruments	(60,776)	23,584
Change in market value in beneficial interest in perpetual trust held by others	(56,876)	40,223
(Increase) decrease in the following assets:		
Temporary investments	(56,790)	154,242
Patient accounts receivable	88,817	(71,197)
Other receivables	7,539	(17,250)
Prepaid expenses	(48,765)	11,589
Increase (decrease) in the following liabilities:		
Accounts payable	47,252	(27,883)
Accrued payroll and related expenses	6,468	57,325
Deferred revenue	<u>2,267</u>	<u>19,600</u>
Net Cash Provided by Operating Activities	<u>503,246</u>	<u>223,793</u>
Cash Flows From Investing Activities		
Purchase of investments	(93,605)	(217,481)
Sale of investments	43,986	174,306
Capital expenditures, net	<u>(99,361)</u>	<u>(137,343)</u>
Net Cash Used By Investing Activities	<u>(148,980)</u>	<u>(180,518)</u>

CORNERSTONE VNA
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Financing Activities		
Principal payments on long-term debt	<u>(26,792)</u>	<u>(22,038)</u>
Net Increase in Cash and Cash Equivalents	327,474	21,237
Cash and cash equivalents, beginning of year	<u>1,040,451</u>	<u>1,019,214</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,367,925</u>	<u>\$ 1,040,451</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 11,504	\$ 20,578

(See accompanying notes to these financial statements)

CORNERSTONE VNA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

CornerStone VNA, "the Association", is a non-stock, non-profit corporation organized in New Hampshire. The Association is exempt from federal income taxes under the Internal Revenue Code Section 501(c) (3). The Association's primary purposes are to provide home health and community health promotion services.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use. Short-term highly liquid investments with an original maturity of more than three months are classified as temporary investments.

Accounts Receivable

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Association analyzes its past history and identifies trends for all funding sources in the aggregate. In addition, balances in excess of one year are 100% reserved. Management regularly reviews data about revenue in evaluating the sufficiency of the allowance for doubtful accounts. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for uncollectible accounts. The Association has not changed its methodology for estimating the allowance for doubtful accounts at December 31, 2012 and 2011.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A reconciliation of the allowance for doubtful accounts at December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$ 61,836	\$ 73,765
Provision	19,027	7,999
Write-offs	<u>(17,506)</u>	<u>(19,928)</u>
Balance, end of year	<u>\$ 63,357</u>	<u>\$ 61,836</u>

Investments

Investments in equity and debt securities are reported at fair value. Investment income and the recognized change in fair value are included in the excess of revenue over expenses unless otherwise stipulated by the donor or State law.

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

Assets Limited As To Use

Assets limited as to use include assets designated by the governing board for specific purposes.

Beneficial Interest in Perpetual Trusts Held by Others

The Association is an income beneficiary of a perpetual trust administered by others. Although the Association does not have access to the underlying principal, the portion of income earned from the trust is available and distributed annually to the Association. The Association's share of trust principal is recognized as permanently restricted net assets at fair market value. Changes in fair market value are recognized as increases and/or decreases in the permanently restricted net assets. Annual income distributions are recognized as increases in unrestricted net assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Provision for depreciation is made on the straight-line method by annual charges to operations over the useful lives of the related assets.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Association has been limited by donors or law to a specific time period or use. There were no temporarily restricted net assets. Permanently restricted net assets have been restricted by donors to be maintained by the Association in perpetuity consisting of a beneficial interest in perpetual trust.

Patient Service Revenue

Standard charges for services to all patients are recorded as revenue when services are rendered. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Excess of Revenue Over Expenses

The Statements of Operations reflect the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice are permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction were to be used for the purposes of acquiring such assets).

Recently Issued Accounting Pronouncements

Financial Accounting Standards 2011-07 - Health Care Entities - Topic 954-Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities

The objective of the update is to provide financial statement users with greater transparency about a health care entity's net patient service revenue and the related allowance for doubtful accounts.

The amendment requires certain health care entities to change the presentation of their statement of operations by reclassifying the provision for bad debts from an operating expense to a deduction from patient service revenue (net of contractual allowances and discounts).

Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts. The amendment also requires disclosures of patient service revenue (net of contractual allowances and discounts) as well as qualitative and quantitative information about changes in the allowance for doubtful accounts.

The amendment is effective for the year ending December 31, 2012, with early adoption permitted. The amendment to the presentation of the provision for bad debts related to patient service revenue in the statement of operations should be applied retrospectively to all prior periods presented.

NOTE 2 INVESTMENTS

Investments are stated at fair value and consist of the following at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Cash and cash equivalents	\$ 170,161	\$ 109,608
Debt Instruments		
US Government and Agency Corporate	294,649	362,663
Marketable equity securities		
Consumer discretionary	96,407	50,486
Energy	56,636	46,709
Financial services	38,135	17,413
Health care	69,310	49,139
Industrials	88,166	82,629
Information technology	149,192	88,011
Materials	-	28,669
Staples	71,359	27,565
Telecommunications	14,409	68,682
Utilities	3,459	3,044
Mutual funds		
Equity funds	391,893	391,298
International funds	101,224	63,536
Fixed income funds	<u>93,305</u>	<u>81,582</u>
Total Investments	<u>\$ 1,638,305</u>	<u>\$ 1,471,034</u>
Assets limited as to use	\$ 903,439	\$ 793,044
Beneficial interest in perpetual trust	<u>734,866</u>	<u>677,990</u>
Total Investments	<u>\$ 1,638,305</u>	<u>\$ 1,471,034</u>

Cash and cash equivalents included in investments and assets limited as to use are not considered cash and cash equivalents for cash flow purposes.

NOTE 2 INVESTMENTS (CONTINUED)

Financial accounting standards have established a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs - quoted prices traded daily in active markets.
- Level 2 inputs - other than quoted prices for active markets that are traded less frequently than daily.
- Level 3 inputs - unobservable inputs.

The fair values of all of the Association's investments are measured on a recurring basis using level 1 inputs at December 31, 2012 and 2011.

Investment income and gains for assets limited as to use, cash equivalents, and other investments consist of the following for the years ended December 31, 2012 and 2011.

	<u>2012</u>	<u>2011</u>
Unrestricted net assets		
Investment income	\$ 63,074	\$ 60,524
Recognized gain (loss) in fair value of instruments	60,776	(23,584)
Restricted net assets		
Change in market value in beneficial interest In perpetual trust held by others	<u>56,876</u>	<u>(40,223)</u>
Total	<u>\$ 180,726</u>	<u>\$ (3,283)</u>

NOTE 3 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment at December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Land	\$ 50,485	\$ 50,485
Land improvements	12,265	7,625
Building and building improvements	822,381	822,381
Furniture and equipment	<u>1,240,895</u>	<u>1,145,224</u>
Total Cost	2,126,026	2,025,715
Less, accumulated depreciation	<u>1,356,642</u>	<u>1,159,700</u>
Property and Equipment, Net	<u>\$ 769,384</u>	<u>\$ 886,015</u>

NOTE 4 LINE OF CREDIT

The Association has a \$300,000 line of credit with a local bank secured by accounts receivable and furniture and fixtures, with interest at bank's prime rate plus .75% (4% at December 31, 2012). There was no outstanding balance at December 31, 2012 and 2011, respectively.

NOTE 5 LONG-TERM DEBT

A summary of mortgage payable at December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Mortgage payable to a local bank, in monthly installments of \$3,551 including interest of US Treasury Monthly Constant Maturity Index plus 2.9% (3.73% at December 31, 2012) secured by real estate.	\$ 285,091	\$ 311,883
Less current maturities	<u>26,705</u>	<u>25,044</u>
Long-term debt excluding current maturities	<u>\$ 258,386</u>	<u>\$ 286,839</u>

On January 29, 2013 the Association paid off the above loan in full.

NOTE 6 PATIENT SERVICE REVENUE

Patient service revenue provided for the years ended December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Medicare	\$ 5,269,225	\$ 4,386,899
Medicaid	213,046	169,094
Other third-party payers	1,181,341	1,100,520
Private pay	<u>126,438</u>	<u>146,666</u>
Patient service revenue		
(net of contractual allowances and discounts)	<u>\$ 6,790,050</u>	<u>\$ 5,803,179</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known.

The Association provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Association does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Association provided services in other health-related activities, primarily to indigent patients, at rates substantially below cost. For certain activities, services were provided without charge. The Association estimates the costs associated with providing the other health-related activities by applying Medicare cost report methodology to determine program costs less any net patient revenue generated by the program. The estimated costs incurred in these activities amounted to \$289,919 and \$288,580 for the years December 31, 2012 and 2011, respectively.

The Association is able to provide these services with a component of funds received through local community support and state grants. Local community support consists of contributions and United Way and municipal appropriations.

NOTE 7 RETIREMENT PLAN

The Association has a 403(B) retirement plan. The retirement plan expense was \$86,296 and \$123,675 for the years ended December 31, 2012 and 2011, respectively.

NOTE 8 FUNCTIONAL EXPENSES

The Association provides various services to residents within its geographic location. Expenses related to providing these services for the years ended December 31, 2012 and 2011 follows:

	<u>2012</u>	<u>2011</u>
Program services	\$ 6,038,174	\$ 5,419,887
Administrative and general	<u>764,532</u>	<u>755,209</u>
Total	<u>\$ 6,802,706</u>	<u>\$ 6,175,096</u>

NOTE 9 CONCENTRATION OF RISK

The Association routinely has cash deposits which either exceed the federal depository insurance limits or the institution is not covered by federal depository insurance. The financial institutions have strong credit rating and management believes the credit risk related to these deposits is minimal. In addition, the institutions have either collateralized the deposits or insurance policies protecting the deposits have been purchased by the institution.

The Association is located in Rochester, New Hampshire. The Association grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payer agreements. At December 31, 2012, Medicare represented 76% of gross accounts receivable. No other individual payer source exceeded 10% of the gross accounts receivable balance.

NOTE 10 MALPRACTICE INSURANCE

The Association insures its medical malpractice risks on a claims-made basis. There were no known malpractice claims outstanding at December 31, 2012 and 2011, nor are there any unasserted claims or incidents, which require loss accrual. The Association intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

NOTE 11 SUBSEQUENT EVENTS

For financial reporting purposes, subsequent events have been evaluated by management through _____, which is the date the financial statements were available to be issued.

JULIE REYNOLDS

PROFESSIONAL EXPERIENCE:

Rochester District Visiting Nurse Association dba Your VNA

Formerly Rural District VNA 1997 – Present

RN, Clinical Director – Responsible for Clinical Administration and overall agency administration in the absence of the Executive Director.

Responsible for the ongoing coordination, supervision of Team Managers, Support Service Manager, Rehab Manager, Social Work Manager and Nursing Specialty staff. Supervised and coordinated the Senior Companion Program/Volunteer Visitor Program through training and interaction with volunteer, companions and administration. Functions as Agency liaison with other health care practitioners and represents the agency in community and state activities; especially with the Discharge Coordinators, Social Services at hospitals, physicians and other referral sources.

RN, Nursing Coordinator - 1994 – 1997

Supervision and coordination of the Home Care Program. Participating in all activities relevant to the professional services provided.

Home Health VNA

1988 – 1994

Staff RN and Team Leader

Hale Hospital

Nurse Manager

1987

Staff RN

1984 – 1987

Staff LPN

1978 – 1984

EDUCATION:

2005

Bachelor Degree in Health Care Administration
College of Lifelong Learning

Management Seminars

1993

Diabetic Educator Certificate Program
Dartmouth Hitchcock Medical Center

1984

Associate Degree in Science of Nursing
Northern Essex Community College

1978

Licensed Practical Nurse
Whittier Regional Vocational – Technical College

PROFESSIONAL AFFILIATIONS:

Home Care Association of New Hampshire – Board
Member

Mary Arnault

Summary of qualifications

30 years in the accounting profession with 20 of those years in management roles with staff oversight

Familiar with the basic facets of accounting including accounts payable, billing, accounts receivable, payroll, general ledger and financial statement preparation. Excel at budgeting, account analysis, account reconciliation, audit preparation documentation, internal control development and execution.

Experienced at consolidating and upgrading accounting systems

Employment

2001-present Cornerstone VNA Chief Financial Officer (2010 – present)

- Coordinate and am responsible for all financial functions of the agency.
- Maintain the accounting system and produce monthly financial statements, various other reports and an annual Medicare cost report.
- Work closely with the Chief Executive Officer, Finance Committee of the Board of Directors to support their fiduciary function. Also work with the external auditors to assist in completing the annual agency audit

Business Office Manager (2001 – 2010)

- Supervised Business Office Staff
- Assisted CFO with various audit schedules
- Maintained employee benefits programs
- Performed pre-billing audits and general ledger entries related to revenue

2000 - 2001 Seacoast Family YMCA Business Manager

- Responsible for supervising and training accounts receivable, member services and purchasing staff
- Produced financial statements
- Produced payroll and related taxes for 100 employees
- Member of Safety Committee, Personnel Committee and Finance Committee

1997 -2000 Emmanuel Church and Child Care Business Manager

- Supervised and trained office staff
- Produced and presented financial statements to Board of Directors representing four different fund balances
- Responsible for keeping policies and procedures current in order to comply with state child care licensing requirements
- Maintained employee benefits programs
- Payroll related tax reports
- Reconciled bank statements and other balance sheet accounts

1994 - 1997 Rochester Visiting Nurse Association
Accounting Manager

- Supervised accounting staff of 4
- Produced Medicare cost reports
- Produced financial statements
- Maintained general ledger and budget
- Prepared audit work papers

Human Resources

- Processed payroll
- Implemented and maintained computerized employee database for JCAHO and payroll law compliance
- Employee benefits oversight
- Payroll related tax reports
- Maintained Workers Compensation, COBRA and FMLA programs
- Safety Committee chairperson

1988- 1994 Bookkeepers Plus
Owner

- Operated a successful bookkeeping service
- Offered a variety of bookkeeping tasks for area businesses including home healthcare agency, shared homes, real estate firms and retail sales

1982- 1988 Maine Post and Beam
General Ledger Accountant

- Reviewed payroll, accounts payable, job costing and accounts receivable entries
- Responsible for maintaining three general ledgers and assisted in financial statement preparation
- Computerized the manual financial system

Bookkeeper

- Managed construction loans
- Produced ADP payroll
- Responsible for accounts payable

**Education and
training**

Southern NH University, Manchester NH
Bachelors of Science Degree in Business
with a concentration in Accounting

Associates degree in Accounting

Received an award for highest GPA of Dover campus.

Other training

Trained in various accounting software including MAS90, One-Write Plus, Delta Health, Peach tree, ADP, Dynamics and ACS

Attended variety of classes in supervisory training, employment law, and non-profit management

JANICE M.R.HOWARD

OBJECTIVE

Supervision of Homemakers Personal Care Service Providers as well as the Life Care Administrative Assistant. Responsible for coordination of services, accepts referrals to department.
Maintain compliance with federal, state, and local regulatory agencies.
Promote a positive work environment for all agency staff.

WORK EXPERIENCE

2013 to Present Cornerstone VNA – *Life Care Manager (April 2014 title change to Life Care Director)*

2005- March 6, 2013 Cornerstone VNA Rochester NH

Support Services & Adult Day Care Manager

- Responsible for coordination of services, increasing our visibility in the community. Accepting referrals to department and supporting Home Care Aides/Homemakers in their roles.
- Ensure quality and safe operations of the Adult Day Center, in compliance with Agency policy & procedures and state regulations
- Supervision, coordination, and over sight of all aspects of care provided by Companions, Homemakers, and Personal Care Service Providers.
- Supervision of Support Services employees & Scheduler
- Promote a positive work environment

2002-2004 RRDVNS & Hospice Rochester, NH
HMK Coordinator (HCA Coordinator as of 1/1/03).

- Supervise and Coordinate Homemaking staff
- Responsible for coordination of services, accepting referrals to department and supporting Home Care Aides/Homemakers in their roles.
- Case management for homemaking only clients.
- Complete Homemaker referral process and verify reimbursement documentation.
- Promote a positive work environment

2000-2002 RRDVNS & Hospice Rochester, NH
Medical Supply Coordinator

- Ordering of supplies.
- Inventory
- Supervise assistant supply coordinator
- Complete cost comparison two times per year.

1999-2002 RRDVNS & Hospice Rochester, NH

HCA/HMK Scheduler

- Schedule HMK and HCA's.
- Check day sheets for errors.
- Entered patient information into database, generate Pt. P.O.C.
- Schedule and coordinate HCA/HMK Introduction to services.
- Assisted supervisor with other office tasks as needed.

1988-2000 Rural District VNA Farmington, NH

Certified Nursing Assistant

- Assisted patients with ADL's and other tasks designated by the patient individual plan of care

EDUCATION

1989 Home Health Aide Certification Mark H. Wentworth Home Portsmouth, NH

1980-1981 Certified Nursing Assistant Program Rochester Manor, Inc.
Rochester, NH

1974-1977 Farmington High School Farmington, NH
College Preparatory Course of study.
Media & Communications 1975-1977

SKILLS

Windows 95/98, Office 97.

Able to manage Excel spreadsheets.

Work and communicate well with others.

COMMITTEES

2013- Present Cornerstone VNA Safety Committee

2013- Present Business Development

2013- Present Tracking Team

2013- Present Cornerstone VNA Advancement Committee

2001-2002 Ergonomics Team RRDVNS & Hospice

1994-1997 Professional Advisory Committee Rural District VNA

1995-1996 Safety Committee Rural District VNA

CONTRACTOR NAME: Cornerstone VNA

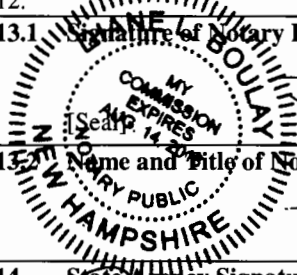
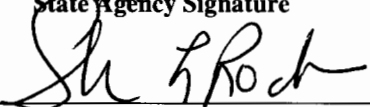
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Julie Reynolds	CEO	\$128,600	.05%	\$643.00
Janice Howard	LifeCare Director	\$52,000	5%	\$2600.00
Cheryl Bergman	Billing Manager	\$47,700	1%	\$477.00

Subject: Adult Day Program Services**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Easter Seals New Hampshire, Inc.		1.4 Contractor Address 555 Auburn Street Manchester, NH 03103	
1.5 Contractor Phone Number 603-621-3462	1.6 Account Number Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$163,125.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Elin Meador, COO/CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>5/22/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  Diane L. Boulay			
1.13.2 Name and Title of Notary or Justice of the Peace Diane L. Boulay, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockben Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M.K. Brown</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

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

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

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

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

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

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

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

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

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

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

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

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



Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide Adult Day Program Services at the locations, hours, and days identified as:

Easter Seals New Hampshire

555 Auburn Street

Manchester, NH.

Monday through Friday from 7:30 am to 5:30 pm.

5. Services Provided in this Agreement

	Adult Day Program Services
Program:	
Title III	x
Title XX	x

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

- 6.1. Adult Day Services means a program that provides one or more of the following services for fewer than 12 hours a day to participants 18 years of age and older, based on an individual's needs:

- 6.2. Supervision in a protected environment;

- 6.3. The following services, as described in the NH Administrative Rule He-P 818.15:

- 6.3.1. Personal care services;



Exhibit A

- 6.3.2. Health and safety services;
- 6.3.3. Dietary services;
- 6.3.4. Nursing services;
- 6.3.5. Social services; and
- 6.3.6. Recreational activities;
- 6.4. Monitoring of the individual's condition, and counseling, as appropriate, on nutrition, hygiene or other related matters; and
- 6.5. Referrals, as appropriate, to other services and resources that could assist the individual, including any necessary follow up.
- 6.6. Assistance and support to caregiving families.
- 6.7. Contract agencies providing adult day program services shall develop a person-centered plan for each individual in accordance with the NH Administrative Rule He-E 501.21.
- 6.8. The contractor shall be licensed in accordance with RSA 151:2 (f) and as governed by NH Administrative Rule He-P 818. In addition, contractors shall provide the specific services in accordance with NH Administrative Rules governing Adult Day Program Services He-E 501 and He-E 502; administered by the Bureau of Elderly and Adult Services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination



Exhibit A

The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.

- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
- 1) The reason(s) for the denial;
 - 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3) Contact information for requesting an appeal.

7.3.3. Redetermination of Service Eligibility.

The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.

7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
- 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.



Exhibit A

- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.



Exhibit A

- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
 - c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
 - d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.
- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
- a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as Adult Day Program Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the Adult Day Program Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

- The number of hours served by client and by the cities or towns where the client comes from to attend the Adult Day Program.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.



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The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio



Exhibit A

account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.



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- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area



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- (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.



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- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
1. Require a corrective action plan for identified deficiencies, or
 2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and	30	10.0%



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				represents 15% of the total risk assessment value.		
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk	3%	10.0%

New Hampshire Department of Health and Human Services
Adult Day Program Services



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				assessment value.		
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%

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5/27/2014



Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	50%	10.0%
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rate per Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	Adult Day Program Services	\$7.25	\$108,750
Title III	Adult Day Program Services	\$7.25	\$54,375

3. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
Adult Day Program Services	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
Adult Day Program Services	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-566-500918

4. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
5. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
6. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
7. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State



Exhibit B

may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

8. Form Submission:

Prior to submittal of an invoice for Title III funded Adult Day Program Services, the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX Adult Day Program Services, the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

9. Invoice Submission:

- 9.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 9.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 9.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 9.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 9.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 9.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 9.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.

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5/22/2014



SPECIAL PROVISIONS

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

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

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5/22/2014



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
 - 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$15,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



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

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

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

Contractor Name: Euster Seale NH, LLC

Date 5/10/2014

Elin Treanor
Name: Elin Treanor
Title: COO/CFO

Contractor Initials ET
Date 5/10/2014



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: EUSHERFELLS INC

5/22/09
Date

Elmer
Name: Elmer Medina
Title: COO/CFO



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Euster Sealsmith, LLC

Date 5/22/2014

Elm Seals
Name: Elm Seals
Title: COO/CEO



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: East Seal NH, Inc.

Date 5/22/2014

Name: Elm Trehan
Title: COO/CTO



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: Easter Seal's AH, Inc.

Date 5/22/2014

Elin Yoon
Name: Elin Yoon
Title: COO CFO



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

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Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

3/2014

Contractor Initials ET

Date 5/22/04



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.

The State
Shari Rockburn
 Signature of Authorized Representative
Shari Rockburn
 Name of Authorized Representative
Shari Rockburn
 Title of Authorized Representative
5/27/14
 Date

East Rock NH, Inc.
 Name of the Contractor
Elin Treanor
 Signature of Authorized Representative
Elin Treanor
 Name of Authorized Representative
COO/PFO
 Title of Authorized Representative
5/22/2014
 Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Exxon Pedas AH, Inc

5/22/2014
Date

Elmer Pedas
Name: ELMER PEDAS
Title: COO/CEO



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: 08-557-3467
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:

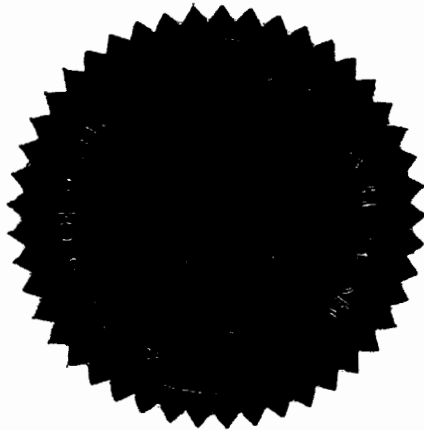
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

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 Easter Seals New Hampshire, Inc. is a New Hampshire nonprofit corporation formed November 6, 1967. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 10th day of April A.D. 2014

A handwritten signature in black ink, appearing to read "Wm Gardner", written in a cursive style.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

(Corporation with Seal)

I, Betty Burke, Assistant Secretary of the
(Corporation Representative Name) (Corporation Representative Title)

Easter Seals New Hampshire, Inc., do hereby certify that:
(Corporation Name)

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

Easter Seals New Hampshire, Inc., a New Hampshire corporation (the "Corporation")
(Corporation Name) (State of Incorporation)

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

(3) I am duly authorized to issue certificates;

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

22nd day of May, 2013, which meeting was duly held in accordance with

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

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

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

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

Larry J. Gammon President Name

Elin Treanor COO/CFO

Treasurer Name

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

of the Corporation and have affixed its corporate seal this day of May, 2014.

Betty Burke
(Title) Assistant Secretary

(Seal)

STATE OF New Hampshire

COUNTY OF Hillsborough

On this the 22 day of May, 2014, before me, Diane L. Boulay, the undersigned officer,
personally appeared Betty Burke, who acknowledge her/himself to be the
Assistant Secretary of Easter Seals NH, Inc., a corporation, and that she/he, as
(Title) (Name of Corporation)

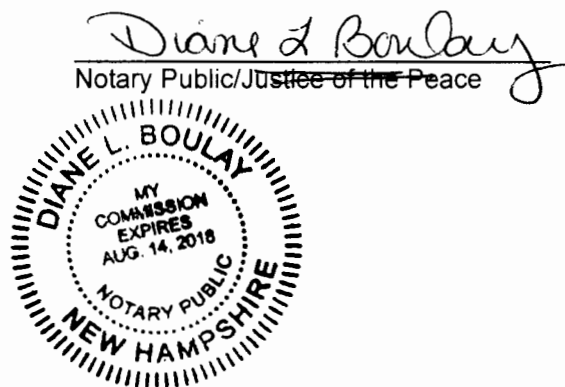
such Assistant Secretary being authorized to do so, executed the foregoing instrument for the
(Title)

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

Assistant Secretary.

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

My Commission expires: 8/14/18



ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/30/2013

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

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

PRODUCER USI Insurance Services LLC PO Box 6360 Manchester, NH 03108-6360 603 625-1100	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 E-MAIL: ADDRESS: FAX (A/C, No): INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC # 23850
INSURED Easter Seals NH, Inc. Easter Seals NY, Inc. 555 Auburn Street Manchester, NH 03103		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY CLAIMS-MADE ☒ OCCUR ☒ Professional Liab GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC		PHPK1068435	09/01/2013	09/01/2014	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 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ALL OWNED AUTOS ☒ HIRED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS ☒		PHPK1068435	09/01/2013	09/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB EXCESS LIAB DED ☒ RETENTION \$10,000 CLAIMS-MADE		PHUB432951	09/01/2013	09/01/2014	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000 \$
WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y/N ☐ N/A (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

****Supplemental Names**:** Easter Seals NY, Inc., Easter Seals ME, Inc., STS, Inc., Agency Realty, Inc., Easter Seals Rhode Island, Inc., The Harbor Schools, Inc., Manchester Alcohol Rehabilitation Center, Inc., dba The Farnum Center, Easter Seals VT, Inc., Easter Seals CT, Inc., Webster Place Center, Inc., - The General Liability policy includes a blanket automatic Additional Insured endorsement that provides Additional Insured and a Blanket Waiver of Subrogation status to the Certificate holder, only when there is (See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

Department of Health & Human Services 129 Pleasant Street Concord, NH 03301	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 <i>E. Gould</i>



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/26/2013

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

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

PRODUCER Hays Companies of New England 133 Federal Street 2nd Floor Boston, MA 02110	1-617-723-7775	CONTACT NAME: Michael Boisvert PHONE (A/C, No, Ext): 617.778.5040 E-MAIL: mboisvert@hayscompanies.com ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: UNITED STATES FIRE INS CO INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	FAX (A/C, No): 617.723.5155 NAIC #: 21113
INSURED Easter Seals New Hampshire, Inc. 555 Auburn Street Manchester, NH 03103-4803			

COVERAGES

CERTIFICATE NUMBER: 37683898

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 SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS HIRED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$	OCCUR CLAIMS-MADE				EACH OCCURRENCE \$ AGGREGATE \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐ N/A	406-6810956	01/01/14	01/01/15	X WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

Evidence of Insurance

CERTIFICATE HOLDER**CANCELLATION**

Department of Health & Human Services

129 Pleasant St.

Concord, NH 03301

USA

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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ACORD 25 (2010/05)

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mboisvert

37683898



Mission:

Easter Seals provides exceptional services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

**Easter Seals New Hampshire, Inc.
and Subsidiaries**

Consolidated Financial Statements and
Other Financial Information

*Years Ended August 31, 2013 and 2012
With Independent Auditors' Report*

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Board of Directors
Easter Seals New Hampshire, Inc. and Subsidiaries

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Easter Seals NH as of August 31, 2013 and 2012, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

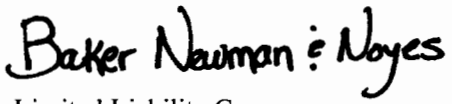
Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying other financial information is presented for purposes of additional analysis rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2013 on our consideration of Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easter Seals New Hampshire, Inc. and Subsidiaries' internal control over financial reporting and compliance.

Manchester, New Hampshire
December 14, 2013


Limited Liability Company

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,042,621	\$ 4,402,187
Accounts receivable from affiliates	247,471	441,980
Program and other accounts receivable, less contractual allowance of \$210,300 in 2013 and \$131,500 in 2012, and allowance for doubtful accounts of \$930,400 in 2013 and \$395,000 in 2012	11,224,708	9,321,570
Contributions receivable, less allowance for doubtful accounts of \$25,500 in 2013 and \$25,000 in 2012	686,110	491,729
Current portion of assets limited as to use	541,961	458,005
Prepaid expenses and other current assets	<u>783,844</u>	<u>1,304,173</u>
Total current assets	16,526,715	16,419,644
Assets limited as to use, net of current portion	4,558,513	5,017,773
Fixed assets, net	28,066,884	25,132,481
Property held for sale	822,504	910,171
Bond issuance costs, net	244,751	254,390
Investments, at fair value	14,264,341	13,005,757
Beneficial interest in trusts held by others and other assets	<u>6,830,800</u>	<u>6,620,011</u>
	<u>\$71,314,508</u>	<u>\$67,360,227</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lines of credit	\$ 4,212,394	\$ 1,982,604
Accounts payable	1,812,128	2,630,935
Accrued expenses	4,143,454	4,362,192
Rate reserves	—	435,008
Current portion of deferred revenue	1,866,234	1,757,283
Current portion of interest rate swap agreements	708,132	734,470
Current portion of long-term debt	<u>796,290</u>	<u>746,716</u>
Total current liabilities	13,538,632	12,649,208
Deferred revenue, net of current portion	3,191,386	3,778,487
Other liabilities	1,367,458	1,168,659
Interest rate swap agreements, less current portion	2,050,214	4,401,508
Long-term debt, less current portion	<u>25,318,667</u>	<u>22,923,934</u>
Total liabilities	45,466,357	44,921,796
Net assets:		
Unrestricted	14,767,708	11,937,759
Temporarily restricted	925,437	598,750
Permanently restricted	<u>10,155,006</u>	<u>9,901,922</u>
Total net assets	<u>25,848,151</u>	<u>22,438,431</u>
	<u>\$71,314,508</u>	<u>\$67,360,227</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 862,353	\$ 1,622,346	\$ 13,648	\$ 2,498,347
Special events, net of related direct costs of \$307,832	857,369	131,154	—	988,523
Annual campaigns, net of related direct costs of \$80,637	391,930	51,304	—	443,234
Bequests	369,823	—	—	369,823
Net assets released from restrictions	<u>1,497,063</u>	<u>(1,497,063)</u>	<u>—</u>	<u>—</u>
Total public support	3,978,538	307,741	13,648	4,299,927
Revenue:				
Fees and grants from governmental agencies	66,453,590	—	—	66,453,590
Other fees and grants	24,013,223	—	—	24,013,223
Sales to public	4,019,558	—	—	4,019,558
Dividend and interest income	681,151	1,141	—	682,292
Rental income	144,771	—	—	144,771
Other	<u>695,295</u>	<u>—</u>	<u>—</u>	<u>695,295</u>
Total revenue	<u>96,007,588</u>	<u>1,141</u>	<u>—</u>	<u>96,008,729</u>
Total public support and revenue	99,986,126	308,882	13,648	100,308,656
Operating expenses:				
Program services:				
Public health education	609,102	—	—	609,102
Professional education	41,275	—	—	41,275
Direct services	<u>87,378,754</u>	<u>—</u>	<u>—</u>	<u>87,378,754</u>
Total program services	88,029,131	—	—	88,029,131
Supporting services:				
Management and general	9,404,656	—	—	9,404,656
Fundraising	<u>1,756,069</u>	<u>—</u>	<u>—</u>	<u>1,756,069</u>
Total supporting services	<u>11,160,725</u>	<u>—</u>	<u>—</u>	<u>11,160,725</u>
Total functional expenses	99,189,856	—	—	99,189,856
Support of National programs	<u>121,780</u>	<u>—</u>	<u>—</u>	<u>121,780</u>
Total operating expenses	<u>99,311,636</u>	<u>—</u>	<u>—</u>	<u>99,311,636</u>
Increase in net assets from operations	674,490	308,882	13,648	997,020

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$ 2,377,632	\$ —	\$ —	\$ 2,377,632
Net unrealized and realized gains on investments	789,496	24,173	—	813,669
Increase in fair value of beneficial interest in trusts held by others	—	—	239,436	239,436
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	<u>—</u>	<u>—</u>	<u>7,392</u>
	<u>3,174,520</u>	<u>24,173</u>	<u>239,436</u>	<u>3,438,129</u>
 Increase in net assets before effects of discontinued operations	 3,849,010	 333,055	 253,084	 4,435,149
 Loss from discontinued operations	 <u>(1,019,061)</u>	 <u>(6,368)</u>	 <u>—</u>	 <u>(1,025,429)</u>
 Total increase in net assets	 2,829,949	 326,687	 253,084	 3,409,720
 Net assets at beginning of year	 <u>11,937,759</u>	 <u>598,750</u>	 <u>9,901,922</u>	 <u>22,438,431</u>
 Net assets at end of year	 <u>\$14,767,708</u>	 <u>\$ 925,437</u>	 <u>\$10,155,006</u>	 <u>\$ 25,848,151</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 1,529,794	\$ 370,723	\$ 62,323	\$ 1,962,840
Special events, net of related direct costs of \$618,599	1,114,326	71,451	—	1,185,777
Annual campaigns, net of related direct costs of \$79,441	445,604	32,367	—	477,971
Bequests	127,761	—	—	127,761
Net assets released from restrictions	<u>482,671</u>	<u>(482,671)</u>	<u>—</u>	<u>—</u>
Total public support	3,700,156	(8,130)	62,323	3,754,349
Revenue:				
Fees and grants from governmental agencies	63,215,906	—	—	63,215,906
Other fees and grants	26,755,347	—	—	26,755,347
Sales to public	4,057,412	—	—	4,057,412
Dividend and interest income	680,465	3,635	—	684,100
Rental income	140,373	—	—	140,373
Other	<u>642,000</u>	<u>—</u>	<u>—</u>	<u>642,000</u>
Total revenue	<u>95,491,503</u>	<u>3,635</u>	<u>—</u>	<u>95,495,138</u>
Total public support and revenue	99,191,659	(4,495)	62,323	99,249,487
Operating expenses:				
Program services:				
Public health education	595,634	—	—	595,634
Professional education	22,251	—	—	22,251
Direct services	<u>86,643,303</u>	<u>—</u>	<u>—</u>	<u>86,643,303</u>
Total program services	87,261,188	—	—	87,261,188
Supporting services:				
Management and general	8,700,472	—	—	8,700,472
Fundraising	<u>1,882,355</u>	<u>—</u>	<u>—</u>	<u>1,882,355</u>
Total supporting services	<u>10,582,827</u>	<u>—</u>	<u>—</u>	<u>10,582,827</u>
Total functional expenses	97,844,015	—	—	97,844,015
Support of National programs	<u>134,887</u>	<u>—</u>	<u>—</u>	<u>134,887</u>
Total operating expenses	<u>97,978,902</u>	<u>—</u>	<u>—</u>	<u>97,978,902</u>
Increase (decrease) in net assets from operations	1,212,757	(4,495)	62,323	1,270,585

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Other nonoperating expenses, gains and losses:				
Change in fair value of interest rate swaps	\$(1,262,396)	\$ —	\$ —	\$(1,262,396)
Net unrealized and realized gains on investments	562,646	6,681	—	569,327
Increase in fair value of beneficial interest in trusts held by others	—	—	345,574	345,574
Gain on sales and disposals of property, plant and equipment	<u>4,442</u>	<u>—</u>	<u>—</u>	<u>4,442</u>
	<u>(695,308)</u>	<u>6,681</u>	<u>345,574</u>	<u>(343,053)</u>
 Increase in net assets before effects of discontinued operations	 517,449	 2,186	 407,897	 927,532
(Loss) gain from discontinued operations	<u>(83,341)</u>	<u>2,237</u>	<u>—</u>	<u>(81,104)</u>
 Total increase in net assets	 434,108	 4,423	 407,897	 846,428
 Net assets at beginning of year	 <u>11,503,651</u>	 <u>594,327</u>	 <u>9,494,025</u>	 <u>21,592,003</u>
 Net assets at end of year	 <u>\$11,937,759</u>	 <u>\$ 598,750</u>	 <u>\$9,901,922</u>	 <u>\$22,438,431</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2013

	Program Services ⁽¹⁾			Supporting Services ⁽¹⁾		Total Program ⁽¹⁾ and Supporting Services Expenses	
	Public Health Education	Profes- sional Education	Direct Services	Manage- ment and General	Fund- Raising	2013	2012
Salaries and related expenses	\$432,105	\$ -	\$65,758,239	\$6,141,707	\$1,213,314	\$73,545,365	\$72,917,224
Professional fees	24,682	-	7,429,948	1,605,708	237,562	9,297,900	9,765,630
Supplies	19,447	-	2,596,330	69,601	32,145	2,717,523	2,687,719
Telephone	3,233	-	539,684	301,010	12,741	856,668	836,451
Postage and shipping	4,968	-	53,914	49,897	7,280	116,059	132,468
Occupancy	18,838	-	3,531,333	495,234	109,438	4,154,843	3,831,768
Outside printing, artwork and media	30,470	-	50,964	9,565	43,756	134,755	119,656
Travel	13,155	-	2,539,348	35,696	32,695	2,620,894	2,686,733
Conventions and meetings	45,984	41,275	210,117	45,752	50,038	393,166	393,909
Specific assistance to individuals	-	-	968,120	11,995	-	980,115	927,051
Dues and subscriptions	1,318	-	21,710	16,128	10,061	49,217	45,357
Minor equipment purchases and equipment rental	4,592	-	273,570	152,783	2,594	433,539	688,889
Ads, fees and miscellaneous	10,104	-	82,210	13,423	2,403	108,140	56,186
Interest	-	-	857,644	237,341	-	1,094,985	1,101,812
Bad debt provision	-	-	757,856	765	770	759,391	43,744
Facility tax assessment	-	-	311,041	-	-	311,041	-
Depreciation and amortization	206	-	1,396,726	218,051	1,272	1,616,255	1,609,418
	<u>\$609,102</u>	<u>\$41,275</u>	<u>\$87,378,754</u>	<u>\$9,404,656</u>	<u>\$1,756,069</u>	<u>\$99,189,856</u>	<u>\$97,844,015</u>
	0.61%	0.04%	88.09%	9.48%	1.78%	100.00%	100.00%

(1) Excludes expenses related to discontinued operations – see note 13.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2012

	Program Services ⁽¹⁾			Supporting Services ⁽¹⁾			Total Program ⁽¹⁾ and Supporting Services Expenses
	Public Health Education	Profes- sional Education	Direct Services	Manage- ment and General	Fund- Raising	Total	
Salaries and related expenses	\$410,255	\$ -	\$65,696,888	\$5,325,167	\$1,484,914	\$ 6,810,081	\$72,917,224
Professional fees	28,453	-	7,783,350	1,805,957	147,870	1,953,827	9,765,630
Supplies	19,338	-	2,563,659	75,986	28,736	104,722	2,687,719
Telephone	4,481	-	534,868	279,767	17,335	297,102	836,451
Postage and shipping	8,989	-	58,643	57,279	7,557	64,836	132,468
Occupancy	13,215	-	3,392,513	351,611	74,429	426,040	3,831,768
Outside printing, artwork and media	30,200	-	46,737	8,812	33,907	42,719	119,656
Travel	12,938	-	2,590,581	41,212	42,002	83,214	2,686,733
Conventions and meetings	43,700	22,251	238,872	57,522	31,564	89,086	393,909
Specific assistance to individuals	159	-	918,721	7,200	971	8,171	927,051
Dues and subscriptions	1,043	-	29,579	9,711	5,024	14,735	45,357
Minor equipment purchases and equipment rental	5,237	-	281,800	398,836	3,016	401,852	688,889
Ads, fees and miscellaneous	17,164	-	185,577	(147,690)	1,135	(146,555)	56,186
Interest	-	-	871,461	230,351	-	230,351	1,101,812
Bad debt provision	-	-	41,971	-	1,773	1,773	43,744
Depreciation and amortization	462	-	1,408,083	198,751	2,122	200,873	1,609,418
	<u>\$595,634</u>	<u>\$22,251</u>	<u>\$86,643,303</u>	<u>\$8,700,472</u>	<u>\$1,882,355</u>	<u>\$10,582,827</u>	<u>\$97,844,015</u>
	0.61%	0.02%	88.55%	8.89%	1.93%	10.82%	100.00%

⁽¹⁾ Excludes expenses related to discontinued operations – see note 13.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Increase in net assets	\$ 3,409,720	\$ 846,428
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation and amortization	1,807,843	1,897,233
Bad debt provision	774,569	46,344
Increase in beneficial interest in trusts held by others	(239,436)	(345,574)
Gain on sales and disposals of property, plant and equipment and property held for sale	(283,942)	(2,024,351)
Change in fair value of interest rate swaps	(2,377,632)	1,254,211
Net unrealized and realized gains on investments	(813,669)	(569,327)
Changes in operating assets and liabilities:		
Accounts receivable from affiliates	194,509	(218,818)
Program and other accounts receivable	(2,677,707)	858,969
Contributions receivable	(194,381)	(172,018)
Prepaid expenses and other current assets	520,329	(203,018)
Other assets	(4,483)	(723,547)
Accounts payable and accrued expenses	(1,037,545)	(405,642)
Accounts payable to affiliates	—	(314,557)
Rate reserve	(435,008)	(656,571)
Deferred revenue	(478,150)	(938,226)
Other liabilities	<u>198,799</u>	<u>16,715</u>
Net cash used by operating activities	(1,636,184)	(1,651,749)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(4,859,057)	(1,794,331)
Proceeds from sale of property, plant and equipment and property held for sale	531,189	3,034,938
Cash provided by acquisition	—	227,830
Increase in investments, net	(444,915)	(624,655)
Change in assets limited as to use	<u>375,304</u>	<u>1,165,832</u>
Net cash (used) provided by investing activities	(4,397,479)	2,009,614
Cash flows from financing activities:		
Repayment of long-term debt	(750,199)	(2,508,652)
Issuance of long-term debt	3,194,506	360,982
Payment for termination of interest rate swap	—	(159,678)
Repayments on lines of credit	(27,372,936)	(26,040,436)
Borrowings on lines of credit	<u>29,602,726</u>	<u>27,374,577</u>
Net cash provided (used) by financing activities	<u>4,674,097</u>	<u>(973,207)</u>
Decrease in cash and cash equivalents	(1,359,566)	(615,342)
Cash and cash equivalents, beginning of year	<u>4,402,187</u>	<u>5,017,529</u>
Cash and cash equivalents, end of year	<u>\$ 3,042,621</u>	<u>\$ 4,402,187</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 1,119,000</u>	<u>\$ 1,225,000</u>

During 2013 and 2012, Easter Seals NH transferred property with a net carrying value of \$16,224 and \$1,513,272, respectively, from fixed assets to property held for sale. Additionally, Easter Seals NH sold property held for sale with a net carrying value of \$1,108,357 in 2012 (see note 13). During 2012, Easter Seals NH received a donated building with an estimated fair value of \$1,100,000, which has been recorded as deferred revenue (see note 5). See also acquisition described in note 12.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of ten separate nonprofit entities: Easter Seals New Hampshire, Inc. (parent and service corporation); Easter Seals New York, Inc. (Easter Seals NY); Easter Seals Maine, Inc. (Easter Seals ME); Easter Seals Rhode Island, Inc. (Easter Seals RI); Agency Realty, Inc. (real estate corporation); The Harbor Schools Incorporated (Harbor Schools); Manchester Alcoholism Rehabilitation Center; Webster Place, Inc. (Webster Place), which was acquired in 2012 – see note 12; Easter Seals Connecticut, Inc. (Easter Seals CT); and Easter Seals Vermont, Inc. (Easter Seals VT). Easter Seals New Hampshire, Inc. is the sole member of each subsidiary. Easter Seals NH is affiliated with Easter Seals, Inc. (the national headquarters for the organization).

On May 22, 2013 the Board of Directors of Easter Seals New Hampshire, Inc. voted to dissolve and transfer the assets and liabilities of Special Transit Services, Inc. to Easter Seals New Hampshire, Inc.

On March 22, 2013, the Board of Directors of Easter Seals NY, voted to discontinue the Bronx Early Intervention program. On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On September 1, 2012, the Board of Directors of Easter Seals NH voted to discontinue the Raymond Preschool program and surrender the related operating license. On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013. On January 25, 2012, the Board of Directors of Easter Seals NH voted to close Harbor Schools and cease all operations of this subsidiary, and also voted to approve discontinuing the group home and special education programs in Rutland, Vermont. See also note 13.

In May 2013, the Boards of Directors of Manchester Alcoholism Rehabilitation Center and Webster Place voted to merge the two organizations with Manchester Alcohol Rehabilitation Center being the surviving corporation, having found such merger to be in the best interest of both organizations. The effective date of the merger is September 1, 2013.

Easter Seals NH's purpose is to provide (1) programs and services for people with disabilities and other special needs, (2) assistance to people with disabilities and their families, (3) assistance to communities in identifying and developing needed services for residents, and (4) a climate of acceptance for people with disabilities and other special needs which will enable them to contribute to the well-being of the community. Easter Seals NH operates programs throughout New Hampshire, New York, Maine, Massachusetts (prior to the closure of Harbor Schools), Rhode Island, Vermont and Connecticut.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Easter Seals New Hampshire, Inc. and the subsidiaries of which it is the sole member. Significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Easter Seals NH considers all highly liquid securities purchased with an original maturity of 90 days or less to be cash equivalents. Cash equivalents consist of cash, overnight repurchase agreements and money market funds, excluding assets limited as to use.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Management has implemented a practice to establish cash reserves on hand. Approximately \$2,432,000 and \$2,277,000, respectively, of cash and cash equivalents, and approximately \$2,238,000 and \$2,070,000, respectively, of investments were on-hand under this practice as of August 31, 2013 and 2012, respectively.

Assets Limited as to Use and Investments

Assets limited as to use consists of cash and cash equivalents, short-term certificates of deposit with original maturities greater than 90 days, but less than one year, and investments. Investments are stated at fair value. Realized gains and losses on investments are computed on a specific identification basis. The changes in net unrealized and realized gains and losses on investments are recorded in other nonoperating expenses, gains and losses in the accompanying consolidated statements of activities and changes in net assets. Donated securities are stated at fair value determined at the date of donation.

Beneficial Interest in Trusts

Easter Seals NH is the beneficiary of several trusts held by others. Easter Seals NH has recorded as an asset the fair value of its interest in the trusts and such amount is included in permanently restricted net assets, based on the underlying donor stipulations. The change in the interest due to fair value change is recorded within other nonoperating expenses, gains and losses as permanently restricted activity.

Fixed Assets

Fixed assets are recorded at cost less accumulated depreciation and amortization. Expenditures for maintenance and repairs are charged to expense as incurred, and expenditures for major renovations are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the underlying assets.

Fixed assets obtained by Easter Seals NH as a result of acquisitions on or after September 1, 2011 are recorded at estimated fair value as of the date of the acquisition in accordance with generally accepted accounting principles guidance for acquisitions by a not-for-profit entity.

Donated property and equipment not subject to donor stipulated conditions is recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support or, if significant uncertainties exist, as deferred revenue pending resolution of the uncertainties. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. See also note 5.

Property held for sale is recorded at the lower of net realizable value or carrying value.

Intangible Assets and Long-Lived Assets

Accounting rules require that intangible assets with estimable or determinable useful lives be amortized over their respective estimated useful lives to their estimated residual values, and be reviewed by management for impairment. Based on management's assessments, there is no impairment of intangible assets at August 31, 2013. Intangible assets at August 31, 2013 consist of a patient list obtained in the acquisition of Webster Place (see note 12).

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Expected amortization of intangible assets through the end of their useful lives is as follows:

2014	\$ 33,130
2015	33,130
2016	33,130
2017	33,130
2018	33,130
Thereafter	<u>99,393</u>
	<u>\$265,043</u>

Amortization expense recognized for the patient list in 2013 and 2012 totaled \$33,130 and \$32,827, respectively.

When there is an indication of impairment, management considers whether long-lived assets are impaired by comparing gross future undiscounted cash flows expected to be generated from utilizing the assets to their carrying amounts. If cash flows are not sufficient to recover the carrying amount of the assets, impairment has occurred and the assets are written down to their fair value. Significant estimates and assumptions are required to be made by management in order to evaluate possible impairment.

Based on current facts, estimates and assumptions, management believes that no long-lived assets were impaired at August 31, 2013 and 2012.

Bond Issuance Costs

Bond issuance costs are being amortized by the straight-line method over the repayment period of the related bonds, or the expected time until the next refinancing, whichever is shorter. Amortization expense recognized during 2013 and 2012 was \$9,639 and \$36,418, respectively.

Revenue Recognition

Revenue generated from services provided to the public is reported at the estimated net realizable amounts from clients, third-party payors and others based upon approved rates as services are rendered. A significant portion of Easter Seals NH's revenues are derived through arrangements with third-party payors. As such, Easter Seals NH is dependent on these payors in order to carry out its operating activities. There is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in other fees and grants in the year that such amounts become known. Easter Seals NY recognized additional revenue of approximately \$1,046,000 in 2013 due to a favorable rate adjustment approved by the State of New York in April 2013. Easter Seals NY had also established rate reserves of \$435,008 at August 31, 2012 for differences between rates previously estimated and amounts which will be either recoverable or payable to third-party payors based upon actual rates approved by third-parties. These rate reserves were reversed in 2013.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

A third-party payor for three Easter Seals NY programs began to recoup a facility tax assessment on a monthly basis in 2013. The recoupment is a part of Easter Seals NY's reimbursement contract with the payor. The facility tax assessment is based on approved rates. As of August 31, 2013 the facility tax assessment due was approximately \$138,000, and is recorded in deferred revenue in the accompanying 2013 statement of financial position.

Revenues are recognized as earned, or attributable to the period in which specific terms of the funding agreement are satisfied, and to the extent that expenses have been incurred for the purposes specified by the funding source. Revenue balances in excess of the foregoing amounts are accounted for as deferred revenue until any restrictions are met or allowable expenditures are incurred.

The allowance for doubtful accounts is provided based on an analysis by management of the collectibility of outstanding balances. Management considers the age of outstanding balances and past collection efforts in determining the allowance for doubtful accounts. Accounts are charged against the allowance for doubtful accounts when deemed uncollectible.

Unconditional contributions are recognized when pledged.

Advertising

Easter Seals NH's policy is to expense advertising costs as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services based mainly on time records and estimates made by Easter Seals NH's management.

Charity Care (Unaudited)

Easter Seals NH has a formal charity care policy under which program fees are subsidized as determined by the Board of Directors. Free and subsidized services are rendered in accordance with decisions made by the Board of Directors and, at established charges, amounted to approximately \$7,373,000 and \$5,979,000 for the years ended August 31, 2013 and 2012, respectively.

Income Taxes

Easter Seals New Hampshire, Inc., Easter Seals NY, Easter Seals ME, Easter Seals VT, Easter Seals Rhode Island, Harbor Schools, Webster Place, Manchester Alcoholism Rehabilitation Center, Easter Seals CT and Special Transit Services, Inc. are exempt from both federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and, for Easter Seals NY of the Not-for-Profit Corporation Law of the State of New York. Agency Realty, Inc. received a determination letter from the Internal Revenue Service stating that it qualifies for tax-exempt status under Section 501(c)(2) of the Internal Revenue Code.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Tax-exempt organizations could be required to record an obligation for income taxes as the result of a tax position historically taken on various tax exposure items including unrelated business income or tax status. In accordance with accounting principles generally accepted in the United States of America, assets and liabilities are established for uncertain tax positions taken or positions expected to be taken in income tax returns when such positions are judged to not meet the “more-likely-than-not” threshold, based upon the technical merits of the position.

Management has evaluated tax positions taken by Easter Seals New Hampshire, Inc. and its subsidiaries on their respective filed tax returns and concluded that the organizations have maintained their tax-exempt status, do not have any significant unrelated business income, and have taken no uncertain tax positions that require adjustment to or disclosure in the accompanying consolidated financial statements. Easter Seals New Hampshire, Inc. and its subsidiaries are no longer subject to income tax examinations by the federal or state tax authorities for years prior to 2010.

Use of Estimates

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

Derivatives and Hedging Activities

Accounting guidance requires that Easter Seals NH record as an asset or liability the fair value of the interest rate swap agreements described in note 8. Easter Seals NH is exposed to repayment loss equal to the net amounts receivable under the swap agreements (not the notional amount) in the event of nonperformance of the other party to the swap agreements. However, Easter Seals NH does not anticipate nonperformance and does not obtain collateral from the other party.

As of August 31, 2013 and 2012, Easter Seals NH had recognized a liability of \$2,758,346 and \$5,135,978, respectively, as a result of the interest rate swap agreements discussed in note 8. As a result of changes in the fair value of these derivative financial instruments and excluding a termination payment related to one swap agreement of \$159,678 in 2012 (see note 8), Easter Seals NH recognized an increase in net assets of \$2,377,632 for the year ending August 31, 2013 and a decrease in net assets of \$1,254,211 for the year ending August 31, 2012 (including increases in net assets of \$8,185, included in discontinued operations) related to swap agreements.

Increase in Net Assets from Operations

For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of services are reported as revenue and expenses that comprise the increase (decrease) in net assets from operations. The primary transactions reported as other nonoperating expenses, gains and losses include the adjustment to fair value of interest rate swaps, the increase in the fair value of beneficial interest in trusts held by others, gains and losses on sales and disposals of property, plant and equipment, and net realized and unrealized gains on investments.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

2. Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation.

Subsequent Events

Events occurring after the statement of financial position date are evaluated by management to determine whether such events should be recognized or disclosed in the consolidated financial statements. Management has evaluated events occurring between the end of Easter Seals NH's fiscal year end and December 14, 2013, the date these consolidated financial statements were available to be issued.

3. Classification of Net Assets

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), net assets are classified and reported based on the existence or absence of donor-imposed restrictions. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by Easter Seals NH has been limited by donors to a specific time period or purpose. When a donor restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions. Permanently restricted net assets have been restricted by donors to be maintained by Easter Seals NH in perpetuity, the income from which is expendable to support all activities of the organization, or as stipulated by the donor.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

In accordance with UPMIFA, Easter Seals NH considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (a) the duration and preservation of the fund; (b) the purpose of the organization and the donor-restricted endowment fund; (c) general economic conditions; (d) the possible effect of inflation and deflation; (e) the expected total return from income and the appreciation of investments; (f) other resources of the organization; and (g) the investment policies of the organization.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

3. Classification of Net Assets (Continued)

Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds at August 31, 2013 and 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<u>2013</u>				
Camping program	\$ —	\$ 1,918	\$ 363,869	\$ 365,787
Other programs	—	18,913	340,203	359,116
Operations	—	—	3,613,207	3,613,207
Total endowment net assets	<u>\$ —</u>	<u>\$20,831</u>	<u>\$4,317,279</u>	<u>\$4,338,110</u>
<u>2012</u>				
Camping program	\$ —	\$ 1,698	\$ 362,869	\$ 364,567
Other programs	—	14,345	327,555	341,900
Operations	—	—	3,613,207	3,613,207
Total endowment net assets	<u>\$ —</u>	<u>\$16,043</u>	<u>\$4,303,631</u>	<u>\$4,319,674</u>

Changes in Endowment Net Assets

During the years ended August 31, 2013 and 2012, Easter Seals NH had the following endowment-related activities:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net endowment assets, August 31, 2011	\$ —	\$ 14,785	\$4,241,308	\$4,256,093
Investment return:				
Investment income, net of fees	—	54,655	—	54,655
Net appreciation (realized and unrealized)	—	523,768	—	523,768
Contributions	—	—	62,323	62,323
Appropriated for expenditure	—	(577,165)	—	(577,165)
Net endowment assets, August 31, 2012	—	16,043	4,303,631	4,319,674
Investment return:				
Investment income, net of fees	—	18,777	—	18,777
Net appreciation (realized and unrealized)	—	563,208	—	563,208
Contributions	—	—	13,648	13,648
Appropriated for expenditure	—	(577,197)	—	(577,197)
Net endowment assets, August 31, 2013	<u>\$ —</u>	<u>\$ 20,831</u>	<u>\$4,317,279</u>	<u>\$4,338,110</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

3. Classification of Net Assets (Continued)

In addition to endowment net assets, Easter Seals NH also maintains non-endowed funds. The major categories of non-endowment funds, at August 31, 2013 and 2012 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Non- Endowment Net Assets</u>
<u>2013</u>				
Seniors program	\$ 88,902	\$ 11,729	\$ —	\$ 100,631
Veterans program	—	517,035	—	517,035
India initiative	—	57,881	—	57,881
Other programs	—	285,461	—	285,461
Operations	<u>14,678,806</u>	<u>32,500</u>	<u>5,837,727</u>	<u>20,549,033</u>
Total non-endowment net assets	<u>\$14,767,708</u>	<u>\$904,606</u>	<u>\$5,837,727</u>	<u>\$21,510,041</u>
<u>2012</u>				
Seniors program	\$ 106,866	\$ 16,386	\$ —	\$ 123,252
Veterans program	—	353,044	—	353,044
India initiative	—	51,900	—	51,900
Other programs	35,199	128,877	—	164,076
Operations	<u>11,795,694</u>	<u>32,500</u>	<u>5,598,291</u>	<u>17,426,485</u>
Total non-endowment net assets	<u>\$11,937,759</u>	<u>\$582,707</u>	<u>\$5,598,291</u>	<u>\$18,118,757</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires Easter Seals NH to retain as a fund of permanent duration. Deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies between the fair value of the investments of the endowment funds and the level required by donor stipulation at August 31, 2013 or 2012.

Investment and Spending Policies

Easter Seals NH has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Easter Seals NH must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of an appropriate market index while assuming a moderate level of investment risk. Easter Seals NH expects its endowment funds to provide an average rate of return over a five year period equal to the rate of 2% over the inflation rate. Actual returns in any given year may vary from this amount.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

3. Classification of Net Assets (Continued)

To satisfy its long-term rate-of-return objectives, Easter Seals NH relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Easter Seals NH targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Easter Seals NH may appropriate for distribution some or all of the earnings and appreciation on its endowment for funding of operations. In establishing this policy, Easter Seals NH considered the objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to, so long as it would not detract from Easter Seals NH's critical goals and initiatives, provide additional real growth through new gifts and investment return.

4. Leases

Easter Seals NH leases certain assets under various arrangements which have been classified as operating leases. Total expense under all leases (including month-to-month leases) was approximately \$2,168,000 and \$2,101,000 for the years ended August 31, 2013 and 2012, respectively. Some of these leases have terms which include renewal options, and others may be terminated at Easter Seals NH's option without substantial penalty. Future minimum payments required under the leases in effect at August 31, 2013, through the remaining contractual term of the underlying lease agreements, are as follows:

Year Ended August 31:

2014	\$1,850,275
2015	1,073,592
2016	850,435
2017	608,811
2018	305,738
Thereafter	371,118

Easter Seals NY leases certain facilities for school operations from unrelated parties at lease terms that are either below fair market value, or that are almost entirely rent-free. Under accounting principles generally accepted in the United States of America, lease agreements must be evaluated based upon their economic substance rather than legal form, and a lease subsidy would be recorded as both contribution and rental expense. However, Easter Seals NH has determined that such amounts would not be material to the accompanying consolidated financial statements.

Easter Seals NY subleases certain office space located at 11 West 42nd Street in New York to an unrelated party. The sublease agreement expires in February 2014. Total rental income earned under this sublease agreement for the years ended August 31, 2013 and 2012 was approximately \$144,000 and \$140,000, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

5. Fixed Assets

Fixed assets consist of the following at August 31:

	<u>2013</u>	<u>2012</u>
Buildings	\$ 33,015,085	\$ 28,872,993
Land and land improvements	3,494,009	3,493,590
Leasehold improvements	952,100	892,094
Office equipment and furniture	9,917,122	9,993,575
Vehicles	3,225,015	3,093,740
Construction in progress	<u>216,678</u>	<u>861,415</u>
	50,820,009	47,207,407
Less accumulated depreciation and amortization	<u>(22,753,125)</u>	<u>(22,074,926)</u>
	<u>\$ 28,066,884</u>	<u>\$ 25,132,481</u>

Depreciation and amortization expense related to fixed assets totaled \$1,765,074 and \$1,827,988 in 2013 and 2012, respectively. Depreciation and amortization of fixed assets included within discontinued operations in 2013 and 2012 totaled \$191,588 and \$287,815, respectively.

During 2012, Easter Seals NH received a donated building with an estimated fair value of approximately \$1,100,000. Under the terms of the donation, for a period of six years, Easter Seals NH must continue to use the building as a child care center. Should Easter Seals NH cease to operate the program, or wish to sell or donate the property, Easter Seals NH must first provide the donor with the opportunity to purchase the property for \$1. The contribution representing the fair value of the building has been recorded as deferred revenue at August 31, 2013 and 2012.

6. Investments and Assets Limited as to Use

Investments and assets limited as to use, at fair value, are as follows at August 31:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 3,513,266	\$ 2,784,158
Certificates of deposit	554,282	1,650,399
Marketable equity securities	2,770,110	2,301,934
Mutual funds	10,992,033	10,504,252
Corporate and foreign bonds	903,497	930,355
Government and agency securities	<u>631,627</u>	<u>310,437</u>
	19,364,815	18,481,535
Less: assets limited as to use	<u>(5,100,474)</u>	<u>(5,475,778)</u>
Total investments, at fair value	<u>\$14,264,341</u>	<u>\$13,005,757</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

6. Investments and Assets Limited as to Use (Continued)

The composition of assets limited as to use at August 31, 2013 and 2012 is set forth in the table shown below at fair value. The portion of assets limited as to use that is required for obligations classified as current liabilities is reported in current assets.

	<u>2013</u>	<u>2012</u>
Under an agreement with the State of Connecticut, which provides that the funds be utilized for certain allowable program expenditures:		
Cash and cash equivalents	\$2,310,566	\$2,246,143
Certificates of deposit	554,282	1,650,399
Mutual funds	428,148	137,686
Marketable equity securities	<u>151,573</u>	<u>—</u>
	3,444,569	4,034,228
Under a deferred compensation plan (see note 7):		
Investments	1,367,127	1,167,789
Maintained in escrow to make required payments on certain bonds (see note 8):		
Cash and cash equivalents	<u>288,778</u>	<u>273,761</u>
Total assets limited as to use	<u>\$5,100,474</u>	<u>\$5,475,778</u>

The principal components of investment income and net realized and unrealized gains included in continuing operations are summarized below. Amounts included in discontinued operations for 2013 and 2012 were not significant.

	<u>2013</u>	<u>2012</u>
Unrestricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	\$ 681,151	\$ 680,465
Net unrealized gains	231,743	393,815
Net realized gains	<u>557,753</u>	<u>168,831</u>
	1,470,647	1,243,111
Restricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	1,141	3,635
Net unrealized gains	7,631	1,905
Net realized gains	<u>16,542</u>	<u>4,776</u>
	<u>25,314</u>	<u>10,316</u>
	<u>\$1,495,961</u>	<u>\$1,253,427</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

7. Retirement Plans

Easter Seals NH maintains a Section 403(b) Plan (a defined contribution retirement plan), which covers substantially all employees. Eligible employees may contribute any whole percentage of their annual salary. Employee contributions may be matched by Easter Seals NH as determined in the annual budget. The combined amount of employer and employee contributions is subject by law to annual maximum amounts. The employer match was approximately \$474,000 and \$490,000 for the years ended August 31, 2013 and 2012, respectively.

Easter Seals New Hampshire, Inc. offers, to certain management personnel, the option to participate in an Internal Revenue Code Section 457 Deferred Compensation Plan to which the organization may make a discretionary contribution. The employees' accounts are not available until termination, retirement, death or an unforeseeable emergency. Easter Seals New Hampshire, Inc. contributed approximately \$130,000 and \$120,000 to this plan during the years ended August 31, 2013 and 2012, respectively. The assets and liabilities associated with this plan were \$1,367,127 and \$1,167,789 at August 31, 2013 and 2012, respectively, and are included within assets limited as to use and other liabilities in the accompanying consolidated statements of financial position.

8. Borrowings

Borrowings consist of the following at August 31:

	<u>2013</u>	<u>2012</u>
Revenue Bonds, Series 2004A, tax exempt, issued through the New Hampshire Health and Education Facilities Authority (NHHEFA), with a variable rate determined through weekly remarketing (0.07% at August 31, 2013) through December 2034, annual principal payments continually increasing from \$385,000 to \$1,060,000 with a final payment of \$1,060,000 due December 2034, secured by a pledge of all gross receipts of Easter Seals NH and certain letters of credit (see below)	\$14,660,000	\$15,025,000
Revenue Bonds, Series 2010, issued through the Monroe County Industrial Development Corporation, interest only payments due through December 2011, after which monthly principal and interest payments ranging from \$10,050 to \$21,980 are required through the maturity date of December 31, 2040. Interest is payable monthly at a rate equal to 68% of the sum of the monthly LIBOR rate plus 2.65% (1.93% at August 31, 2013)	5,052,360	5,171,840
Mortgage payable to a bank with a variable rate of LIBOR plus 2.65% (2.83% at August 31, 2013), principal of \$9,500 plus interest payable monthly, with a final payment of \$2,299,000 due March 2015, secured by all business assets and property of Easter Seals CT, excluding certain assets limited as to use totaling \$3,444,569 at August 31, 2013	2,470,000	2,584,000
Note payable to a bank with a fixed rate of 4.25%, principal and interest of \$823 payable monthly, paid in full in July 2013	—	8,941

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

	<u>2013</u>	<u>2012</u>
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$985 payable monthly through April 2018, secured by vehicles	\$ 52,008	\$ —
Note payable to a bank with a fixed rate of 3.66%, principal and interest of \$3,177 payable monthly, due August 2015, secured by vehicles	73,357	108,052
Unsecured note payable to an individual with a fixed rate of 5.25%, principal and interest of \$10,311 payable monthly, due April 2016	307,232	411,835
Non-revolving note payable to a bank with a total availability of \$3,500,000 with a variable rate of LIBOR plus 4.07% (4.25% at August 31, 2013), interest only payments through June 2014, after which monthly principal and interest payments are required through the maturity in June 2015, secured by an interest in certain property with a net book value of \$3,955,615 at August 31, 2013	<u>3,500,000</u>	<u>360,982</u>
	26,114,957	23,670,650
Less current portion	<u>796,290</u>	<u>746,716</u>
	<u>\$25,318,667</u>	<u>22,923,934</u>

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

2014	\$ 796,290
2015	6,529,599
2016	642,389
2017	585,665
2018	610,934
Thereafter	<u>16,950,080</u>
	<u>\$26,114,957</u>

Lines of Credit

Easter Seals New Hampshire, Inc. has an agreement with a bank for a \$500,000 nonrevolving equipment line of credit. The line of credit is to be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through April 2, 2014. The interest rate charged on outstanding borrowings is at a fixed rate at the then prime rate minus 0.75% for maturities up to a five-year term. Availability under this nonrevolving line of credit, which is reduced by the original amount of certain notes payable as of August 31, 2013 and 2012, is \$229,640 at August 31, 2013. The balances outstanding under the note payable at August 31, 2013 and 2012 were converted to the \$52,008 and \$8,941 term notes, respectively, as described above.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

Easter Seals New Hampshire, Inc. (the sole member of Easter Seals NY and Harbor Schools), Easter Seals NY and Harbor Schools have a revolving line of credit with a bank, with available borrowings up to \$7 million (a portion of which is secured by available letters of credit of \$98,795, of which \$39,795 is related to Easter Seals NY). Outstanding advances are due on demand. The revolving line of credit has the following sub-limits which were last amended in May 2013: Easter Seals NH \$3.725 million, Easter Seals NY \$3 million and Harbor Schools \$275,000. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.43% at August 31, 2013). Under an event of default, the interest rate will increase from LIBOR plus 2.25% to LIBOR plus 5.25%. The line is secured by a first priority interest in all business assets of Easter Seals New Hampshire, Inc., Easter Seals NY and Harbor Schools. The agreement requires that collective borrowings under the line of credit be reduced to \$3,500,000 for 30 consecutive days during each calendar year. The agreement also limits each borrower's ability to incur additional indebtedness in excess of \$500,000. Amounts outstanding under this revolving line of credit agreement at August 31, 2013 and 2012 were \$262,356 and \$451,302, respectively, related to Harbor Schools, \$1,599,505 and \$1,124,649, respectively, related to Easter Seals NY and \$1,425,875 and \$0, respectively, related to Easter Seals NH.

Easter Seals CT has a demand revolving line of credit with a bank with available borrowings up to \$1 million. The interest rate charged on outstanding borrowings is at LIBOR plus 2.25% (2.43% at August 31, 2013). The line is secured by all business assets and property of Easter Seals CT, except for certain assets limited as to use (\$3,444,569 carrying value as of August 31, 2013). Additionally, this line is guaranteed by Easter Seals NH. The agreement also limits Easter Seals CT's ability to incur additional indebtedness in excess of \$1,000,000 related to real estate, and is cross collateralized with all Easter Seals NH borrowings at this bank. Amounts outstanding under this revolving line of credit agreement at August 31, 2013 and 2012 were \$924,658 and \$406,653, respectively.

NHHEFA 2004A Revenue Bonds

In connection with the NHHEFA 2004A Revenue Bonds, Easter Seals NH is required to make deposits of interest and principal of sufficient amounts to make the required interest payments and to retire the Bonds when due. The 2004A Revenue Bonds require that Easter Seals NH maintain certain reserve funds with a trustee for current required principal and interest payments. Such amounts, which are included within assets limited as to use, totaled \$288,778 and \$273,761 at August 31, 2013 and 2012, respectively. This agreement also requires bank approval prior to Easter Seals NH incurring additional indebtedness. Easter Seals NH has two letters of credit securing the bonds each for \$14,840,246 (expiring and subject to renewal on December 1, 2013, and mainly to support future principal and interest repayments due under the 2004A Revenue Bonds), Easter Seals NH is required to replace or renew the two \$14,840,246 letters of credit upon their expiration or the related bonds may be subject to early redemption. Easter Seals NH pays an annual fee for the two letters of credit relating to the 2004A NHHEFA Revenue Bonds. Fees incurred on these letters of credit totaled approximately \$157,000 and \$234,000 in 2013 and 2012, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

Series 2010 Revenue Bonds

On December 1, 2010, Easter Seals NY, in connection with the Monroe County Industrial Development Corporation and RBS Citizens, issued \$5,250,000 in Series 2010 tax-exempt Revenue Bonds (the Series 2010 Bonds). The Series 2010 Bonds were used to finance the acquisition of certain property located in Irondequoit, New York, provide for improvements to a school building and an existing rehabilitation facility, and construct two residential rehabilitation facilities. Additionally, proceeds were used to refinance certain Easter Seals NY outstanding debt.

The Series 2010 Bonds are secured by a mortgage on all properties and improvements financed by the bonds, and are guaranteed by Easter Seals NH. Easter Seals NY may elect to prepay some portion or all of the outstanding bonds subject to a prepayment fee, as defined. This agreement also requires bank approval prior to Easter Seals NY incurring additional indebtedness. The Series 2010 Bonds are subject to tender for mandatory purchase at the election of the bondholder beginning June 1, 2016, and thereafter every five years through June 1, 2036.

Interest Rate Swap Agreements

Easter Seals NH has an interest rate swap agreement with a bank in connection with the Series 2004A Revenue Bonds. The swap agreement has an outstanding notional amount of \$14,660,000 and \$15,025,000 at August 31, 2013 and 2012, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in December 2034. Easter Seals NH remits interest at the fixed rate of 3.54% and receives interest at a variable rate (0.07% at August 31, 2013).

On February 23, 2011, Easter Seals NY entered into an interest rate swap agreement with a bank in connection with the Series 2010 Revenue Bonds. The swap agreement had an outstanding notional amount of \$5,052,360 and \$5,171,840 at August 31, 2013 and 2012, respectively, which reduces, in conjunction with bond principal reductions, until the agreement terminates in January 2031. Easter Seals NY remits interest at a fixed rate of 2.99% and receives interest at a variable rate (68% of monthly LIBOR).

On December 27, 2010, Easter Seals CT entered into an interest rate swap agreement in connection with an outstanding mortgage payable (\$2,470,000 and \$2,584,000 at August 31, 2013 and 2012, respectively), until the agreement terminates in March 2015. The original notional amount of \$1,800,000 will reduce ratably in conjunction with repayment of the note payable. The swap agreement effectively changed the variable rate (2.83% at August 31, 2013) to a fixed rate of 2.72% for the notional amounts outstanding, which is approximately 65% of the related mortgage payable.

The fair value of the above interest rate swap agreements totaled \$2,758,346 and \$5,135,978 at August 31, 2013 and 2012, respectively, \$708,132 and \$734,470 of which was current at August 31, 2013 and 2012, respectively. During the years ended August 31, 2013 and 2012 net payments required by the agreements totaled \$692,269 and \$708,196, respectively. These payments have been included in interest expense within the consolidated statements of activities and changes in net assets. See note 11 with respect to fair value determinations.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

8. Borrowings (Continued)

In addition to the above swap agreements, Harbor Schools had an interest rate swap agreement with a bank in connection with certain bonds issued through the Massachusetts Development Finance Authority. The interest rate swap agreement, which would otherwise have terminated in October 2015, was terminated effective November 15, 2011 upon Harbor Schools full repayment of those bonds. This triggered a swap termination payment of \$159,678, which was recognized in 2012.

Debt Covenants

In connection with the bonds, lines of credit and various other notes payable described above, Easter Seals NH is required to comply with certain financial covenants including, but not limited to, minimum liquidity and debt service coverage ratios. At August 31, 2013, Easter Seals NH was in compliance with restrictive covenants specified under the NHHEFA bonds, Series 2010 Bonds, and other debt obligations.

9. Donated Services

A number of volunteers have donated their time in connection with Easter Seals NH's program services and fundraising campaigns. However, no amounts have been reflected in the accompanying consolidated financial statements for such donated services, as no objective basis is available to measure the value.

10. Related Party Transactions

Approximately 13% and 19% of other fees and grants revenue is derived from a pass-through grant from Easter Seals, Inc. for the years ended August 31, 2013 and 2012, respectively. Easter Seals NH is a member of Easter Seals, Inc. As of August 31, 2013 and 2012, Easter Seals NH had a receivable of \$247,471 and \$441,980, respectively, from Easter Seals, Inc. related to amounts due under this grant. Membership fees to Easter Seals, Inc. were \$121,780 and \$134,887 for the years ended August 31, 2013 and 2012, respectively and are reflected as support of National programs on the accompanying consolidated statements of activity and changes in net assets.

11. Fair Value of Financial Instruments

Fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at their measurement date. In determining fair value, Easter Seals NH uses various methods including market, income and cost approaches, and utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in factors used in the valuation. These factors may be readily observable, market corroborated, or generally unobservable. Easter Seals NH utilizes valuation techniques that maximize the use of observable factors and minimizes the use of unobservable factors.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

Certain of Easter Seals NH's financial instruments are reported at fair value, which include beneficial interest held in trusts, investments and the interest rate swaps, and are classified by levels that rank the quality and reliability of the information used to determine fair value:

Level 1 – Valuations for financial instruments traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical instruments.

Level 2 – Valuations for financial instruments traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar instruments.

Level 3 – Valuations for financial instruments derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

The following describes the valuation methodologies used to measure financial assets and liabilities at fair value. The levels relate to valuation only and do not necessarily indicate a measure of investment risk. There have been no changes in the methodologies used by Easter Seals NH at August 31, 2013 and 2012.

Investments and Assets Limited as to Use

Cash and cash equivalents are deemed to be Level 1. The fair values of marketable equity securities, money market and mutual funds and government and agency securities that are based upon quoted prices in active markets for identical assets are reflected as Level 1. Investments in certain other mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in certificates of deposit are at cost plus accrued interest, which is estimated to approximate fair value and are included in Level 2.

Beneficial Interest in Trusts Held by Others

The beneficial interest in trusts held by others has been assigned fair value levels based on the fair value levels of the underlying investments within the trusts. The fair values of marketable equity securities, money market and mutual funds, government and agency securities and other asset funds are based upon quoted prices in active markets for identical assets and are reflected as Level 1. Investments in marketable equity securities, mutual funds and corporate and foreign bonds where securities are transparent and generally are based upon quoted prices in active markets are valued by the investment managers and reflected as Level 2. Investments in alternative and other asset funds are derived from other methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions, and are reflected as Level 3. Level 3 valuations incorporate certain assumptions and projections in determining fair value.

Interest Rate Swap Agreements

The fair value for the interest rate swap liabilities is included in Level 3 and is estimated by the counterparty using industry standard valuation models. These models project future cash flows and discount the future amounts to present value using market-based observable inputs, including interest rates.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

At August 31, 2013 and 2012, Easter Seals NH's assets and liabilities measured at fair value on a recurring basis were classified as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>2013</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 3,513,266	\$ —	\$ —	\$ 3,513,266
Certificates of deposit	—	554,282	—	554,282
Marketable equity securities:				
Large-cap	2,550,313	—	—	2,550,313
International	219,797	—	—	219,797
Mutual funds, open-ended:				
Short-term fixed income	3,304,368	—	—	3,304,368
Intermediate-term bond fund	543,938	—	—	543,938
High yield bond fund	274,582	—	—	274,582
Foreign bond	210,342	—	—	210,342
Government securities	511,971	—	—	511,971
International equities	693,837	—	—	693,837
Domestic, large-cap	816,851	—	—	816,851
Domestic, mid-cap	369,532	—	—	369,532
Domestic, small-cap	237,828	—	—	237,828
Real estate fund	3,868	—	—	3,868
Mutual funds, closed-ended:				
Fixed income and bond	427,663	—	—	427,663
Domestic, large-cap	2,002,955	—	—	2,002,955
Domestic, mid-cap	493,556	—	—	493,556
Domestic, small-cap	913,054	—	—	913,054
International equity	173,305	—	—	173,305
Commodity	14,383	—	—	14,383
Corporate and foreign bonds	—	903,497	—	903,497
Government and agency securities	<u>631,627</u>	<u>—</u>	<u>—</u>	<u>631,627</u>
	<u>\$17,907,036</u>	<u>\$1,457,779</u>	<u>\$ —</u>	<u>\$19,364,815</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 4,555	\$ —	\$ —	\$ 4,555
Marketable equity securities:				
Large-cap	2,544,889	148,594	—	2,693,483
Mid-cap	809,286	45,600	—	854,886
Small-cap	—	33,110	—	33,110
International	319,796	40,369	—	360,165
Emerging markets	118,842	—	—	118,842
Corporate bonds	—	709,131	—	709,131
Foreign bonds	—	6,029	—	6,029

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds:				
Domestic fixed income	\$ —	\$ 654,361	\$ —	\$ 654,361
International equity	34,664	—	—	34,664
International fixed income	19,931	—	—	19,931
Domestic large-cap equity	67,476	—	—	67,476
Domestic mid-cap equity	16,984	—	—	16,984
Domestic small-cap equity	20,565	—	—	20,565
Commodity	5,465	—	—	5,465
Government and agency securities	20,202	—	—	20,202
Real estate investment trust	95,123	—	—	95,123
Alternative and structured asset funds	<u>33,921</u>	<u>—</u>	<u>88,834</u>	<u>122,755</u>
	<u>\$ 4,111,699</u>	<u>\$ 1,637,194</u>	<u>\$ 88,834</u>	<u>\$ 5,837,727</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,758,346</u>	<u>\$ 2,758,346</u>
<u>2012</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 2,784,158	\$ —	\$ —	\$ 2,784,158
Certificates of deposit	—	1,650,399	—	1,650,399
Marketable equity securities:				
Large-cap	2,112,576	—	—	2,112,576
International	189,358	—	—	189,358
Mutual funds, open-ended:				
Short-term fixed income	2,704,530	—	—	2,704,530
Intermediate-term bond fund	776,015	—	—	776,015
High yield bond fund	277,483	—	—	277,483
Foreign bond	142,305	—	—	142,305
Government securities	684,829	—	—	684,829
International equities	350,761	—	—	350,761
Domestic, large-cap	850,491	—	—	850,491
Domestic, mid-cap	1,039,241	—	—	1,039,241
Domestic, small-cap	159,736	—	—	159,736
Real estate fund	68,271	—	—	68,271
Mutual funds, closed-ended:				
Fixed income and bond	339,555	—	—	339,555
Domestic, large-cap	2,120,790	—	—	2,120,790
Domestic, mid-cap	16,045	—	—	16,045
Domestic, small-cap	239,693	—	—	239,693
International equity	614,770	—	—	614,770
Commodity	119,737	—	—	119,737
Corporate and foreign bonds	—	930,355	—	930,355
Government and agency securities	<u>310,437</u>	<u>—</u>	<u>—</u>	<u>310,437</u>
	<u>\$15,900,781</u>	<u>\$2,580,754</u>	<u>\$ —</u>	<u>\$18,481,535</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 403,426	\$ —	\$ —	\$ 403,426
Marketable equity securities:				
Large-cap	2,128,511	136,980	—	2,265,491
Mid-cap	367,586	38,092	—	405,678
Small-cap	—	26,099	—	26,099
International	421,345	35,421	—	456,766
Emerging markets	23,776	—	—	23,776
Corporate bonds	—	622,220	—	622,220
Foreign bonds	—	20,659	—	20,659
Mutual funds:				
Domestic fixed income	—	975,161	—	975,161
International equity	32,132	—	—	32,132
International fixed income	20,938	—	—	20,938
Domestic large-cap equity	62,604	—	—	62,604
Domestic mid-cap equity	14,062	—	—	14,062
Domestic small-cap equity	18,779	—	—	18,779
Government and agency securities	34,061	—	—	34,061
Real estate investment trust	102,373	—	—	102,373
Alternative and structured asset funds	<u>35,452</u>	<u>—</u>	<u>78,614</u>	<u>114,066</u>
	<u>\$ 3,665,045</u>	<u>\$ 1,854,632</u>	<u>\$ 78,614</u>	<u>\$ 5,598,291</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 5,135,978</u>	<u>\$ 5,135,978</u>

The table below sets forth a summary of changes in the fair value of Easter Seals NH's Level 3 assets and liabilities for the years ended August 31, 2013 and 2012:

	<u>Interest Rate Swaps</u>	<u>Alternative and Other Asset Funds</u>
Beginning balance, September 1, 2011	\$(4,041,445)	\$57,709
Unrealized (losses) gains, net	(1,254,211)	20,905
Swap termination payment	<u>159,678</u>	<u>—</u>
Ending balance, August 31, 2012	(5,135,978)	78,614
Unrealized gains, net	<u>2,377,632</u>	<u>10,220</u>
Ending balance, August 31, 2013	<u>\$(2,758,346)</u>	<u>\$88,834</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

11. Fair Value of Financial Instruments (Continued)

Unrealized gains relating to the Harbor Schools interest rate swap totaled \$8,185 in 2012, and are included within discontinued operations (see note 13).

The net amounts of unrealized gains (losses) for the period attributable to the change in unrealized gains (losses) relating to the interest rate swaps still held at August 31, 2013 and 2012 were \$2,377,632 and (\$1,254,211), respectively. The amount of unrealized gains for the period attributable to the change in unrealized gains relating to the Level 3 investments still held at August 31, 2013 and 2012 were \$10,220 and \$12,817, respectively.

Easter Seals NH's other financial instruments, including cash and cash equivalents, accounts receivable from affiliates, program and other accounts receivable, contributions receivable, accounts payable, lines of credit, and long-term debt, have fair values approximating their carrying values because of the short-term nature of the financial instruments or because interest rates approximate current market rates.

12. Acquisition

On September 1, 2011, Easter Seals NH entered into an affiliation agreement under which Easter Seals NH became the sole member of Webster Place. Webster Place was not controlled by Easter Seals NH prior to this agreement. This affiliation was accounted for in the year ended August 31, 2012 in accordance with generally accepted accounting principles guidance on acquisitions by a not-for-profit entity. Substantially all revenue and support of Webster Place is from fees charged for services. Webster Place had revenue of approximately \$2,064,000, and an increase in net assets from operations of approximately \$763,000 for the year ended August 31, 2012, which results were attributed by the management of Easter Seals NH to being driven by effective management of the programs and identification of candidates for those programs. The tangible and identifiable intangible assets acquired, and deferred revenue and liabilities assumed, were initially recorded at their estimated fair values as determined by management at the acquisition date, as summarized below:

Assets acquired:

Cash and cash equivalents	\$ 227,830
Other current assets	26,789
Patient list	331,000
Fixed assets	<u>112,776</u>
	698,395

Liabilities assumed:

Accounts payable	(54,125)
Deferred revenue	(131,582)
Debt	<u>(512,688)</u>

Fair value of net assets acquired \$ —

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

13. Discontinued Operations

On March 22, 2013, the Board of Directors of Easter Seals NY voted to discontinue the Bronx Early Intervention program. On July 1, 2013, the Center for Therapeutic Recreation program located in Portland, Maine was transferred to the City of Portland and at that same time Easter Seals ME discontinued offering those services. On September 1, 2012, the Board of Directors of Easter Seals NH voted to discontinue the Raymond Preschool program and surrender the related operating license. On September 25, 2013, the Board of Directors of Easter Seals CT voted to discontinue the camp programs and cease all operations effective November 16, 2013. On January 25, 2012, the Board of Directors of Easter Seals NH voted to close Harbor Schools and cease all operations of this subsidiary. On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc. also voted to approve discontinuing the group home and special education programs in Rutland, Vermont.

The management of Easter Seals NH has determined that the closure of each of these programs/entities met the criteria for classification as discontinued operations. The decisions to close the programs were based on performance factors.

Summary statements of financial position for each of the above discontinued programs/entities as of August 31, 2013 and 2012 are as follows:

	<u>Rutland, Vermont</u>		<u>Harbor Schools</u>		<u>Bronx EI</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total assets	\$ —	\$ 1,000	\$ 872,744	\$ 1,118,306	\$ 24,451	\$ 53,066
Total liabilities	1,197	—	595,053	813,880	9,289	—
Net assets (deficit):						
Unrestricted	(1,197)	1,000	230,951	251,319	15,162	53,066
Temporarily restricted	—	—	22,914	29,281	—	—
Permanently restricted	—	—	23,826	23,826	—	—

	<u>CTR Maine</u>		<u>CT Camp</u>		<u>NH Preschool</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total assets	\$ 1,888	\$ 8,799	\$ 2,119,068	\$ 2,202,704	\$ —	\$ 17,786
Total liabilities	38	—	2,470,000	2,582,681	—	—
Net assets (deficit):						
Unrestricted	1,850	8,799	(350,932)	(379,977)	—	17,786
Temporarily restricted	—	—	—	—	—	—
Permanently restricted	—	—	—	—	—	—

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2013 and 2012

13. Discontinued Operations (Continued)

Summary statements of activities for each of the above discontinued programs/entities for the years ended August 31, 2013 and 2012 are as follows:

	<u>Rutland Vermont</u>		<u>Harbor Schools</u>		<u>Bronx EI</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total public support and revenue	\$ —	\$ 242,500	\$ 12,907	\$ 2,589,615	\$ 320,740	\$ 330,968
Operating expenses	(20,310)	(401,216)	(329,961)	(3,871,472)	(531,841)	(455,208)
Other nonoperating expense, gains or losses	—	—	(1,469)	(57,538)	—	—
Gain on sale of properties, net	<u>—</u>	<u>106,474</u>	<u>291,788</u>	<u>1,913,435</u>	<u>—</u>	<u>—</u>
Total increase (decrease) in net assets	<u>\$ (20,310)</u>	<u>\$ (52,242)</u>	<u>\$ (26,735)</u>	<u>\$ 574,040</u>	<u>\$ (211,101)</u>	<u>\$ (124,240)</u>

	<u>CTR Maine</u>		<u>CT Camp</u>		<u>NH Preschool</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Total public support and revenue	\$ 124,872	\$ 167,848	\$ 774,143	\$ 619,084	\$ —	\$ 64,084
Operating expenses	(165,621)	(203,959)	(1,431,704)	(980,659)	(53,735)	(145,060)
Other nonoperating expense, gains or losses	—	—	—	—	—	—
Gain (loss) on sale of properties, net	<u>325</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(15,563)</u>	<u>—</u>
Total increase (decrease) in net assets	<u>\$ (40,424)</u>	<u>\$ (36,111)</u>	<u>\$ (657,561)</u>	<u>\$ (361,575)</u>	<u>\$ (69,298)</u>	<u>\$ (80,976)</u>

During 2013 and 2012, Easter Seals NH sold two and six properties, respectively, related to the closure of these programs, which resulted in gains on the sale of property of \$276,550 and \$2,019,909 for the years ending August 31, 2013 and 2012, respectively.

14. Concentrations

Easter Seals NH maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed amounts guaranteed by the Federal Deposit Insurance Corporation. Easter Seals NH has not experienced any losses in such accounts, and management believes Easter Seals NH is not exposed to any significant credit risk on cash and cash equivalents.

OTHER FINANCIAL INFORMATION

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2013

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current assets:									
Cash and cash equivalents	\$ 1,884,939	\$ 500	\$ 300	\$ 500	\$ -	\$ 270,732	\$ 885,650	\$ -	\$ 3,042,621
Accounts receivable from affiliates	8,588,060	983,077	-	-	-	-	247,471	(9,571,137)	247,471
Program and other accounts receivable, net	6,375,827	627,330	541,354	160,914	3,500	283,994	3,231,789	-	11,224,708
Contributions receivable, net	343,482	-	1,725	20,175	-	28,350	292,378	-	686,110
Current portion of assets limited as to use	288,778	-	-	-	-	253,183	-	-	541,961
Prepaid expenses and other current assets	426,695	4,950	37,302	9,276	-	80,358	225,263	-	783,844
Total current assets	17,907,781	1,615,857	580,681	190,865	3,500	916,617	4,882,551	(9,571,137)	16,526,715
Assets limited as to use, net of current portion	1,367,127	-	-	-	-	3,191,386	-	-	4,558,513
Fixed assets, net	20,574,542	1,994	29,777	20,130	-	1,919,988	5,520,453	-	28,066,884
Property held for sale	-	-	-	-	822,504	-	-	-	822,504
Bond issuance costs, net	65,290	-	-	-	-	-	179,461	-	244,751
Investments, at fair value	11,646,528	-	-	-	46,740	1,699,874	871,199	-	14,264,341
Beneficial interest in trusts held by others and other assets	969,247	-	-	35,917	-	5,207,585	618,051	-	6,830,800
	\$52,530,515	\$1,617,851	\$ 610,458	\$ 246,912	\$ 872,744	\$12,935,450	\$12,071,715	\$ (9,571,137)	\$71,314,508

LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ 1,425,875	\$ -	\$ -	\$ -	\$ 262,356	\$ 924,658	\$ 1,599,505	\$ -	\$ 4,212,394
Accounts payable	1,259,499	8,467	1,492	3,458	907	65,152	473,153	-	1,812,128
Accrued expenses	3,058,850	7,722	28,013	6,617	29,988	115,836	896,428	-	4,143,454
Accounts payable to affiliates	4,654,485	-	2,790,841	58,729	296,552	493,735	1,276,795	(9,571,137)	-
Current portion of deferred revenue	1,368,832	12,095	55,123	-	5,250	264,818	160,116	-	1,866,234
Current portion of interest swap- agreements	525,435	-	-	-	-	39,267	143,430	-	708,132
Current portion of long-term debt	523,287	-	-	-	-	114,000	159,003	-	796,290
Total current liabilities	12,816,263	28,284	2,875,469	68,804	595,053	2,017,466	4,708,430	(9,571,137)	13,538,632
Deferred revenue, net of current portion	-	-	-	-	-	-	-	-	3,191,386
Other liabilities	1,367,458	-	-	-	-	3,191,386	-	-	1,367,458
Interest rate swap agreements, less current portion	1,699,286	-	-	-	-	17,475	333,453	-	2,050,214
Long-term debt, less current portion	17,995,953	-	-	-	-	2,356,000	4,966,714	-	25,318,667
Total liabilities	33,878,960	28,284	2,875,469	68,804	595,053	7,582,327	10,008,597	(9,571,137)	45,466,357
Net assets (deficit):									
Unrestricted	13,547,926	1,589,568	(2,279,862)	140,709	230,951	145,539	1,392,877	-	14,767,708
Temporarily restricted	734,001	(1)	14,851	1,482	22,914	-	152,190	-	925,437
Permanently restricted	4,369,628	-	-	35,917	23,826	5,207,584	518,051	-	10,155,006
Total net assets (deficit)	18,651,555	1,589,567	(2,265,011)	178,108	277,691	5,353,123	2,063,118	-	25,848,151
	\$52,530,515	\$1,617,851	\$ 610,458	\$ 246,912	\$ 872,744	\$12,935,450	\$12,071,715	\$ (9,571,137)	\$71,314,508

* Includes Agency Realty, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

August 31, 2012

ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current assets:									
Cash and cash equivalents	\$ 3,261,116	\$ 1,500	\$ 400	\$ 500	\$ -	\$ 217,128	\$ 921,543	\$ -	\$ 4,402,187
Accounts receivable from affiliates	7,589,576	1,223,181	-	-	-	-	441,980	(8,812,757)	441,980
Program and other accounts receivable, net	6,205,477	307,858	140,420	140,702	2,655	213,524	2,310,934	-	9,321,570
Contributions receivable, net	184,118	250	4,242	8,642	-	10,160	284,317	-	491,729
Current portion of assets limited as to use	273,761	-	-	-	-	184,244	-	-	458,005
Prepaid expenses and other current assets	796,271	12,698	20,780	11,863	17,625	56,849	388,087	-	1,304,173
Total current assets	18,310,319	1,545,487	165,842	161,707	20,280	681,905	4,346,861	(8,812,757)	16,419,644
Assets limited as to use, net of current portion	1,167,789	-	-	-	-	3,849,984	-	-	5,017,773
Fixed assets, net	17,149,053	1,621	9,272	14,324	140,666	2,061,397	5,756,148	-	25,132,481
Property held for sale	-	-	-	-	910,171	-	-	-	910,171
Bond issuance costs, net	68,363	-	-	-	-	-	186,027	-	254,390
Investments, at fair value	10,609,510	-	-	-	47,189	1,526,328	822,730	-	13,005,757
Beneficial interest in trusts held by others and other assets	992,034	-	-	34,488	-	4,999,548	593,941	-	6,620,011
	\$48,297,068	\$1,547,108	\$ 175,114	\$ 210,519	\$1,118,306	\$13,119,162	\$11,705,707	\$ (8,812,757)	\$67,360,227

LIABILITIES AND NET ASSETS

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Current liabilities:									
Lines of credit	\$ -	\$ -	\$ -	\$ -	\$ 451,302	\$ 406,653	\$ 1,124,649	\$ -	\$ 1,982,604
Accounts payable	1,646,794	9,093	476	4,154	236,194	43,982	690,242	-	2,630,935
Accrued expenses	3,200,668	6,041	20,936	7,584	95,290	142,447	889,226	-	4,362,192
Accounts payable to affiliates	4,867,724	-	2,386,803	25,941	31,094	476,403	1,024,792	(8,812,757)	-
Rate reserves	-	-	-	-	-	-	435,008	-	435,008
Current portion of deferred revenue	1,469,308	21,337	19,644	450	-	190,312	56,232	-	1,757,283
Current portion of interest swap agreements	545,538	-	-	-	-	41,541	147,391	-	734,470
Current portion of long-term debt	478,544	-	-	-	-	114,000	154,172	-	746,716
Total current liabilities	12,208,576	36,471	2,427,859	38,129	813,880	1,415,338	4,521,712	(8,812,757)	12,649,208
Deferred revenue, net of current portion	-	-	-	-	-	-	-	-	3,778,487
Other liabilities	1,168,659	-	-	-	-	3,778,487	-	-	1,168,659
Interest rate swap agreements, less current portion	3,435,046	-	-	-	-	56,467	909,995	-	4,401,508
Long-term debt, less current portion	15,328,214	-	-	-	-	2,470,000	5,125,720	-	22,923,934
Total liabilities	32,140,495	36,471	2,427,859	38,129	813,880	7,720,292	10,557,427	(8,812,757)	44,921,796
Net assets (deficit):									
Unrestricted	11,322,701	1,510,638	(2,255,245)	132,103	251,319	399,323	576,920	-	11,937,759
Temporarily restricted	483,752	(1)	2,500	5,799	29,281	-	77,419	-	598,750
Permanently restricted	4,350,120	-	-	34,488	23,826	4,999,547	493,941	-	9,901,922
Total net assets (deficit)	16,156,573	1,510,637	(2,252,745)	172,390	304,426	5,398,870	1,148,280	-	22,438,431
	\$48,297,068	\$1,547,108	\$ 175,114	\$ 210,519	\$1,118,306	\$13,119,162	\$11,705,707	\$ (8,812,757)	\$67,360,227

* Includes Agency Realty, Inc., Special Transit Service, Inc., Webster Place, Inc. and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2013

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Public support and revenue:									
Public support:									
Contributions	\$ 1,982,061	\$ 833	\$ 20,222	\$ 34,516	\$ -	\$ 43,732	\$ 416,983	\$ -	\$ 2,498,347
Special events, net	323,059	176	57,225	106,647	-	35,291	466,125	-	988,523
Annual campaigns, net	379,744	15,804	12,321	32,663	-	2,702	-	-	443,234
Bequests	108,362	-	79,247	1,710	-	20,270	160,234	-	369,823
Total public support	2,793,226	16,813	169,015	175,536	-	101,995	1,043,342	-	4,299,927
Revenue:									
Fees and grants from governmental agencies	36,843,073	2,855,468	1,456,933	1,077,769	-	481,247	23,739,100	-	66,453,590
Other fees and grants	19,378,555	727,962	30,673	64,890	-	16,554	3,794,589	-	24,013,223
Sales to public	4,019,558	-	-	-	-	-	-	-	4,019,558
Dividend and interest income	353,638	-	-	1,431	-	305,749	52,749	(31,275)	682,292
Rental income	1,240	-	-	-	-	-	143,531	-	144,771
Intercompany revenue	1,966,264	-	-	-	-	-	54,004	(2,020,268)	-
Other	111,174	9,294	131	5,600	-	527,885	41,211	-	695,295
Total revenue	62,673,502	3,592,724	1,487,737	1,149,690	-	1,331,435	27,825,184	(2,051,543)	96,008,729
Total public support and revenue	65,466,728	3,609,537	1,656,752	1,325,226	-	1,433,430	28,868,526	(2,051,543)	100,308,656
Operating expenses:									
Program services:									
Public health education	257,956	885	87	3,746	-	241	346,187	-	609,102
Professional education	41,275	-	-	-	-	-	-	-	41,275
Direct services	56,210,877	3,177,319	1,437,204	1,073,809	-	945,531	24,682,214	(148,200)	87,378,754
Total program services	56,510,108	3,178,204	1,437,291	1,077,555	-	945,772	25,028,401	(148,200)	88,029,131

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Supporting services:									
Management and general Fundraising	\$ 7,893,023 958,211	\$ 329,705 2,388	\$ 154,349 36,359	\$ 121,246 116,701	\$ — —	\$ 75,977 156,362	\$ 2,686,098 533,649	\$ (1,855,742) (47,601)	\$ 9,404,656 1,756,069
Total supporting services	8,851,234	332,093	190,708	237,947	—	232,339	3,219,747	(1,903,343)	11,160,725
Total functional expenses	65,361,342	3,510,297	1,627,999	1,315,502	—	1,178,111	28,248,148	(2,051,543)	99,189,856
Support of National programs	25,325	—	595	5,435	—	5,029	85,396	—	121,780
Total operating expenses	65,386,667	3,510,297	1,628,594	1,320,937	—	1,183,140	28,333,544	(2,051,543)	99,311,636
Increase in net assets from operations	80,061	99,240	28,158	4,289	—	250,290	534,982	—	997,020
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	1,755,863	—	—	—	—	41,266	580,503	—	2,377,632
Net realized and unrealized gains (losses) on investments	715,103	—	—	—	—	112,222	(13,656)	—	813,669
Increase in fair value of beneficial interest in trusts held by others	5,861	—	—	1,429	—	208,036	24,110	—	239,436
Gain on sales and disposals of property, plant and equipment	7,392	—	—	—	—	—	—	—	7,392
	2,484,219	—	—	1,429	—	361,524	590,957	—	3,438,129
Increase in net assets before effects of discontinued operations	2,564,280	99,240	28,158	5,718	—	611,814	1,125,939	—	4,435,149
Loss from discontinued operations	(69,298)	(20,310)	(40,424)	—	(26,735)	(657,561)	(211,101)	—	(1,025,429)
Total increase (decrease) in net assets	2,494,982	78,930	(12,266)	5,718	(26,735)	(45,747)	914,838	—	3,409,720
Net assets (deficit) at beginning of year	16,156,573	1,510,637	(2,252,745)	172,390	304,426	5,398,870	1,148,280	—	22,438,431
Net assets (deficit) at end of year	\$ 18,651,555	\$ 1,589,567	\$ (2,265,011)	\$ 178,108	\$ 277,691	\$ 5,353,123	\$ 2,063,118	\$ —	\$ 25,848,151

* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2012

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Public support and revenue:									
Public support:									
Contributions	\$ 1,156,204	\$ 1,724	\$ 32,327	\$ 20,558	\$ -	\$ 38,367	\$ 713,660	\$ -	\$ 1,962,840
Special events, net	334,262	2,290	50,586	100,824	-	60,337	637,478	-	1,185,777
Annual campaigns, net	407,951	4,795	21,089	33,306	-	10,830	-	-	477,971
Bequests	(3,000)	-	-	-	-	8,761	122,000	-	127,761
Total public support	1,895,417	8,809	104,002	154,688	-	118,295	1,473,138	-	3,754,349
Revenue:									
Fees and grants from governmental agencies	38,016,845	2,551,544	1,200,957	996,191	-	148,477	20,301,892	-	63,215,906
Other fees and grants	20,545,703	561,452	8,401	68,030	-	25,818	5,545,943	-	26,755,347
Sales to public	4,057,412	-	-	-	-	-	-	-	4,057,412
Dividend and interest income	322,079	-	-	1,413	-	308,690	51,918	-	684,100
Rental income	320	-	-	-	-	-	140,053	-	140,373
Intercompany revenue	1,933,277	-	-	-	-	-	18,388	(1,951,665)	-
Other	141,239	14,553	100	3,170	-	429,122	53,816	-	642,000
Total revenue	65,016,875	3,127,549	1,209,458	1,068,804	-	912,107	26,112,010	(1,951,665)	95,495,138
Total public support and revenue	66,912,292	3,136,358	1,313,460	1,223,492	-	1,030,402	27,585,148	(1,951,665)	99,249,487
Operating expenses:									
Program services:									
Public health education	264,402	1,099	2,195	4,160	-	-	323,778	-	595,634
Professional education	22,251	-	-	-	-	-	-	-	22,251
Direct services	56,732,061	2,829,132	1,313,305	980,690	-	483,305	24,548,142	(243,332)	86,643,303
Total program services	57,018,714	2,830,231	1,315,500	984,850	-	483,305	24,871,920	(243,332)	87,261,188

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Supporting services:									
Management and general	\$ 7,553,872	\$ 259,458	\$ 146,294	\$ 101,051	\$ -	\$ 172,564	\$ 2,175,566	\$ (1,708,333)	\$ 8,700,472
Fundraising	<u>712,742</u>	<u>24,527</u>	<u>92,116</u>	<u>133,417</u>	-	<u>265,115</u>	<u>654,438</u>	-	<u>1,882,355</u>
Total supporting services	8,266,614	283,985	238,410	234,468	-	437,679	2,830,004	(1,708,333)	10,582,827
Total functional expenses	65,285,328	3,114,216	1,553,910	1,219,318	-	920,984	27,701,924	(1,951,665)	97,844,015
Support of National programs	<u>25,325</u>	-	<u>595</u>	<u>3,768</u>	-	<u>5,943</u>	<u>99,256</u>	-	<u>134,887</u>
Total operating expenses	65,310,653	3,114,216	1,554,505	1,223,086	-	926,927	27,801,180	(1,951,665)	97,978,902
Increase (decrease) in net assets from operations	1,601,639	22,142	(241,045)	406	-	103,475	(216,032)	-	1,270,585
Other nonoperating expenses, gains and losses:									
Change in fair value of interest rate swaps	(939,843)	-	-	-	-	19,090	(341,643)	-	(1,262,396)
Net realized and unrealized gains on investments	456,206	-	-	-	-	100,791	12,330	-	569,327
Increase (decrease) in fair value of beneficial interest in trust held by others	1,678	-	-	(636)	-	310,400	34,132	-	345,574
Gain on sales and disposals of property, plant and equipment	<u>3,337</u>	-	-	-	-	-	<u>905</u>	-	<u>4,442</u>
	(478,422)	-	-	(636)	-	430,281	(294,276)	-	(343,053)
Increase (decrease) in net assets before effects of discontinued operations	1,123,217	22,142	(241,045)	(230)	-	533,756	(510,308)	-	927,532
Gain (loss) from discontinued operations	<u>35,455</u>	<u>(168,673)</u>	<u>(36,111)</u>	-	574,040	<u>(361,575)</u>	<u>(124,240)</u>	-	<u>(81,104)</u>
Total increase (decrease) in net assets	1,158,672	(146,531)	(277,156)	(230)	574,040	172,181	(634,548)	-	846,428
Net assets (deficit) at beginning of year	<u>14,997,901</u>	<u>1,657,168</u>	<u>(1,975,589)</u>	<u>172,620</u>	<u>(269,614)</u>	<u>5,226,689</u>	<u>1,782,828</u>	-	<u>21,592,003</u>
Net assets (deficit) at end of year	\$ <u>16,156,573</u>	\$ <u>1,510,637</u>	\$ <u>(2,252,745)</u>	\$ <u>172,390</u>	\$ <u>304,426</u>	\$ <u>5,398,870</u>	\$ <u>1,148,280</u>	\$ -	\$ <u>22,438,431</u>

* Includes Agency Realty, Inc., Special Transit Service, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2013

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 48,037,219	\$ 2,582,606	\$ 1,300,853	\$ 950,569	\$ -	\$ 755,476	\$ 19,918,642	\$ -	\$ 73,545,365
Professional fees	6,675,312	573,778	52,230	197,171	-	128,550	3,691,127	(2,020,268)	9,297,900
Supplies	1,856,481	24,018	27,890	7,177	-	26,740	775,217	-	2,717,523
Telephone	686,084	15,458	6,469	7,864	-	6,589	134,204	-	856,668
Postage and shipping	77,619	1,528	2,726	2,455	-	908	30,823	-	116,059
Occupancy	2,249,396	55,018	148,022	83,516	-	52,053	1,566,838	-	4,154,843
Outside printing, artwork and media	77,910	4,336	5,209	7,299	-	10,719	29,282	-	134,755
Travel	2,246,338	114,616	13,324	42,513	-	10,516	193,587	-	2,620,894
Conventions and meetings	215,572	27,374	2,877	1,668	-	11,465	134,210	-	393,166
Specific assistance to individuals	735,652	87,860	2,864	-	-	595	153,144	-	980,115
Dues and subscriptions	24,498	538	4,902	1,246	-	1,280	16,753	-	49,217
Minor equipment purchases- and equipment rental	296,845	19,148	10,555	11,565	-	7,157	88,269	-	433,539
Ads, fees and miscellaneous	50,794	2,962	3,204	225	-	1,594	49,361	-	108,140
Interest	780,721	-	-	-	-	26,201	319,338	(31,275)	1,094,985
Bad debt provision	112,016	264	43,006	500	-	134,598	469,007	-	759,391
Facility tax assessment	-	-	-	-	-	-	311,041	-	311,041
Depreciation and amortization	1,238,885	793	3,868	1,734	-	3,670	367,305	-	1,616,255
	<u>\$ 65,361,342</u>	<u>\$ 3,510,297</u>	<u>\$ 1,627,999</u>	<u>\$ 1,315,502</u>	<u>\$ -</u>	<u>\$ 1,178,111</u>	<u>\$ 28,248,148</u>	<u>\$ (2,051,543)</u>	<u>\$ 99,189,856</u>

* Includes Agency Realty, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

Year Ended August 31, 2012

	* New Hampshire	Vermont	Maine	Rhode Island	Harbor Schools, Inc.	Connecticut	New York	Elimi- nations	Total
Salaries and related expenses	\$ 47,631,496	\$ 2,331,243	\$ 1,227,582	\$ 887,734	\$ -	\$ 614,326	\$ 20,224,843	\$ -	\$ 72,917,224
Professional fees	7,199,064	418,106	115,331	159,033	-	163,197	3,662,564	(1,951,665)	9,765,630
Supplies	1,833,429	15,939	19,425	7,528	-	17,533	793,865	-	2,687,719
Telephone	657,148	18,761	7,247	6,753	-	5,390	141,152	-	836,451
Postage and shipping	93,190	1,684	3,293	1,912	-	999	31,390	-	132,468
Occupancy	2,072,140	64,424	147,517	82,431	-	34,178	1,431,078	-	3,831,768
Outside printing, artwork and media	76,312	2,871	5,210	6,094	-	3,538	25,631	-	119,656
Travel	2,262,901	104,480	14,508	39,640	-	8,358	256,846	-	2,686,733
Conventions and meetings	220,963	34,900	3,954	2,011	-	9,480	122,601	-	393,909
Specific assistance to individuals	654,429	107,006	120	-	-	-	165,496	-	927,051
Dues and subscriptions	24,855	200	535	573	-	325	18,869	-	45,357
Minor equipment purchases and equipment rental	545,315	11,639	6,143	21,414	-	20,837	83,541	-	688,889
Ads, fees and miscellaneous	27,523	1,165	1,609	143	-	28,858	(3,112)	-	56,186
Interest	794,332	-	-	-	-	10,725	296,755	-	1,101,812
Bad debt provision	27,075	-	-	1,925	-	-	14,744	-	43,744
Depreciation and amortization	1,165,156	1,798	1,436	2,127	-	3,240	435,661	-	1,609,418
	<u>\$ 65,285,328</u>	<u>\$ 3,114,216</u>	<u>\$ 1,553,910</u>	<u>\$ 1,219,318</u>	<u>\$ -</u>	<u>\$ 920,984</u>	<u>\$ 27,701,924</u>	<u>\$ (1,951,665)</u>	<u>\$ 97,844,015</u>

* Includes Agency Realty, Inc., Special Transit Service, Inc., Webster Place Inc., and Manchester Alcoholism Rehabilitation Center

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Key Personnel

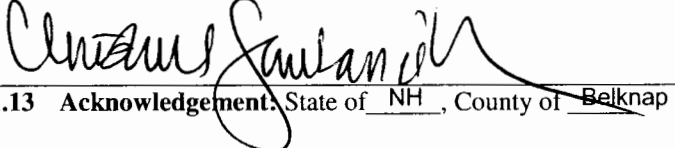
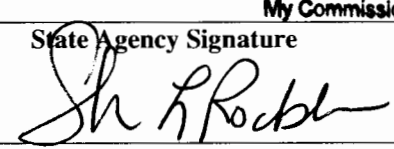
Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Larry Gammon	President/CEO	\$ 292,852	0%	\$ 0
Elin Treanor	CFO	\$ 161,161	0%	\$ 0
Tina Sharby	Chief Human Resources Officer	\$ 88,771	0%	\$ 0
Susan Silsby	Sr VP Programs	\$ 141,000	0%	\$ 0

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Lakes Region Community Services Council		1.4 Contractor Address 719 North Main Street Laconia, NH 03247	
1.5 Contractor Phone Number 603-581-1500	1.6 Account Number Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$535,626.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Christine Santaniello, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Belknap</u> On <u>5/21/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactory person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity of block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace Rebecca L. Bryant, Justice of the Peace REBECCA L. BRYANT Justice of the Peace - New Hampshire My Commission Expires February 12, 2019			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockabin Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M. K. Brown</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			



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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services: Belknap Co. Towns of Alton, Barnstead, Belmont, Center Harbor, Gilford, Gilmanton, Laconia, Meredith, New Hampton, Sanbornton & Tilton. Grafton Co. Towns of Alexandria, Ashland, Bridgewater, Bristol, Campton, Canaan, Dorchester, Ellsworth, Enfield, Grafton, Groton, Hanover, Hebron, Holderness, Lebanon, Lyme, Orange, Orford, Plymouth, Rumney, Thornton, Warren, Waterville Valley, & Wentworth. Merrimack Co. Towns of Danbury, Franklin, Hill & Northfield. Sullivan Co. Towns of Cornish & Plainfield.

5. Services Provided in this Agreement

	In Home Care Services	Services	
		In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	na	na
Title XX	x	na	na



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An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or



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- 6.1.11.6. Opening the container
 - 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
 - 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
 - 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
 - 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
 - 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
 - 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
 - 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:
 - 6.3.3.1. Receiving referrals;
 - 6.3.3.2. Evaluation of the individual's needs;
 - 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
 - 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
 - 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.



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- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
- 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
- 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
1) The reason(s) for the denial;
2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
3) Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.



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7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.



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7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.



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- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

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- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



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is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services. The Contractor shall follow the plan of care established by the APS social worker. The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.



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- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.



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7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and



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- d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

- 7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 7.20.2. Ensure the Department is provided with access that includes but is not limited to:
 - a) Data
 - b) Financial records
 - c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
 - d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
 - e) Scheduled phone access to Contractor principals and staff
 - f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

- 7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.
- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
 - 1. Require a corrective action plan for identified deficiencies, or



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2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%



New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services

Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services

Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix						
Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$472,264
Title IIIB	In Home Care Services	\$8.38	\$63,362
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	N/A
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385



Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.


5/27/14



Exhibit B

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- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

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

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

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

Handwritten initials, possibly "CS", in black ink.



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$5,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEEES 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

A handwritten signature in black ink, appearing to be "C" or "Q", written over a horizontal line.



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

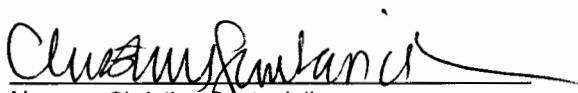
Place of Performance (street address, city, county, state, zip code) (list each location)

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

Contractor Name: Lakes Region Community Services Council

May 21, 2014

Date


Name: Christine Santaniello
Title: Executive Director



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: Lakes Region Community Services Council

May 21, 2014

Date


Name: Christine Santaniello
Title: Executive Director



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: Lakes Region Community Services Council

May 21, 2014

Date


Name: Christine Santaniello
Title: Executive Director





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

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

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

Contractor Name: Lakes Region Community Services Council

May 21, 2014

Date


Name: Christine Santaniello
Title: Executive Director





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: Lakes Region Community Services Council

May 21, 2014

Date


Name: Christine Santaniello
Title: Executive Director





Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

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Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

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Exhibit I

- pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.
- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
 - g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
 - h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
 - i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
 - j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
 - k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
 - l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

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

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

The State
[Signature]
Signature of Authorized Representative
Sheri Rockburn
Name of Authorized Representative
Director
Title of Authorized Representative
5/27/14
Date

Lakes Region Community Services Council
Name of the Contractor
[Signature]
Signature of Authorized Representative
Christine Santaniello
Name of Authorized Representative
Executive Director
Title of Authorized Representative
May 21, 2014
Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: Lakes Region Community Services

5/21/14
Date


Name: Christine Santaniello
Title: Executive Director



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: 122778277
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: <u>Christine Santaniello</u>	Amount: <u>\$112,124</u>
Name: <u>Rebecca Bryant</u>	Amount: <u>\$ 84,050</u>
Name: <u>Mary St. Jacques</u>	Amount: <u>\$ 66,625</u>
Name: <u>Shannon Kelly</u>	Amount: <u>\$66,625</u>
Name: <u>Laurie Vachon</u>	Amount: <u>\$66,625</u>

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 Lakes Region Community Services Council is a New Hampshire nonprofit corporation formed July 29, 1975. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 9th day of April A.D. 2014

A handwritten signature in cursive script, reading "Wm Gardner".

William M. Gardner
Secretary of State

CS
5/21/14

LAKES REGION
**COMMUNITY
SERVICES**

Engage. Empower. Inspire.

CERTIFICATE OF VOTE
Without Seal

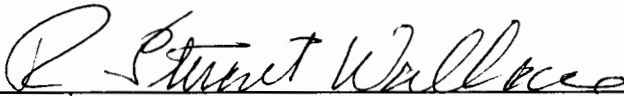
I, R. Stuart Wallace, do hereby certify that:

1. I am the duly elected Clerk of the Board of Directors for Lakes Region Community Services Council.
2. The following are true copies of two resolutions adopted at a meeting of the full Board of Directors of the Corporation duly held on April 16, 2014.

RESOLVED: That this Corporation amend and extend a contract with the State of New Hampshire, acting through its Department of Health and Human Service, for the provision of Adult In-Home Care and Homemaker Services.

RESOLVED: That the Executive Director is hereby authorized on behalf of Lakes Region Community Services Council to enter into the said contract with the State and to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as she may deem necessary, desirable, or appropriate.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of May 21, 2014.
4. Christine Santaniello is the duly elected Executive Director of the Corporation.


(Signature of Clerk of the Corporation)

State of New Hampshire
County of Belknap

The foregoing instrument was acknowledged before me this 21st day of April, 2014, by Randy Perkins.

(Name of Clerk of the Corporation)


(Signature)

Name (Print): Rebecca L. Bryant

Title:

(Justice of the Peace)

My Commission Expires: February 12, 2019



REBECCA L. BRYANT
Justice of the Peace - New Hampshire
My Commission Expires February 12, 2019



LAKES65

OP ID: JF

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/29/2014

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

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

PRODUCER Melcher & Prescott-Laconia 426 Main Street Laconia, NH 03246 Waneta Forbes	Phone: 603-524-4535	CONTACT NAME:	
	Fax: 603-528-4442	PHONE (A/C, No, Ext):	FAX (A/C, No):
		E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A : Citizen Insurance Company	NAIC # 31534
		INSURER B : Hanover Insurance Company	22292
		INSURER C : Granite State Work Comp Manuf	
		INSURER D :	
		INSURER E :	
		INSURER F :	

INSURED
LR Community Services Council
Rebecca L. Bryant
P O Box 509
Laconia, NH 03246

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ GENERAL LIABILITY			ZBV8974270	12/01/2013	12/01/2014	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 20,000
	☒ Professional Liab						PERSONAL & ADV INJURY \$ 1,000,000
GEN'L AGGREGATE LIMIT APPLIES PER:							GENERAL AGGREGATE \$ 3,000,000
☒ POLICY ☐ PRO-JECT ☐ LOC							PRODUCTS - COM/OP AGG \$ 3,000,000
A	☒ AUTOMOBILE LIABILITY			ABV8928387	12/01/2013	12/01/2014	Emp Ben. \$ 1,000,000
	☒ ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					BODILY INJURY (Per person) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS					BODILY INJURY (Per accident) \$
B	☒ UMBRELLA LIAB			UHV8929075	12/01/2013	12/01/2014	PROPERTY DAMAGE (Per accident) \$
	☒ EXCESS LIAB	☒ OCCUR					EACH OCCURRENCE \$ 5,000,000
	☐ CLAIMS-MADE						AGGREGATE \$ 5,000,000
	☐ DED ☒ RETENTION \$ 0						
C	☒ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WC012013000021	01/01/2014	01/01/2015	WC STATU-TORY LIMITS ☒ OTH-ER \$
	☐ ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y ☒ N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

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

CERTIFICATE HOLDER	CANCELLATION
STATE11	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
State of New Hampshire DHHS, BEAS 129 Pleasant Street Concord, NH 03301	AUTHORIZED REPRESENTATIVE

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Engage. Empower. Inspire.

Mission Statement

Dedicated to serving the community by promoting independence, dignity and opportunity.

Value Statements

As individuals and as a community agency, we:

- Value all people;
- Value a team approach in all we do;
- Value and respect one another;
- Value our relationships in the communities in which we live and work;
- Value our role as facilitators of relationships; and
- Value and recognize that our relationships evolve, grow, and change over time.

CS
5/21/14

Financial Statements

LAKES REGION COMMUNITY SERVICES ✓ (2)
COUNCIL, INC.

FOR THE YEARS ENDED
JUNE 30, 2013 AND 2012
AND
INDEPENDENT AUDITORS' REPORTS

**Leone,
McDonnell
& Roberts**
PROFESSIONAL ASSOCIATION

CERTIFIED PUBLIC ACCOUNTANTS

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

JUNE 30, 2013

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To the Board of Directors of
Lakes Region Community Services Council, Inc.
Laconia, New Hampshire

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Lakes Region Community Services Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of cash flows, and notes to the financial statements for the years then ended, and the related statements of activities and functional expenses for the year ended June 30, 2013.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lakes Region Community Services Council, Inc. as of June 30, 2013 and 2012, and its cash flows for the years then ended, and the changes in its net assets for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Lakes Region Community Services Council, Inc. June 30, 2012 financial statements, and our report dated January 12, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional revenues on pages 18 - 20 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information, is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Leone, McDonald & Roberts
Professional Association

Wolfeboro, New Hampshire
October 4, 2013

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and equivalents:		
Cash in bank	\$ 1,593,477	\$ 41,768
Certificates of deposits	-	207,678
Federated managed funds	-	5,520
Accounts receivable:		
Medicaid	1,021,895	1,346,705
Other, net of allowance for doubtful accounts of \$50,000 at June 30, 2013 and 2012	1,015,880	1,206,517
Prepaid expenses	<u>156,546</u>	<u>235,896</u>
Total current assets	<u>3,787,798</u>	<u>3,044,084</u>
PROPERTY AND EQUIPMENT, NET	<u>4,095,915</u>	<u>4,225,517</u>
OTHER ASSETS		
Deposits	<u>57,554</u>	<u>53,354</u>
Total assets	<u>\$ 7,941,267</u>	<u>\$ 7,322,955</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long term debt	\$ 46,701	\$ 45,853
Accounts payable	821,245	527,345
Accrued salaries, wages, and related expenses	315,000	277,235
Accrued earned time	306,172	299,388
Refundable advances	76,651	82,679
Other accrued expenses	<u>106,229</u>	<u>78,140</u>
Total current liabilities	<u>1,671,998</u>	<u>1,310,640</u>
LONG TERM LIABILITIES		
Due to affiliates, net	208,775	239,609
Long term debt, less current portion shown above	<u>399,981</u>	<u>442,826</u>
Total long term liabilities	<u>608,756</u>	<u>682,435</u>
Total liabilities	<u>2,280,754</u>	<u>1,993,075</u>
NET ASSETS		
Unrestricted	4,057,757	3,672,780
Temporarily restricted	<u>1,602,756</u>	<u>1,657,100</u>
Total net assets	<u>5,660,513</u>	<u>5,329,880</u>
Total liabilities and net assets	<u>\$ 7,941,267</u>	<u>\$ 7,322,955</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013</u>	<u>2012</u>
CHANGES IN NET ASSETS				
Revenues				
Program fees	\$ 1,232,393	\$ -	\$ 1,232,393	\$ 1,179,361
Medicaid	18,138,379	-	18,138,379	17,739,766
Client resources	88,339	-	88,339	72,667
Other third party payers	37,329	-	37,329	34,761
Public support	1,128,942	-	1,128,942	1,930,387
Private foundations	1,500	-	1,500	25,257
Production/service income	271,954	-	271,954	253,611
Investment	876	-	876	6,162
In-kind donations	-	-	-	65,000
State of New Hampshire - DDS	1,053,930	-	1,053,930	1,078,033
Management fees	19,882	-	19,882	20,568
Other	506,544	-	506,544	971,691
Total revenues	<u>22,480,068</u>		<u>22,480,068</u>	<u>23,377,264</u>
Expenses				
Program services				
Service coordination	960,434	-	960,434	966,460
Day programs	4,418,262	-	4,418,262	4,080,565
Early intervention	591,288	-	591,288	614,288
Enhanced family care	3,427,653	-	3,427,653	3,270,253
Community options	219,841	-	219,841	227,190
Community residences	5,977,215	-	5,977,215	6,105,485
Transportation	116,570	-	116,570	143,420
Family support	2,878,654	-	2,878,654	2,750,035
Other DDS	11,674	-	11,674	14,482
Other programs	1,108,694	-	1,108,694	478,570
Supporting activities				
General management	2,382,230	54,344	2,436,574	2,160,383
Fundraising	2,576	-	2,576	10,197
Total expenses	<u>22,095,091</u>	<u>54,344</u>	<u>22,149,435</u>	<u>20,821,328</u>
INCREASE (DECREASE) IN NET ASSETS	384,977	(54,344)	330,633	2,555,936
NET ASSETS, BEGINNING OF YEAR	<u>3,672,780</u>	<u>1,657,100</u>	<u>5,329,880</u>	<u>2,773,944</u>
NET ASSETS, END OF YEAR	<u>\$ 4,057,757</u>	<u>\$ 1,602,756</u>	<u>\$ 5,660,513</u>	<u>\$ 5,329,880</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 330,633	\$ 2,555,936
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	<u>203,474</u>	<u>68,083</u>
(Increase) decrease in assets:		
Accounts receivable	515,447	(1,507,056)
Prepaid expenses	79,350	343,620
Deposits	(4,200)	-
Increase (decrease) in liabilities:		
Accounts payable	293,900	(65,500)
Accrued salaries, wages, and related expenses	37,765	89,147
Accrued earned time	6,784	(65,712)
Refundable advances	(6,028)	52,417
Other accrued expenses	<u>28,089</u>	<u>32,805</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,485,214</u>	<u>1,503,740</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	<u>(73,872)</u>	<u>(4,094,660)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(73,872)</u>	<u>(4,094,660)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	-	500,000
Repayment of long term debt	(41,997)	(11,321)
(Decrease) increase in due to affiliates	<u>(30,834)</u>	<u>141,674</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(72,831)</u>	<u>630,353</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	1,338,511	(1,960,567)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>254,966</u>	<u>2,215,533</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 1,593,477</u>	<u>\$ 254,966</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 11,312</u>	<u>\$ 2,481</u>

See Notes to Financial Statements

LAKE REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Service Coordination</u>	<u>Day Programs</u>	<u>Early Intervention</u>	<u>Enhanced Family Care</u>	<u>Community Options</u>
PERSONNEL COSTS					
Salaries and wages	\$ 601,842	\$ 2,510,535	\$ 402,752	\$ 140,590	\$ 146,816
Employee benefits	203,283	832,607	127,642	47,567	48,028
Payroll taxes	43,028	202,802	27,946	9,832	9,603
PROFESSIONAL FEES AND CONSULTATIONS					
Clerical contracted staff	-	(6,622)	-	-	-
Client treatment & therapies	47,876	(207)	100	3,124,308	-
Accounting/auditing	-	-	-	-	-
Legal	2,712	-	-	-	-
Subcontract services	-	97,020	25	57,377	-
Other professional fees	13,558	11,849	-	10	-
STAFF DEVELOPMENT AND TRAINING					
Journals and publications	-	36	214	-	-
Conference/conventions	-	250	320	-	-
Other staff development	-	10,304	5,881	25	-
OCCUPANCY COSTS					
Rent	9,750	58,955	1,143	-	-
Mortgage payments	-	-	-	-	-
Utilities	1,482	15,238	-	-	-
Repairs and maintenance	783	2,824	-	47	-
Other occupancy costs	163	140	-	-	-
CONSUMABLE SUPPLIES					
Office supplies and equipment under \$1,000	1,229	1,540	1,136	218	-
Building/household	227	1,231	-	-	-
Client	4,123	7,112	-	22,316	-
Medical supplies	484	73	-	359	-
ASSISTANCE TO INDIVIDUALS	4,058	-	-	-	-
PRODUCT SALES	-	18,958	-	-	-
EQUIPMENT RENTAL	250	250	-	-	-
EQUIPMENT MAINTENANCE	449	1,760	-	1,300	-
DEPRECIATION	-	2,055	187	-	-
ADVERTISING	105	1,583	-	28	-
PRINTING	-	77	1,162	1,379	-
TELEPHONE	776	6,310	117	-	-
POSTAGE	114	183	-	-	-
TRANSPORTATION	21,472	392,452	20,673	21,498	15,394
INSURANCE	-	-	-	-	-
MEMBERSHIP DUES	125	132	-	-	-
IN-KIND DONATIONS	-	-	-	-	-
CLIENT PAYMENTS	607	169,689	1,030	174	-
BAD DEBTS	-	-	-	-	-
INTEREST	-	-	-	-	-
OTHER	1,938	79,126	960	625	-
TOTAL FUNCTIONAL EXPENSES	<u>\$ 960,434</u>	<u>\$ 4,418,262</u>	<u>\$ 591,288</u>	<u>\$ 3,427,653</u>	<u>\$ 219,841</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Community Residences</u>	<u>Transportation</u>	<u>Family Support</u>	<u>Other DDS</u>	<u>General Management</u>
PERSONNEL COSTS					
Salaries and wages	\$ 2,988,124	\$ 19,185	\$ 1,145,483	\$ -	\$ 923,942
Employee benefits	967,421	6,464	382,053	-	307,448
Payroll taxes	217,172	1,402	82,238	-	76,657
PROFESSIONAL FEES AND CONSULTATIONS					
Clerical contracted staff	-	-	-	-	8,976
Client treatment & therapies	177,927	-	894,322	-	-
Accounting/auditing	-	-	-	-	84,991
Legal	1,745	-	-	-	32,492
Subcontract services	999,284	-	97,617	-	6,000
Other professional fees	14,735	683	7,199	5,543	157,612
STAFF DEVELOPMENT AND TRAINING					
Journals and publications	276	-	-	-	823
Conference/conventions	100	-	4,560	-	12,057
Other staff development	14,768	-	1,446	-	4,927
OCCUPANCY COSTS					
Rent	156,955	-	10,875	-	-
Mortgage payments	8,198	-	-	-	-
Utilities	90,939	-	1,272	-	66,084
Repairs and maintenance	25,520	-	616	-	109,896
Other occupancy costs	2,002	-	163	-	6,752
CONSUMABLE SUPPLIES					
Office supplies and equipment under \$1,000	3,794	-	1,517	-	45,644
Building/household	20,440	-	296	-	2,697
Client	120,553	-	3,432	-	17,095
Medical supplies	2,160	-	7,451	-	56
ASSISTANCE TO INDIVIDUALS	-	-	48,617	-	-
PRODUCT SALES	-	-	-	-	859
EQUIPMENT RENTAL	-	-	1,028	-	37,398
EQUIPMENT MAINTENANCE	8,066	-	4,332	-	51,259
DEPRECIATION	26,922	-	-	-	174,310
ADVERTISING	-	-	4,568	-	12,067
PRINTING	-	-	7,338	-	7,346
TELEPHONE	6,145	-	564	-	70,407
POSTAGE	-	-	257	-	20,437
TRANSPORTATION	115,179	81,057	123,018	5,300	6,114
INSURANCE	20	7,779	-	-	66,863
MEMBERSHIP DUES	-	-	47,518	-	41,275
IN-KIND DONATIONS	-	-	-	-	-
CLIENT PAYMENTS	8,024	-	410	-	15,885
BAD DEBTS	-	-	-	-	-
INTEREST	-	-	-	-	8,610
OTHER	746	-	464	831	59,595
TOTAL FUNCTIONAL EXPENSES	<u>\$ 5,977,215</u>	<u>\$ 116,570</u>	<u>\$ 2,878,654</u>	<u>\$ 11,674</u>	<u>\$ 2,436,574</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Fundraising</u>	<u>Total DDS Funded</u>	<u>Total Non-DDS Funded</u>	<u>2013 Totals</u>	<u>2012 Totals</u>
PERSONNEL COSTS					
Salaries and wages	\$ -	\$ 8,879,269	\$ 721,065	\$ 9,600,334	\$ 8,930,435
Employee benefits	-	2,922,513	238,248	3,160,761	3,052,584
Payroll taxes	-	670,680	55,693	726,373	689,532
PROFESSIONAL FEES AND CONSULTATIONS					
Clerical contracted staff	-	2,354	-	2,354	-
Client treatment & therapies	-	4,244,326	-	4,244,326	4,067,948
Accounting/auditing	-	84,991	-	84,991	114,375
Legal	-	36,949	-	36,949	30,341
Subcontract services	-	1,257,323	16,010	1,273,333	1,204,124
Other professional fees	1,057	212,246	7,803	220,049	105,434
STAFF DEVELOPMENT AND TRAINING					
Journals and publications	-	1,349	449	1,798	1,396
Conference/conventions	(150)	17,137	2,149	19,286	18,139
Other staff development	-	37,351	3,023	40,374	48,723
OCCUPANCY COSTS					
Rent	-	237,678	557	238,235	299,710
Mortgage payments	-	8,198	-	8,198	9,989
Utilities	-	175,015	-	175,015	153,513
Repairs and maintenance	-	139,686	746	140,432	58,843
Other occupancy costs	-	9,220	-	9,220	28,969
CONSUMABLE SUPPLIES					
Office supplies and equipment under \$1,000	-	55,078	12,334	67,412	61,734
Building/household	-	24,891	-	24,891	23,506
Client	-	174,631	6,942	181,573	193,201
Medical supplies	-	10,583	-	10,583	8,097
ASSISTANCE TO INDIVIDUALS	-	52,675	10,573	63,248	36,286
PRODUCT SALES	-	19,817	-	19,817	23,349
EQUIPMENT RENTAL	-	38,926	-	38,926	23,182
EQUIPMENT MAINTENANCE	-	67,166	-	67,166	90,706
DEPRECIATION	-	203,474	-	203,474	68,083
ADVERTISING	-	18,351	3,204	21,555	21,183
PRINTING	86	17,388	1,436	18,824	16,238
TELEPHONE	-	84,319	145	84,464	51,980
POSTAGE	36	21,027	62	21,089	18,037
TRANSPORTATION	-	802,157	27,549	829,706	848,704
INSURANCE	-	74,662	-	74,662	74,509
MEMBERSHIP DUES	-	89,050	420	89,470	96,100
IN-KIND DONATIONS	-	-	-	-	65,000
CLIENT PAYMENTS	-	195,819	-	195,819	171,138
BAD DEBTS	-	-	-	-	-
INTEREST	-	8,610	-	8,610	2,481
OTHER	1,547	145,832	286	146,118	113,759
TOTAL FUNCTIONAL EXPENSES	<u>\$ 2,576</u>	<u>\$ 21,040,741</u>	<u>\$ 1,108,694</u>	<u>\$ 22,149,435</u>	<u>\$ 20,821,328</u>

See Notes to Financial Statements

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lakes Region Community Services Council, Inc. (the Council) is a New Hampshire nonprofit corporation organized exclusively for charitable purposes to ensure there is a coordinated and efficient program of human services dealing effectively with the problems and needs of the developmentally impaired of Belknap County, lower Grafton County and the surrounding communities.

Basis of Accounting

The financial statements of Lakes Region Community Services Council, Inc. have been prepared on the accrual basis of accounting.

Basis of Presentation

The Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classes of net assets are determined by the presence or absence of donor restrictions.

Unrestricted: Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted: Net assets whose use is limited by donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the Council.

Permanently Restricted: Reflects the historical cost of gifts (and in certain circumstances, the earnings from those gifts), subject to donor – imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

As of June 30, 2013 and 2012, the Council had unrestricted and temporarily restricted net assets.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support, depending on the nature of the restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Council reports the support as unrestricted.

Property and Depreciation

Property and equipment are recorded at cost or, if contributed, at estimated fair value at the date of contribution. Material assets with a useful life in excess of one year are capitalized. Depreciation is provided for using the straight-line method in amounts designed to amortize the cost of the assets over their estimated useful lives as follows:

Buildings and improvements	5 - 40 Years
Furniture, fixtures and equipment	3 - 10 Years

Costs for repairs and maintenance are expensed when incurred and betterments are capitalized. Assets sold or otherwise disposed of are removed from the accounts, along with the related accumulated depreciation, and any gain or loss is recognized.

Fair Value of Financial Instruments

The Council's financial instruments consist of cash, short-term receivables and payables, short-term notes payable and customer deposits. The carrying value for all such instruments, considering the terms, approximates fair value at June 30, 2013 and 2012.

Refundable Advances

Grants received in advance are recorded as refundable advances and recognized as revenue in the period in which the related services or expenditures are incurred.

Summarized Financial Information

The 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 Council's financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Accrued Earned Time

The Council has accrued a liability for future compensated leave time that its employees have earned and which is vested with the employee.

Income Taxes

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined the Council to be other than a private foundation.

Management has evaluated the Council's tax positions and concluded that the Council has maintained its tax-exempt status and has taken no uncertain tax positions that would require adjustment to the financial statements. With few exceptions, the Council is no longer subject to income tax examinations by the United States Federal or State tax authorities prior to 2009.

Cash Equivalents

The Council considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

In-kind Donations

Donated facilities are reflected as revenue and expense in the accompanying financial statements. The donated facilities represent the estimated fair value of rent expense the Council would incur under a normal lease agreement. The Council occupied office facilities owned by the State of New Hampshire. The Council has estimated the fair value of the annual rental to be \$65,000 for the year ended June 30, 2012. Subsequent to June 30, 2012, the Council completed its move to a new office facility and therefore will no longer recognize rental income as an in-kind donation.

Advertising

The Council expenses advertising costs as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, costs have been allocated among the program services and supporting activities benefited.

Accounting Estimates

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

Subsequent Events

Subsequent events have been evaluated through October 4, 2013, the date the financial statements were available to be issued.

2. PROPERTY AND EQUIPMENT

As of June 30, 2013 and 2012, property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Buildings and improvements	\$ 3,811,811	\$ 3,811,811
Leasehold improvements	305,728	450,907
Furniture, fixtures and equipment	501,282	581,987
Land	<u>152,200</u>	<u>152,200</u>
Total	4,771,021	4,996,905
Less accumulated depreciation	<u>(675,106)</u>	<u>(771,388)</u>
	<u>\$ 4,095,915</u>	<u>\$ 4,225,517</u>

Depreciation expense for the years ended June 30, 2013 and 2012 amounted to \$203,474 and \$68,083, respectively.

During the year ended June 30, 2012 the Council received donated property in the form of an office building, with a fair value of \$1,657,100, at the time of donation. Subsequent to receipt of the property it was necessary for the Council to make significant improvements in order for the facility to be suitable for the Council's needs and to be brought up to current building code requirements. Total improvements for the year ended June 30, 2012 related to the new office building totaled \$2,154,711. A portion of these improvements were financed with new debt issued during the year ended June 30, 2012 (see Note 4).

3. **DEMAND NOTE PAYABLE**

The Council maintains a revolving line of credit with a bank. The revolving line of credit provided for maximum borrowings up to \$1,500,000 and was renewable annually. Effective April 1, 2013 through October 1, 2013, the Council obtained a temporary increase in the revolving line of credit which provided for maximum borrowings up to \$3,000,000. Any borrowings of principal and accrued interest in excess of \$1,500,000 at October 1, 2013 were required to be paid in full. At October 1, 2013 there was no outstanding principal and accrued interest on the revolving line of credit. During September 2013, the Board of Directors voted and approved to extend the temporary increase providing for maximum borrowing of up to \$3,000,000. However, there will be a brief lapse in excess coverage while the extension is processed by the bank. The revolving line of credit has a scheduled maturity date of December 31, 2013, and is collateralized by all of the business assets of the Council and guaranteed by related nonprofit organizations (see Note 9). At June 30, 2013 and 2012 the interest was stated at the bank's prime rate of 3.25%. There was no amount outstanding on this line of credit at June 30, 2013 and 2012.

4. **LONG TERM DEBT**

During April, 2012, the Council entered into a note payable agreement with the Community Development Finance Authority. The principal amount of the note is \$500,000 and the interest rate is stated at 2.00%. Principal and interest payments of \$4,601 are payable in equal monthly installments for a period of ten years. The loan is collateralized by various property of a related party (see Note 9). At June 30, 2013 and 2012 \$446,682 and \$488,679, respectively, was outstanding under the note payable.

The schedule of maturities of long term debt at June 30, 2013 is as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 46,701
2015	47,643
2016	48,605
2017	49,586
2018	50,587
Thereafter	<u>203,560</u>
Total	<u>\$ 446,682</u>

5. RESTRICTIONS ON NET ASSETS

During the year ended June 30, 2012 the Council received donated surplus property in the form of a building. The temporarily restricted net assets at June 30, 2013 and 2012 consist of the net value of the building. The use of this building is restricted by deed for thirty years from the date of donation. As depreciation expense reduces the net book value of the building, temporarily restricted net assets are adjusted accordingly.

6. RETIREMENT PLAN

The Council maintains a retirement plan for all eligible employees. During the years ended June 30, 2013 and 2012 the Council made matching contributions of 100% of a participant's salary reduction that was not in excess of 1.5% of the participant's compensation. The employees can make voluntary contributions to the plan of up to approximately 15% of gross wages. All employees who work one thousand hours per year are eligible to participate after one year of employment and attaining the age of twenty one. The Council's contribution to the retirement plan for the years ended June 30, 2013 and 2012 was \$61,709 and \$46,308, respectively.

7. CONCENTRATION OF RISK

For the years ended June 30, 2013 and 2012 approximately 81% and 76% of the total revenue was derived from Medicaid. The future existence of the Council is dependent upon continued support from Medicaid.

In order for the Council to receive Medicaid funding, they must be formally approved by the State of New Hampshire, Division of Mental Health and Developmental Services as the provider of services for developmentally disabled individuals for that region. The Council was scheduled for re-designation during September 2011, however, the Council has received two separate one year extensions from the State of New Hampshire.

Medicaid receivables comprise approximately 56% and 53% of the total accounts receivable balances at June 30, 2013 and 2012, respectively. The Council has no policy for charging interest on overdue accounts nor are its accounts receivable pledged as collateral, except as discussed in Note 3.

8. LEASE COMMITMENTS

The Council has entered into various operating lease agreements to rent certain facilities and office equipment for their community residences and other programs. The terms of these leases range from one to ten years. The Council also leases various apartments on behalf of clients on a month-to-month basis. Rent expense under these agreements aggregated \$277,161 and \$322,892 for the years ended June 30, 2013 and 2012, respectively.

The future minimum lease payments on the above leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 127,514
2015	101,832
2016	47,412
2017	44,821
2018	<u>12,240</u>
Total	<u>\$ 333,819</u>

Refer to Note 9 for information regarding a lease agreement with a related party.

9. RELATED PARTY TRANSACTIONS

Lakes Region Community Services Council, Inc. is related to the following nonprofit corporations as a result of common board membership:

<u>Related Party</u>	<u>Function</u>
Genera Corporation	Manages and leases property
Greater Laconia Transit Agency	Provided transportation services

Lakes Region Community Services Council, Inc. has contracts and transactions with the above related parties during its normal course of operations. The significant related party transactions are as follows:

<u>Corporation Received From:</u>	<u>Amount</u>		<u>Purpose</u>
	<u>2013</u>	<u>2012</u>	
Genera Corporation	\$ 14,400	\$ 14,400	Management, Accounting and Financial Services
Genera Corporation	14,988	14,988	Insurance Reimbursement
<u>Paid To:</u>	<u>2013</u>	<u>2012</u>	
Genera Corporation	\$ 110,000	\$ 112,200	Rental of Homes
Greater Laconia Transit Agency	-	58,278	Prepaid Expenses Related to Affiliated Organization (See Below)

<u>Due (To)/From:</u>	<u>2013</u>	<u>2012</u>
Genera Corporation	\$(212,497)	\$(248,466)
Greater Laconia Transit Agency	<u>3,722</u>	<u>8,857</u>
	<u>\$(208,775)</u>	<u>\$(239,609)</u>

There are no specified terms of payment and no interest stated on the related party due (to) from accounts.

Demand Note Payable

The Council's demand notes payable are guaranteed by Genera Corporation (see Note 3).

Long Term Debt

During the year ended June 30, 2012 Lakes Region Community Services Council, Inc., obtained financing from the Community Development Finance Authority (CDFA) related to improvements necessary to the renovation of their new facility. The note to the CDFA is collateralized by certain real property of Genera Corporation (see Note 4).

Rent

The Council has a perpetual lease agreement with Genera Corporation which calls for annual rent payments. The future minimum lease payments under the lease are \$110,000 annually.

Insurance Reimbursement

Lakes Region Community Services Council, Inc. carries a joint liability policy with the related parties above. Lakes Region Community Services Council, Inc. pays for the coverage in full and then is reimbursed by the affiliates based on contracts between the agencies.

Prepaid Expenses Related to Affiliated Organization

The Council has recorded prepaid expenses related to advances paid to Greater Laconia Transit Agency for the purchase of vehicles to be used solely for the transportation services for the Council's consumers. There were no advances for the year ended June 30, 2013. Total advances for the year ended June 30, 2012 were \$58,278.

The Council is expensing these advances over the useful lives of the vehicles (3 - 7 years). Accordingly, Greater Laconia Transit Agency has recorded the advances as deferred revenue and is recognizing income consistently over the useful lives of the vehicles. The total amount of the advances expensed by the Council and included as revenue by Greater Laconia Transit Agency was \$84,698 and \$88,897 for the years ended June 30, 2013 and 2012, respectively.

10. MEDICAID CONTINGENCY PAYMENTS

During the year ended June 30, 2013 the State of New Hampshire implemented a change in the entity that processes Medicaid payments for the State, including such payments for mental health and developmental services providers (the area agencies). As this transition took place, it became apparent to the State of New Hampshire that the new service provider was initially unable to consistently reimburse the area agencies, including the Council, due to various issues. In order to aid the cash flows for the area agencies, the State of New

Hampshire began disbursing cash in advance of service billings. After the initial disbursements to the area agencies the State of New Hampshire began reducing payments for billed services to the area agencies by a portion of the advance payments. However, shortly thereafter, the State of New Hampshire stopped its policy of reducing payments for billed services and stopped their recoupment of advance payments. There have been no recoupments subsequent to the date of the statement of activities and prior to the date of the report. The Council's Medicaid accounts receivable accrual for services billed but pending in the system increased proportional to the net contingency payments received by the Council. As a result, the Council has shown accounts receivable net of the net contingency payments made for the year ended June 30, 2013 of \$1,182,060.

11. CONTINGENCIES

Grant Compliance

The Council receives funds under various state grants and from Federal sources. Under the terms of these agreements, the Council is required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Council may be required to repay the funds.

No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed by government audits as of June 30, 2013.

12. CLIENT FUNDS

The Council administers funds for certain consumers. No asset or liability has been recorded for this amount. As of June 30, 2013 and 2012, client funds held by the Council aggregated \$212,232 and \$222,872, respectively.

13. CONCENTRATION OF CREDIT RISK

The Council maintains cash balances that, at times may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at June 30, 2013. At June 30, 2012 non-interest bearing accounts were fully insured and interest bearing accounts were insured up to \$250,000. In addition to FDIC coverage, certain deposits of the Council are insured or collateralized through other means. The Council has not experienced any losses in such accounts and believes it is not exposed to any significant risk with these accounts. At June 30, 2013 cash balances in excess of FDIC coverage aggregated \$6,253. At June 30, 2012 cash balances were not in excess of FDIC coverage.

14. FINANCIAL INSTRUMENTS WITH OFF STATEMENT OF FINANCIAL POSITION RISK

The Council is a party to financial instruments with off Statement of Financial Position risk in the normal course of business. A portion of the Council's overnight deposit bank balances are swept into an uninsured repurchase agreement. Repurchase agreement balances were \$1,605,163 and \$591,282, as of June 30, 2013 and 2012, respectively. Management, however, does not feel exposed to significant credit risk due to the collateralized nature of these investments.

15. RECLASSIFICATION

Certain amounts and accounts from the prior year's financial statements were reclassified to enhance comparability with the current year's financial statements.

SUPPLEMENTARY INFORMATION

(see Independent Auditors' Report)

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**SCHEDULE OF FUNCTIONAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Service Coordination</u>	<u>Day Programs</u>	<u>Early Intervention</u>	<u>Enhanced Family Care</u>	<u>Community Options</u>
Program fees	\$ -	\$ 4,875	\$ 19,626	\$ 820,161	\$ -
Medicaid	580,341	3,276,513	552,846	4,261,674	181,463
Client resources	(1,883)	7,000	-	42,875	7,387
Other third party payers	-	37,329	-	-	-
Public support	-	300	-	-	-
Private foundations	-	-	-	-	-
Production/service income	1,489	265,997	-	-	-
Investment	-	-	-	-	-
In-kind donations	-	-	-	-	-
State of New Hampshire - DDS	-	-	-	-	-
Management fees	-	-	-	-	-
Other	9,346	10,000	111	-	-
TOTAL FUNCTIONAL REVENUES	\$ 589,293	\$ 3,602,014	\$ 572,583	\$ 5,124,710	\$ 188,850

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**SCHEDULE OF FUNCTIONAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Community Residences</u>	<u>Family Support</u>	<u>Other DDS</u>	<u>General Management</u>	<u>Fundraising</u>
Program fees	\$ 286,301	\$ -	\$ 18,803	\$ 20,850	\$ -
Medicaid	5,506,123	3,510,841	-	250,278	-
Client resources	29,542	3,418	-	-	-
Other third party payers	-	-	-	-	-
Public support	-	-	-	753,898	15,010
Private foundations	-	-	-	-	-
Production/service income	-	-	-	-	-
Investment	-	-	-	876	-
In-kind donations	-	-	-	-	-
State of New Hampshire - DDS	-	-	-	1,053,930	-
Management fees	-	-	-	14,400	-
Other	<u>201</u>	<u>7,051</u>	<u>-</u>	<u>79,419</u>	<u>(12,341)</u>
TOTAL FUNCTIONAL REVENUES	<u>\$ 5,822,167</u>	<u>\$ 3,521,310</u>	<u>\$ 18,803</u>	<u>\$ 2,173,651</u>	<u>\$ 2,669</u>

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**SCHEDULE OF FUNCTIONAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	Total DDS <u>Funded</u>	Total Non-DDS <u>Funded</u>	2013 <u>Totals</u>	2012 <u>Totals</u>
Program fees	\$ 1,170,616	\$ 61,777	\$ 1,232,393	\$ 1,179,361
Medicaid	18,120,079	18,300	18,138,379	17,739,766
Client resources	88,339	-	88,339	72,667
Other third party payers	37,329	-	37,329	34,761
Public support	769,208	359,734	1,128,942	1,930,387
Private foundations	-	1,500	1,500	25,257
Production/service income	267,486	4,468	271,954	253,611
Investment	876	-	876	6,162
In-kind donations	-	-	-	65,000
State of New Hampshire - DDS	1,053,930	-	1,053,930	1,078,033
Management fees	14,400	5,482	19,882	20,568
Other	<u>93,787</u>	<u>412,757</u>	<u>506,544</u>	<u>971,691</u>
TOTAL FUNCTIONAL REVENUES	<u>\$ 21,616,050</u>	<u>\$ 864,018</u>	<u>\$ 22,480,068</u>	<u>\$ 23,377,264</u>

LAKES REGION COMMUNITY SERVICES COUNCIL, INC.

**SCHEDULE OF FUNCTIONAL REVENUES
FOR THE YEAR ENDED JUNE 30, 2013
WITH PRIOR YEAR SUMMARIZED COMPARATIVE INFORMATION**

	<u>Total DDS Funded</u>	<u>Total Non-DDS Funded</u>	<u>2013 Totals</u>	<u>2012 Totals</u>
Program fees	\$ 1,170,616	\$ 61,777	\$ 1,232,393	\$ 1,179,361
Medicaid	18,120,079	18,300	18,138,379	17,739,766
Client resources	88,339	-	88,339	72,667
Other third party payers	37,329	-	37,329	34,761
Public support	769,208	359,734	1,128,942	1,930,387
Private foundations	-	1,500	1,500	25,257
Production/service income	267,486	4,468	271,954	253,611
Investment	876	-	876	6,162
In-kind donations	-	-	-	65,000
State of New Hampshire - DDS	1,053,930	-	1,053,930	1,078,033
Management fees	14,400	5,482	19,882	20,568
Other	<u>93,787</u>	<u>412,757</u>	<u>506,544</u>	<u>971,691</u>
TOTAL FUNCTIONAL REVENUES	<u>\$ 21,616,050</u>	<u>\$ 864,018</u>	<u>\$ 22,480,068</u>	<u>\$ 23,377,264</u>

**Lakes Region Community Services
Board of Directors 2013 - 2014**

√*Gary Lemay, President

[REDACTED]

*Cynthia Mathews

[REDACTED]

√*Susan Gunther, Vice President

[REDACTED]

*Virginia Donaldson

[REDACTED]

√*R. Stuart Wallace, Treasurer

[REDACTED]

Patricia Field

[REDACTED]

√*Randy Perkins, Secretary

[REDACTED]

Dona Murray

[REDACTED]

√ Margaret Plumer

[REDACTED]

Ellen Young

[REDACTED]

√ Margaret Selig

[REDACTED]

Laura Main

[REDACTED]

√*Carrie Chase

[REDACTED]

√ Denotes Executive Board Member
* Denotes a Board Member Consumer
(7/19/13)

CS
5/21/14

**PROFESSIONAL
EXPERIENCE:**

Executive Director

Lakes Region Community Services Council
May 1, 2006 to present

Chief Operating Officer of Community Based Not-for- Profit Corporation. Responsible for overall administration of agency whose responsibility is to provide for the health and well-being of the individuals and families served. Provide leadership, fiscal management, and sound decision making to ensure that all of the duties and responsibilities of the organization are carried out in accordance with state law, regulation, and rules. Report to and work closely with the Board of Directors.

Assistant Executive Director

Lakes Region Community Services Council
May 2004 to April 30, 2006

Additional responsibilities to those of Director of Family Support, including responsibility for the Shared Family Living and Specialized Supports Departments. Responsible for the Consumer Operations aspect of the organization. Work closely with the Executive Director and Director of Finance for management of the overall organization. Review of agency programs, formal and informal is a central focus of this position. Development of new LRCSC programs and supports are inherent with this role. Liaison with Board of Directors, Department of Health and Human Services, and community.

Director of Family Support

Lakes Region Community Services Council
January 2001 to May 2004

Responsible for the programmatic and fiscal management of programs supporting families. Supervision of professional staff and responsible for the Early Intervention, Step Ahead, and Family Support Programs. Work with the Family Support Advisory Council, responsible for community collaboration, grant writing, and other management functions.

Project Director

Community Support Network, Inc.
November 1999 to January 2001

Responsible for administration and implementation of Federal Grant received by the State of New Hampshire to develop supports to aging parents caring for adult children with disabilities living at home.

Director of Resource Coordination

Greater Laconia Community Services Inc., Laconia, NH
July 1997 to November 1999

Responsible for management of Case Management and Family Support Services Departments of affiliate agency of Lakes Region Community Services Council. Provide support to middle management who supervise professional staff

responsible for over 500 individuals and families. Fiscal development and community activities are also an integral component of job.

Director of Family Support Services

Lakes Region Community Services Council, Laconia, NH
August 1995 to July 1997

Responsible for management and development of a department that serves two hundred and fifty families. Provide direct support and supervision to professional staff. Active on agency and community committees. Financial responsibility, Family Advisory Council, grant writing, and program development.

Family Support Services Coordinator

Lakes Region Community Services Council, Laconia, NH
July 1992 to August 1995

Responsible for daily management of Family Support Services Department. Responsible for 19 staff including direct supervision of 9, monitoring of budgets, development of new programs, crisis intervention, and public relations. Developed Family Aide Program.

Family Support Advocate

Lakes Region Community Services Council, Laconia, NH
June 1989 to July 1992

Worked with families who have members with developmental disabilities. Served as a direct support for the families. Emphasis was to assist the families to make and carry through their own decisions while stressing they be less system-dependent through involvement with the community. Developed Intensive Family Support Model and Futures Planning Guide.

EDUCATION:

Kent School of Social Work, University of Louisville
Louisville, KY
Master of Science in Social Work, August 1991.

University of New Hampshire, Durham, NH
Bachelor of Arts in Social Work, May 1989

INTERESTS:

Treasurer, Community Support Network
Vice President, Lakes Region Partnership for Public Health
Board Member, Breakwater Condominium Association

REFERENCES WILL BE FURNISHED UPON REQUEST

Shannon M. Kelly

OBJECTIVE: To obtain a position where I can utilize my skills effectively to enhance the lives of others.

EDUCATION: Wheelock College, Boston, MA
Bachelors of Social Work, 1985

EXPERIENCE: *Lakes Region Community Services, Laconia, NH*
DIRECTOR OF HOME ASSIST SERVICES (3/10 to present)
Responsibilities: support the marketing of the service via public presentations, articles and advertisement; oversee and manage the request for and provision of services; support and/or assist with recruitment of PCSP, support the development of the program's policies and procedures, ensures the program's licensing and certification.

DIRECTOR OF PUBLIC RELATIONS AND DEVELOPMENT (7/08 to 7/12)
Responsibilities: development of all written, website, and on-air materials for LRCS including press releases, annual reports, newsletters, website, brochures, public service announcements, radio and television scripts and articles for newspapers; act as spokesperson; coordination and implementation for fundraising and development activities; assist in coordinating special events; development and implement strategic public relations and marketing plan to include goals, strategies and budgets; manage website; and grant writing.

New England Salem Children's Trust, Rumney, NH
DIRECTOR OF NEW ENGLAND SALEM (4/07 to 7/08)
Responsibilities: overseeing residential services and clinical services including management and oversight of all operational practices, policy development, regulatory compliance for state certification & licensing, staff training & development, budget development & implementation, fund raising development and all other related functions. Lead program development and implementation of two new services: Independent Living and ISO – Foster Care. Regular attendance at State level meetings.

Lakes Region Community Services, Laconia, NH
DIRECTOR OF SHARED FAMILY LIVING (12/94 to 4/07)
Responsibilities: directing, managing & overseeing all operational practices for the department of Shared Family Living to include recruitment & retention of home providers; family placements; development & monitoring of contracts, individual budgets & department budgets; regulatory compliance for state certification for all homes; maintaining Child Placing License through DCYF; develop, coordinate and facilitate training for home providers; provide support, problem-solving & advocacy for individuals & provider families; participating in LRCS's senior management team and all related functions;.

COORDINATOR OF SHARED FAMILY LIVING (6/92 – 12/94)
Responsibilities: developing & preparing new provider families; contract reviews, identify compatibility and assist with placements; establish operational procedures for the department for regulatory compliance for State certification; providing assistance, training, support & supervision provider families; and providing support & supervision to Shared Family Living Specialists.

SHARED FAMILY LIVING SPECIALIST (4/90 – 6/92)
Responsibilities: providing assistance, training, support and supervision to provider families; monitor compliance with state regulations and agency policies; oversight of State certification inspections; support and monitor the implementation of service agreements.

Center for Humanistic Change, North Adams, MA
CLINICAL SUPERVISOR/CASE MANAGER (5/88 – 7/89)
VOCATIONAL SPECIALIST/PROGRAM SUPERVISOR (7/86-5/88)

TRAINING:

• Family Support • Supporting & Strengthening Families • Dual Diagnoses • Disability is Natural • Leadership & Person Centered Lives • Consumer Driven Futures • Individual Rights • Empowerment: Individual & Family • Working with Teams • Facilitation • Asset Based Community Development • Developing Community Resources • Health & Safety • Funding Implications & Medicaid • State Regulations Trainings • Personnel Law • Interpersonal Communication •

REFERENCES:

Available upon request.



Rebecca L. Bryant

Accounting & Management Experience

April 2007 – Present

Lakes Region Community Services Council
Director of Finance

Chief Financial Officer of Community Based Not-For-Profit Corporation. Oversee financial and personnel administration for private non-profit human services agency with a budget of \$18 million and 300 employees. Prepare and monitor annual budgets. Negotiate funding requests with the New Hampshire Department of Health and Human Services. Prepare and manage contracts with funding sources and vendors. Administer the agency's compensation and benefits plans. Ensure compliance with applicable state and federal labor regulations. Oversee the installation and support of agency computer systems and networks. Report to and work closely with the Board of Directors and Executive Director.

Aug 2000 – April 2007

Wilcom, Inc., Laconia, NH
Controller, Acting General Manager

Controller for Telecommunications Manufacturer celebrating 40 years in business in 2007. Direct report to the Vice President/Chief Financial Officer and President, Chief Operating Officer in New York. Responsible for all functions and employees in: Accounting, Sales, MIS, Customer Service, Human Resources and Facilities. As Acting General Manager responsible for NH Operations in the absence of the President and Vice President.

During tenure with this company successes included; writing and negotiating GSA proposal to obtain GSA Schedule Award, creating and maintaining multiple government registrations including CCR, JCP, ORCA and AES Direct, maintaining 100% in-house collections for receivables, and supervision of office renovation project.

As part of accounting function maintained two day month end close with a manual closing system. In fulfilling MIS supervisory role, led MIS through major web site overhaul with outside vendor, MRP system upgrade, and phone system upgrade. Led Sales Department through transition from reliance on outside sales and manufacturer's reps to 100% inside sales through restructuring, hiring and daily oversight of Sales Department.

Oct 1997 – Aug 2000

Freudenberg-NOK General Partnership, Bristol, NH

Hyperion Administrator Jul 2000 – Aug 2000*Assistant Hyperion Administrator* Jan 1999 – Jul 2000*Assistant Treasury Manager* Oct 1997 – Jan 1999

Responsible for compiling monthly data feeds from 16 locations throughout the United States, Mexico and Brazil and producing consolidated financial statements. Assisted the Hyperion Administrator, maintained all aspects of financial database, wrote logic for the financial statements, administered system security, troubleshoot for end users of database, and wrote reports for financial analysts. Prepared a multitude of comprehensive financial reports for the parent company in Germany. Communicated daily with the controllers and financial analysts in the United States and Europe to ensure timely collection and distribution of financial data.

As Assistant Treasury Manager managed day-to-day activities of the Treasury Department including cash management, debt management, risk management (insurance and foreign currency hedging,) worker's compensation, corporate centralized accounts payable, intra-company accounts payable and receivable, as well as reconciliations of all general ledger accounts relating to treasury. Fulfilled all duties of both the Treasury Manager and Assistant Treasury Manager For nine months in the absence of the Treasury Manager.

Certifications

- Justice of the Peace – State of New Hampshire
- Notary Public – State of New Hampshire

Continuing Education

- U.S. Notary Course in Notary Public Law
- ADP Reportsmith Class
- CompuMaster "Getting the Most from Microsoft Office"
- Skillpath Seminar "The Conference for Women"
- International Trade Resource Center
 - Export Documentation
 - Foreign Credit & Collection
 - AES Direct Training
- NH PTAP
 - Doing Business With the Government – Procurement Basics
 - Contract Basics
 - U.S. General Services Administration (GSA) – Training: How to Obtain a GSA Schedules Contract
- Project Management Training
- Auditing Staff Level I
- Business Process Kaizen
- Distinctions Customer Service Training

Education

May 1995 KEENE STATE COLLEGE, Keene, New Hampshire
Bachelor of Science Degree in Business Management
Accounting Concentration

Community Service

- Den Leader, Cub Scout Pack 369, Moultonborough, NH
- Advancements Chair, Cub Scout Pack 369, Moultonborough, NH
- Chair, Recreation Advisory Board, Town of Moultonborough
- Sunday School Teacher, Moultonborough United Methodist Church
- Nursery Coordinator, Moultonborough United Methodist Church

References

Professional

Christopher Carrier
Product Manager
Equallogic, Inc.
Nashua, NH 03063
(603) 512-8683

Jenn Dorr, CPA
Audit Manager
Vachon, Clukay & Co., PC
Manchester, NH 03101
(603) 622-7070

John Helenek
Partner
Wilcom, Inc.
Laconia, NH 03246
(631) 738-9475

David Detscher
Vice President
Wilcom, Inc.
Laconia, NH 03246
(603) 273-0412

Personal

Donna Keuthe
Recreation Director
Town of Moultonborough
(603) 476-8868

Crystal Finefrock
Director of Financial Aid
Plymouth State College
(603) 535-2359

Christine Roman
15 Year Teacher
Winnisquam Regional School District
(603) 707-0963

Rebecca Forrestall
Director of Special Education
John Stark Regional HS
(603) 340-2916

CONTRACTOR NAME

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Christine Santaniello	Executive Director	\$112,124	0	0
Rebecca Bryant	Director of Finance	\$ 84,050	0	0

CS
5/21/14

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services: Merrimack Co. Towns of Andover, Bradford, Danbury, Newbury, New London, Sutton, Warner & Wilmot. Sullivan Co. Towns of Claremont, Croydon, Goshen, Grantham, Lempster, Newport, Springfield, Sunapee, Unity & Washington.

5. Services Provided in this Agreement

	Services		
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	na	na
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



Exhibit A

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier

**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**



Exhibit A

- management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
- 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
- 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
- 6.2.1.2. receiving referrals from an individual's health care provider(s),
- 6.2.1.3. performing evaluations of individuals' medical needs,
- 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
- 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
- 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
- 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
- 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
- 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
- 6.3.3. The following nursing services shall be covered based on the individual's need:
- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.



Exhibit A

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
 - The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
 - 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
 - 1)The reason(s) for the denial;
 - 2)A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3)Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
 - The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.
- 7.3.4. Termination of Services.
 - Services shall be terminated when:
 - 1)The individual or his or her authorized representative requests that the services be terminated;
 - 2)The individual no longer meets the eligibility requirements for services;



Exhibit A

- 3)Funding by the State for the service(s) is no longer available;
- 4)The individual did not reapply for services as required by program rules;
- 5)The individual has been admitted to a nursing home or residential care facility; or
- 6)The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.



Exhibit A

- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.

- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).

4) Service Delivery

- a) The number of open cases at the end of each reporting period, and



Exhibit A

- i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
- b) The Contractor will indicate the reasons applicants did not receive their planned services.
- c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

- 7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total



Exhibit A

amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.

7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a



Exhibit A

prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:



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- i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
- i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
- d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;



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- c) The Contractor terminates a services or services for any reason;
- d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

1. Require a corrective action plan for identified deficiencies, or
2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.

7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.

7.21.4. Risk Assessment Process:

The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:

- Low Risk 70% and Above

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- Moderate Risk From 26% to 69%
- High Risk 25% and Below

7.21.5. Weighted Average: The process for the scoring is

1. Calculate the individual ratio for the Contractor
2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.

7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

<i>Category</i>	<i>Name of Ratio</i>	<i>Description</i>	<i>How it is Calculated</i>	<i>What the Ratio Measures</i>	<i>Benchmark</i>	<i>Percentage of Total Risk Assessment</i>
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/3 65)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rate per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$34,999
Title IIIB	In Home Care Services	\$8.38	\$24,302
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	N/A
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

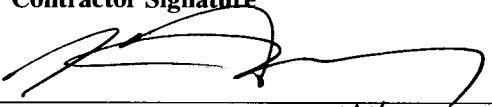
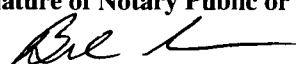
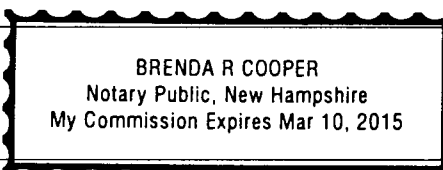
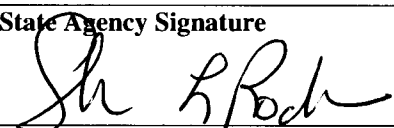
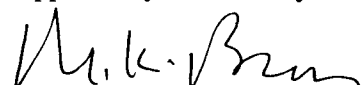
4/24/17

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Lake Sunapee Community Health Services		1.4 Contractor Address 107 Newport Road New London, NH 03257	
1.5 Contractor Phone Number 603-527-4077	1.6 Account Number Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$59,301.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory SCOTT FABAY, PRESIDENT & CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Merrimack</u> On <u>5/22/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Brenda Cooper Executive Assistant			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Shari Rockburn Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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



Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.

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**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**



Exhibit B

- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

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

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

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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

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Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

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

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

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

Contractor Name:

5/21/19
Date

[Signature]
Name: Scott Kirby
Title: President & CEO
Lake Sunapee Community Health Services



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name:

5/21/14
Date

[Signature]
Name: Scott Kirby
Title: President
Lake Sunapee Community Health Center

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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and

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

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

PRIMARY COVERED TRANSACTIONS

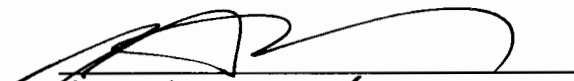
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 -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

5/21/19
Date


Name: Scott A. Kelly
Title: President
Lake Sunapee Community
Health Services



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name:

5/21/14
Date


Name: Scott Fabry
Title: President
Lake Sunapee Community Health
Services



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:

5/24/17
Date


Name: Scott Kober
Title: President
Lake Sunapee Community
Health Services



Exhibit I

**HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT**

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

(1) Definitions.

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

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5/21/19



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

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Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

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5/21/14



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

SR
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Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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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.

The State
[Signature]
 Signature of Authorized Representative
B. Sheri Rockburn
 Name of Authorized Representative
Director
 Title of Authorized Representative
5/27/14
 Date

Lake Sunapee Community Health Services
 Name of the Contractor
[Signature]
 Signature of Authorized Representative
Scott Fabry
 Name of Authorized Representative
President
 Title of Authorized Representative
5/21/14
 Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

Date 5/22/19


Name: Scott Fabry
Title: President
Lake Sunapee Community
Health Services

Contractor Initials SC
Date 5/22/19



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: 181269432
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: _____

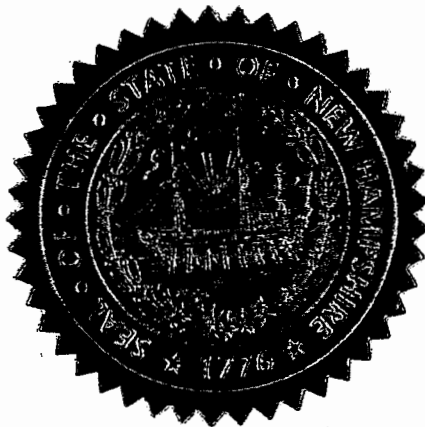
SC
5/22/14

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 LAKE SUNAPEE COMMUNITY HEALTH SERVICES is a New Hampshire nonprofit corporation formed February 1, 1990. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 21st day of February A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

I, Sheldon Boege, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Lake Sunapee Region Visiting Nurse Association.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on March 25th, 2014.
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, , for the provision of
In home care services.

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

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 22 day of May, 2014.
(Date Contract Signed)

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

of the Corporation.

[Signature]
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Merrimack

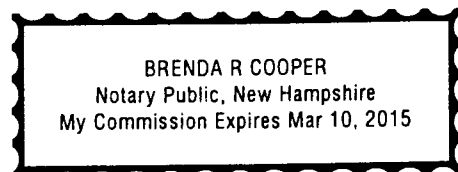
The forgoing instrument was acknowledged before me this 22nd day of May, 2014.

By Sheldon Boege.
(Name of Clerk of the Corporation)

[Signature]
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 3-10-15





Lake Sunapee Region VNA & HOSPICE
Meeting Report

Board/Committee: Board of Trustees

Date: March 25th, 2014

Attendees: L. Ayers-LaFave, S. Fabry, S. Boege, D. Eberly, J. Hughes
M. Goldman, D. Johnson, M. Wood, K. Jamieson, M. Holton,
R. Franks, G. Quackenbos,

Absent: A. Barth, J. Hughes, L. Brenner

Guests: M. Malanga, A. Bedard, K. Bloom, D. Andersson

Lea Ayers-Lafave brought the meeting to order at 7:30.

George Quackenbos made a motion to accept the minutes to the January 28th 2014 meeting. Maynard Goldman seconded the motion. The minutes were then unanimously accepted.

Lea Ayers-LaFave introduced two new board members, Ruth Franks and George Quackenbos, to the group. In turn, each board member made their introductions as well.

Kulli Bloom, Ann Bedard and Deb Andersson, CHS team members, gave a presentation regarding the CHS expansion plan, fielding various questions from the board. Lea applauded the presentation, stating that this team's plan directly coordinates with the accepted Strategic plan for the Agency. A cost analysis of the proposed program changes was distributed to the group.

Monique Malanga gave the treasurer's report. She commented on contracted services which are up right now but should be leveling off with the addition of new RNs and an Occupational Therapist. Physical Therapy positions remain difficult to staff. She detailed case mix payment changes and stated the Agency's case mix is up.

Monique stated that the Investment Committee wished to move up to \$750,000 to the S&P 500 portfolio. The board agreed that no resolution needed to be voted on to do this, and the Investment Committee will move the remaining funds.

Scott Fabry gave the Presidents Report. He stated the Agency has a solid Occupational Therapy department and this team will begin participating in the newly developing Behavioral Health program.

Maynard asked how the proposed Hospice House in the Upper Valley will affect the Agency. Scott said it won't affect the Agency as much as the declining referrals from New London Hospital will. There was a discussion regarding this as well as referrals that go to other agencies along with the potential impact this may have on LSRVNA in the future.

Scott said Monique Malanga and Melinda Palmer met with the I.T. department from Franklin VNA. Scott and Sheldon have a meeting planned for Friday to continue discussions regarding some level of partnership with that organization.

Brenda Cooper distributed Statements of Confidentiality and the Conflict of Interest policy acceptance for the board members to sign as they do annually.



Lea stated the board needs to reaffirm that Scott Fabry is empowered to accept grants and awards and enter into contract and amendments for LSRVNA. George made a motion to reaffirm Scott. Maynard seconded it. The board then unanimously agreed.

Lea distributed copies of the Agency's bylaws and recommended a revision be made to remove the sentence referring to "Friends of LSRVNA" from article 3, section B. Lea made a motion to remove this piece from the article. Deb Johnson seconded it. All were in favor.

Lea passed out the draft Committee Structure/Membership Document and went over it, explaining the reinstitution of the PRAC team and some changes to the function and membership of this committee. Sheldon will chair the PRAC team. There will be some senior staff inclusion and board members were encouraged to attend some senior team meetings.

Sheldon advised the board to read the Corridor Group policies. Dr. Eberly expressed a desire for knowledge of these policies as well. Scott explained they are very extensive and stated Joyce Teele will be giving a board presentation next month on compliance regarding these policies. Scott also offered that if board members would like to review them, he will print and make them available.

Lea gave a brief update on the strategic plan.

The meeting was adjourned at 9:07

Respectfully Submitted,
Brenda Cooper
Executive Assistant



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/22/2014

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

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

PRODUCER Eaton & Berube Insurance Agency, Inc. 11 Concord St Nashua NH 03064	CONTACT NAME: Kimberly Gutekunst PHONE (A/C, No, Ext): 603-882-2766 FAX (A/C, No): 603-886-4230 E-MAIL: kgutekunst@eatonberube.com ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Amercian Alternative Ins Corp INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
INSURED LAKSU Lake Sunapee Region Visiting Nurse Associates and Affiliates 107 Newport Road, PO Box 2209 New London NH 03257	NAIC #

COVERAGES

CERTIFICATE NUMBER: 690927872

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC			VHHHHG305466101	3/1/2014	3/1/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$50,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COM/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS			VHHHHG305466101	3/1/2014	3/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☐ EXCESS LIAB ☒ RETENTION \$10,000 ☐ OCCUR ☒ CLAIMS-MADE			VHHHHX535060700	3/1/2014	3/1/2015	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N ☐ N/A						WC STATUTORY LIMITS ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Professional Liability			VHHHHG305466101	3/1/2014	3/1/2015	1,000,000 3,000,000 per claim aggregate

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

"Affiliates: Lake Sunapee Region VNA, Lake Sunapee Community Health Service, Lake Sunapee Home Care and Hospice".

CERTIFICATE HOLDER**CANCELLATION**DHHS, State of NH
129 Pleasant St
Concord NH 03301

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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Client#: 995002

LAKESUN

ACORD**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

5/21/2014

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

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

PRODUCER USI Insurance Svcs LLC PO Box 406 Portland, ME 04112-0406	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): 8777750110 E-MAIL ADDRESS: <table border="1"> <tr> <th data-bbox="826 472 1428 493">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1428 472 1561 493">NAIC #</th> </tr> <tr> <td data-bbox="826 493 1428 525">INSURER A : Technology Insurance Company, I</td> <td data-bbox="1428 493 1561 525">42376</td> </tr> <tr> <td data-bbox="826 525 1428 556">INSURER B :</td> <td data-bbox="1428 525 1561 556"></td> </tr> <tr> <td data-bbox="826 556 1428 588">INSURER C :</td> <td data-bbox="1428 556 1561 588"></td> </tr> <tr> <td data-bbox="826 588 1428 619">INSURER D :</td> <td data-bbox="1428 588 1561 619"></td> </tr> <tr> <td data-bbox="826 619 1428 651">INSURER E :</td> <td data-bbox="1428 619 1561 651"></td> </tr> <tr> <td data-bbox="826 651 1428 682">INSURER F :</td> <td data-bbox="1428 651 1561 682"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Technology Insurance Company, I	42376	INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Technology Insurance Company, I	42376														
INSURER B :															
INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															
INSURED Lake Sunapee Region VNA PO Box 2209 New London, NH 03257															

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	TWC3364791	07/01/2013	07/01/2014	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

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

Affiliates:

Lake Sunapee Region VNA, Lake Sunapee Community Health Service, Lake Sunapee Home Care and Hospice

This Evidence of Insurance is issued as a matter of information only and confers no rights upon the holder and does not amend, extend or alter the coverage afforded by policies designated on the Evidence.

CERTIFICATE HOLDER**CANCELLATION**

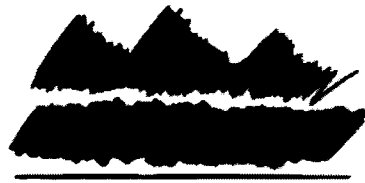
DHHS - State of NH
129 Pleasant Street
Concord, NH 03301

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

E. Arnold Jones

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Lake Sunapee Region VNA & HOSPICE

Mission Statement

Lake Sunapee Region Visiting Nurse Association provides comprehensive, high quality health care services, within its resources, to support the dignity and independence of individuals and families in community settings.

Commitment to innovation and collaboration with health care providers and community members promotes a supportive work environment that enhances the mission of excellence.

VALUES

RESPECT Lake Sunapee Region VNA respects and responds to the needs and beliefs of those we serve.

CARING WE provide quality care to promote independence and to preserve dignity.

LEADERSHIP We strive for continuous improvement through innovation and employee excellence.

STEWARDSHIP We conduct our business with integrity, responsibility, and commitment to the community.

LAKE SUNAPEE REGION VISITING NURSE ASSOCIATION
AND AFFILIATED ORGANIZATIONS

CONSOLIDATED
AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013 AND 2012

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BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
TELEFAX 603/224-2397

Independent Auditor's Report

Board of Directors
Lake Sunapee Region Visiting Nurse Association
and Affiliated Organizations
New London, New Hampshire

We have audited the accompanying consolidated financial statements of Lake Sunapee Region Visiting Nurse Association and Affiliated Organizations, "The Association", which comprise the balance sheets as of September 30, 2013 and 2012, the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

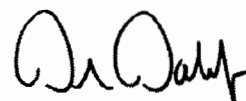
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or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

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Sunapee Region Visiting Nurse Association and Affiliated Organizations as of September 30, 2013 and 2012, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "A. D. Dwyer".

Concord, New Hampshire
December 10, 2013

LAKE SUNAPEE REGION VISITING NURSE ASSOCIATION
AND AFFILIATED ORGANIZATIONS

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2013 AND 2012

ASSETS

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 1,732,355	\$ 1,156,192
Patient accounts receivable, less allowance for uncollectible accounts of \$146,426 and \$135,548 at September 30, 2013 and 2012, respectively	672,389	798,184
Other receivables	10,811	7,366
Prepaid expenses	64,837	67,988
Total Current Assets	2,480,392	2,029,730
Assets Limited As To Use	527,278	465,400
Property And Equipment, Net	1,170,987	1,239,921
TOTAL ASSETS	<u>\$ 4,178,657</u>	<u>\$ 3,735,051</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 44,200	\$ 78,626
Accrued payroll and related expenses	178,204	176,288
Deferred revenue	170,235	221,024
Total Liabilities	392,639	475,938
Net Assets		
Unrestricted	3,684,294	3,156,946
Temporarily restricted	22,191	22,634
Permanently restricted	79,533	79,533
Total Net Assets	3,786,018	3,259,113
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,178,657</u>	<u>\$ 3,735,051</u>

(See accompanying notes to these consolidated financial statements)

LAKE SUNAPEE REGION VISITING NURSE ASSOCIATION
AND AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Operating Revenue		
Patient service revenue	\$ 5,400,612	\$ 5,502,547
Provision for bad debts	(26,096)	(37,038)
Net patient service revenue	5,374,516	5,465,509
Other operating revenue	114,285	102,618
Total Operating Revenue	5,488,801	5,568,127
Operating Expenses		
Salaries and benefits	4,112,597	4,019,472
Supplies and other operating expenses	866,315	887,943
Professional fees and contract services	385,741	439,817
Interest expense	-	6,361
Depreciation and amortization	101,285	101,535
Total Operating Expenses	5,465,938	5,455,128
OPERATING SURPLUS	22,863	112,999
Other Revenue and Gains		
Contributions	377,980	325,696
Municipal appropriations/United Way	98,724	101,452
Investment income	3,809	4,175
Total Other Revenue and Gains	480,513	431,323
EXCESS OF REVENUE OVER EXPENSES	503,376	544,322
Net assets released from restrictions for capital acquisition	23,972	90,605
INCREASE IN UNRESTRICTED NET ASSETS	\$ 527,348	\$ 634,927

(See accompanying notes to these consolidated financial statements)

LAKE SUNAPEE REGION VISITING NURSE ASSOCIATION
AND AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total
Balance, September 30, 2011	\$ 2,522,019	\$ 6,237	\$ 79,533	\$ 2,607,789
Excess of revenue over expenses	544,322	-	-	544,322
Contributions	-	113,849	-	113,849
Net assets released from restrictions for capital acquisition	90,605	(90,605)	-	-
Net assets released from restrictions for operations	-	(6,847)	-	(6,847)
Change in Net Assets	634,927	16,397	-	651,324
Balance, September 30, 2012	3,156,946	22,634	79,533	3,259,113
Excess of revenue over expenses	503,376	-	-	503,376
Contributions	-	31,605	-	31,605
Net assets released from restrictions for capital acquisition	23,972	(32,048)	-	(8,076)
Net assets released from restrictions for operations	-	-	-	-
Change in Net Assets	527,348	(443)	-	526,905
Balance, September 30, 2013	<u>\$ 3,684,294</u>	<u>\$ 22,191</u>	<u>\$ 79,533</u>	<u>\$ 3,786,018</u>

(See accompanying notes to these consolidated financial statements)

LAKE SUNAPEE REGION VISITING NURSE ASSOCIATION
AND AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 526,905	\$ 651,324
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	<u>101,285</u>	<u>101,535</u>
Bad debt expense	26,096	37,038
Restricted contributions	(31,605)	(113,849)
(Increase) decrease in the following assets:		
Patient accounts receivable	99,699	(86,035)
Other receivables	(3,445)	1,824
Prepaid expenses	3,151	(3,303)
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	(34,426)	6,884
Accrued payroll and related expenses	1,916	15,167
Deferred revenue	<u>(50,789)</u>	<u>51,000</u>
Net Cash Provided by Operating Activities	<u>638,787</u>	<u>661,585</u>
Cash Flows From Investing Activities		
Capital expenditures	(32,351)	(77,393)
Restricted contributions	31,605	113,849
Decrease in assets limited as to use	<u>(61,878)</u>	<u>(58,638)</u>
Net Cash Used By Investing Activities	<u>(62,624)</u>	<u>(22,182)</u>
Cash Flows From Financing Activities		
Principal payments of long-term debt	<u>-</u>	<u>(179,044)</u>
Net Cash Used By Financing Activities	<u>-</u>	<u>(179,044)</u>
Net Increase in Cash and Cash Equivalents	576,163	460,359
Cash and cash equivalents, beginning of year	<u>1,156,192</u>	<u>695,833</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,732,355</u></u>	<u><u>\$ 1,156,192</u></u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ -	\$ 6,361

LAKE SUNAPEE REGION VISITING NURSE ASSOCIATION
AND AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lake Sunapee Region Visiting Nurse Association and Affiliated Organizations, - Lake Sunapee Home Care and Hospice, d/b/a Lake Sunapee Region Visiting Nurse Association, and Lake Sunapee Community Health Services, collectively referred to as "the Association", are non-profit corporations organized in New Hampshire. Each corporation is exempt from income tax under Internal Revenue Code Section 501(c)(3).

Lake Sunapee Region Visiting Nurse Association's primary purpose is to act as a holding company for Lake Sunapee Home Care and Hospice and Lake Sunapee Community Health Services.

Lake Sunapee Home Care and Hospice's primary purposes are to provide management services to its affiliate and home health and hospice care services to residents in surrounding communities.

Lake Sunapee Community Health Service's primary purposes are to provide personal care, homemaking and community clinic services to residents in surrounding communities.

Income Taxes

The Association is comprised of public charities under Section 501(c)(3) of the Internal Revenue Code. As public charities, the Association is exempt from state and federal income taxes on income earned in accordance with its tax exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association's tax position and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the financial statements. Management believes the Association is no longer subject to income tax examinations for years prior to 2010.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of Consolidation

The consolidated financial statements include the financial statements of Lake Sunapee Region Visiting Nurse Association, Lake Sunapee Home Care and Hospice, and Lake Sunapee Community Health Services. The affiliations are through common board membership. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounts Receivable

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Association analyzes its past history and identifies trends for all funding sources in the aggregate. In addition, balances in excess of one year are 100% reserved. Management regularly reviews account receivable and revenue related data in evaluating the sufficiency of the allowance for uncollectible accounts. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for uncollectible accounts. The Association has not changed its methodology for estimating the allowance for doubtful accounts.

A reconciliation of the allowance for uncollectible accounts at September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 135,548	\$ 114,271
Provision	26,096	37,038
Write-offs	<u>(15,218)</u>	<u>(15,761)</u>
Balance, end of year	<u>\$ 146,426</u>	<u>\$ 135,548</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost. Maintenance repairs and minor renewals are expensed as incurred; major renewals and betterments are capitalized. Provision for depreciation is made on the straight-line method by annual charges to operations over the various useful lives of the related assets.

Assets Limited as to Use

Assets limited as to use consist of assets designated by the board or restricted by the donor.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Association has been limited by donors for program services. Permanently restricted net assets have been restricted by donors to be maintained by the Association in perpetuity, the income from which is to be used for hospice services and education.

Patient Service Revenue

Standard charges for services to all patients are recorded as revenue when services are rendered. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charges are recognized when the service is rendered.

Excess of Revenue Over Expenses

The Statements of Operations reflect the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice are permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction were to be used for the purposes of acquiring such assets).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*. The update requires certain health care entities to present the bad debt expense associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than as an operating expense. Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, including qualitative and quantitative information about changes in the allowance for doubtful accounts. The amendment is effective for fiscal years beginning on or after December 15, 2011, with early adoption permitted. The Association adopted the amendment as of October 1, 2012 and retrospectively applied the amendment to the year ended September 30, 2012.

NOTE 2 ASSETS LIMITED AS TO USE

The composition and purpose of assets limited as to use at September 30, 2013 and 2012, is set forth in the following table.

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 482,393	420,761
Certificates of deposit	<u>44,885</u>	<u>44,639</u>
Total	<u>\$ 527,278</u>	<u>\$ 465,400</u>
Designated by the board	\$ 425,554	\$ 363,233
Temporarily restricted by donor	22,191	22,634
Permanently restricted by donor	<u>79,533</u>	<u>79,533</u>
Total	<u>\$ 527,278</u>	<u>\$ 465,400</u>

Cash and cash equivalents or certificates of deposit included in assets limited as to use are not included in cash and cash equivalents for cash flow purposes.

NOTE 3 ENDOWMENTS

The Association's donor restricted endowments are invested in cash and cash equivalents. All income earned (there is no change in fair value) is expended in the year earned.

NOTE 4 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment at September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 366,392	\$ 366,392
Building and improvements	967,231	964,414
Furniture and equipment	1,095,896	1,066,362
Leasehold improvements	<u>48,967</u>	<u>48,967</u>
Total Cost	2,478,486	2,446,135
Less, accumulated depreciation	<u>1,307,499</u>	<u>1,206,214</u>
Property and Equipment, Net	<u><u>\$1,170,987</u></u>	<u><u>\$1,239,921</u></u>

NOTE 5 LINE OF CREDIT

The Association has a \$250,000 line of credit with a local bank, payable on demand, with interest at prime plus 1.25%. The interest rate was 4% at September 30, 2013. There was no outstanding balance at September 30, 2013 or 2012.

NOTE 6 PATIENT SERVICE REVENUE

Patient service revenue provided for the years ended September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Medicare	\$ 3,865,465	\$ 3,964,742
Medicaid	164,087	238,437
Other third-party insurance	659,186	619,436
Private pay	<u>711,874</u>	<u>679,932</u>
Total	<u><u>\$ 5,400,612</u></u>	<u><u>\$ 5,502,547</u></u>

NOTE 6 PATIENT SERVICE REVENUE (CONTINUED)

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenues in the year that such amounts become known.

The Association provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Association does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

NOTE 7 FUNCTIONAL EXPENSES

The Association provides various services to residents within its geographic location. Expenses related to providing these services were as follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 4,096,266	\$ 4,236,601
Administrative and general	<u>1,369,672</u>	<u>1,218,527</u>
Total	<u>\$ 5,465,938</u>	<u>\$ 5,455,128</u>

NOTE 8 RETIREMENT PLAN

The Agency has a defined contribution plan under Internal Revenue Code Section 403(b), which covers substantially all employees. The cost of the contribution amounted to \$115,042 and \$125,479 for the years ended September 30, 2013 and 2012, respectively.

NOTE 9 CONCENTRATION OF RISK

The Association has cash deposits in a major financial institution in excess of \$250,000, which exceed federal depository insurance limits. The financial institution has a strong credit rating and management believes the credit risk related to these deposits is minimal.

The Association is located in New London. The Association grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements.

The mix of receivables at September 30, 2013 was as follows:

Medicare	74%
Medicaid	9%
Other	<u>17%</u>
Total	<u>100%</u>

NOTE 10 MALPRACTICE INSURANCE

The Association insures its medical malpractice risks on a claims made basis. There were no known malpractice claims outstanding at September 30, 2013, which in the opinion of management, will be settled for amounts in excess of insurance coverage; nor are there any unasserted claims or incidents which require loss accrual. The Association intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

NOTE 11 PRIOR YEAR COMPARATIVE AMOUNTS

Certain prior year amounts have been reclassified to be consistent with current year presentation.

NOTE 12 SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through December 10, 2013, which is the date the financial statements were available to be issued.

**Lake Sunapee Region Visiting Nurse Association d/b/a
Lake Sunapee Region VNA & Hospice
Board of Trustees
February 2014 – February 2015**

Lea Ayers LaFave
Chairperson

Maynard Goldman

Michele Holton

Sheldon Boege
Vice Chair

Joanne Hughes

Linda Brenner
Secretary

Kristyn Jamieson

George, (Bo) Quackenbos 1/2017

Deb Johnson
Treasurer

Michael Wood, Esq. 1/2015
Chairperson Ex-Officio

Scott Fabry, ***President***
(W) 526-4077
(FAX) 526-4272
sfabry@lakesunapeevna.org

Albert Barth

Donald A. Eberly, MD

Ruth Franks 1/2017

Scott Fabry

Professional experience

October 2006 – Presently

Lake Sunapee Region VNA

Clinical Director

- Director of the Agency's acute-care services program. Supervisor for approximately 27 licensed nursing and therapy professionals. This position has four primary foci: Professional staff recruitment, development, supervision and education; development and cultivation of relationships with acute care facilities and community providers to increase referrals and patient care episodes; facilitation of overall patient and family relationships with a focus on patient and family satisfaction and clinical outcomes; and, maintenance and assurance of overall Agency compliance with State and Federal regulations.
- Accomplishments within the past year: Acute care referrals and Medicare admissions increased 9 and 8.5 percent, respectively, from prior year. Overall nursing productivity increased 10 percent for entire year and 18 percent for the fourth quarter. Use of telehealth monitors increased 20 percent from previous year and per-episode utilization of professional staff reduced to 6 percent less than the national benchmark.

June 2006 – October 2006

Dartmouth Hitchcock Medical Center

Continuing Care Manager

- Coordinator of disease management strategies for a population of chronically ill individuals who receive primary care through the Hitchcock Clinics. Collaborated with patients, families, physicians, allied health professionals and community resources to optimize health and outcomes in the face of multiple co-morbidities.

February 2004 – June 2006

Dartmouth Hitchcock Medical Center

Clinical Resource Coordinator

- Coordinator of discharge strategies for patients hospitalized in the Institution's Medical Specialties Unit. Primary goal: Reduce days of stay and formulate discharge plans to prevent re-hospitalizations. Collaborated with patients, families, physicians, house staff and allied health professionals in the hospital and communities in which patients resided.

November 2001 – February 2004

Lake Sunapee Region VNA

RN Case Manager

- Assisted patients and their families in the recovery from acute illnesses and acute exacerbations of chronic diseases. Long-term strategies for management of disease states for individuals with chronic illness. Coordination of end-of-life care for hospice patients. Supervision of personal care attendants in the home.

Joyce Champy Teele, RN, BSN, CHCE

Education:

- 1981-1988 Saint Anselm College, Manchester, NH
Bachelor of Science in Nursing
Sigma Theta Tau National Honor Society of Nursing
- 1965-1968 Lakes Region General Hospital School of Nursing, Laconia, NH
RN Diploma – Class President

Professional Experience:

October 2005 - Present

Chief Operating Officer
Lake Sunapee Region VNA
New London, NH

The COO assists the President/CEO and is responsible for the overall administration of all organization programs and services. In accordance with the Corporation's objectives and policies, the COO plans, implements and evaluates the activities of the home care, hospice, maternal and child health, and community health services programs to ensure that quality services are provided to clients in the community. The COO conducts these responsibilities directly or by delegating to assigned staff.

May 2002 – Present

Clinical Services Director
Lake Sunapee Region Visiting Nurse Association and affiliates
New London, NH

The Clinical Services Director is responsible for managing and coordinating overall daily operations of the home care and hospice programs. The Clinical Services Director evaluates and makes recommendations regarding client services and staff competency to strengthen the corporation's name and to strengthen the ability of staff to meet client needs. The Clinical Services Director works closely with the Care Utilization Director, the Client Information and Support Services unit, patient care coordinators, case managers and other support staff to ensure

September 1968 - June 1970
Concord Hospital
Concord, NH
Staff Nurse – Relief Head Nurse

State Activities:

VNAHSNNE Telehealth and Quality Groups – July 2005 - present

HCANH Clinical Directors – March 1999 – present

HCANH Quality Group – March 1999 - present

New Hampshire Hospice Organization Education Committee Chairperson – 1991

Home Care Association of New Hampshire chair-co-chairperson of the Home Health Aide Supervisors Group – 1991 to 1995

Home Care Association of New Hampshire, HCA curriculum committee – 1988-1989

Home Care Association of New Hampshire Personal Care Service Provider Curriculum committee – 1996

Home Care Association of New Hampshire Continuous Quality Improvement Committee 1999 – present

Home Care Association of New Hampshire Directors Committee 2002 - present

Community Activities:

Bradford Baptist Church

Lay Bible Study, Leader of “Covenant Group” – June 1978 to June 1985

Sunday School Teacher – September 1983 to present

Youth Group Leader – 1985 to 1987

Chairperson Board of Christian Education and Missions – January 1989 to October 1994

Sunday School Superintendent – October 1994 to present

References: Available upon request

KULLI BLOOM

EDUCATION

The University of Iowa, Iowa City, Iowa
Masters of Science in Nursing, Clinical Nurse Leader, July 2009
GPA 4.0/4.0
Member, Sigma Theta Tau
Recipient, CNL College of Nursing Scholarship
RN Licensure, Iowa Board of Nursing, September, 2009

The University of Missouri-Kansas City, Kansas City, Missouri
Master of Public Administration, Non-profit Management, May 1992

Grinnell College, Grinnell, Iowa
Bachelor of Arts, Religious Studies, May 1989

CLINICAL EXPERIENCE

Adult Medical/Surgical Oncology Unit, 4JPW, University of Iowa Hospitals and Clinics
Iowa City, Iowa, Summer 2008

Neonatal Intensive Care Unit, University of Iowa Hospitals and Clinics
Iowa City, Iowa, Fall 2008

Labor and Delivery Unit, University of Iowa Hospitals and Clinics
Iowa City, Iowa, Fall 2008

Adult Medical Psychiatric Inpatient Unit, University of Iowa Hospitals and Clinics
Iowa City, Iowa, Fall 2008

Medical Surgical Inpatient Unit, Emergency Room, Labor and Delivery Unit, Washington County Hospital,
Washington, Iowa, Fall 2008

General Internal Medicine Inpatient Unit, 6RCE, University of Iowa Hospitals and Clinics
Iowa City, Iowa, Spring 2009

Burn Unit, University of Iowa Hospitals and Clinics
Iowa City, Iowa, Summer 2009 Capstone Residency
315 clinical hours at the only certified burn center in the state of Iowa. Created a capstone project: Reducing hospital acquired MRSA infections with a plan to improve hand hygiene adherence.

WORK EXPERIENCE

SUBSTITUTE SCHOOL NURSE & PARAEDUCATOR

Grantham Village School, SAU 75, Grantham, New Hampshire, April 2010 - present

Perform nursing assessments, medication administration, first aid interventions, and documentation in a busy nurse's office.
Support teachers in the classroom, providing extra assistance to children with special needs.

Ann Beardsley Bedard

PROFESSIONAL OBJECTIVE:

A position utilizing my professional skills and experiences in the fields of health and management.

EXPERIENCE:

1984-Present	<u>Office & Financial Manager</u> , New London Sewer Commission, New London, NH. * Oversee day to day administration. * Carry out administrative policies. * Develop and manage annual budget. * Process accounts payable and receivable. * Coordinate special projects. * Presentations to the Board and public.
1994-Present	<u>Maternal and Child Health Nurse</u> , Lake Sunapee Region Visiting Nurse Association. * Promote community health and wellness. * Work independently coordinating and administering the Parent Child Program. * Educate families regarding healthy lifestyles and community resources.
1999-Present	<u>Massage Therapist: Private Practice.</u> * Encourage wellness through massage techniques of Swedish, Pregnancy, Deep Tissue, LaStone, and Cranial Sacral Massage.

EDUCATION:

B.S., Nursing, Russell Sage College, Troy, NY.
High School: Holy Angels Academy, Buffalo NY.
Continuing Education: 1988-1993 Paralegal Program, University of New Hampshire.
Continuing Education: 1996-1998 Massage Therapy, New Hampshire Technical Institute.

Certification:

Registered Nurse: N.H. and N.Y.
National Certified Massage Therapist
Licensed Massage Therapist: NH

CONTRACTOR NAME

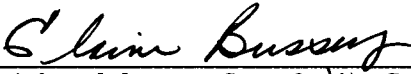
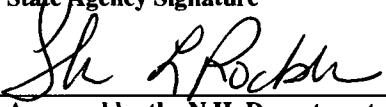
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Scott FABRY	PRESIDENT & CEO			
MONIQUE MALANGA	CFO	130,832	1%	1,308
Kelli Bloom	Director, Com. Health Svcs	80,421	1%	806
		49,592	3%	1,488

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name North Country Home Health & Hospice Agency, Inc.		1.4 Contractor Address 536 Cottage Street Littleton, NH 03561	
1.5 Contractor Phone Number 603-444-5317	1.6 Account Number Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$158,699.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Elaine Bussey Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Grafton</u> On <u>5/22/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal] <u>Term Expires 4/30/2018</u>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Debra Simmons Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockburn Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>W. L. Brun</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services and In Home Health Aide Level of Care Services: Grafton Co. Towns of Bath, Benton, Bethlehem, Easton, Franconia, Haverhill, Landaff, Lincoln, Lisbon, Littleton, Lyman, Monroe, Piermont, Pike, Sugar Hill, Twin Mountain, Warren, Woodstock & Woodsville. Coos Co. Towns of Carroll, Dalton & Whitefield.

5. Services Provided in this Agreement

	Services		
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	x	na
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



Exhibit A

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**



Exhibit A

-
- 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
 - 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
 - 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
 - 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
 - 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
 - 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
 - 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:
 - 6.3.3.1. Receiving referrals;
 - 6.3.3.2. Evaluation of the individual's needs;
 - 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
 - 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
 - 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.



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- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
- 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
- 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
- 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
1) The reason(s) for the denial;
2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
3) Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.



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7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.



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7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.



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- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



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is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services. The Contractor shall follow the plan of care established by the APS social worker. The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.



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- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.



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7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and



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- d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

- 1. Require a corrective action plan for identified deficiencies, or



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2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$140,461
Title IIIB	In Home Care Services	\$8.38	\$3,738
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	\$14,500
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385



Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.

**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**



Exhibit B

-
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
 - 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
 - 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
 - 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
 - 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$2,000,000 per occurrence; and



SPECIAL PROVISIONS

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

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



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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



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

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

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

Contractor Name:

North Country Home Health & Hospice Agency Inc

5/20/14
Date

Elaine Bussey
Name: Elaine Bussey
Title: Executive Director

Contractor Initials EB
Date 5/20/14



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name: *North Country Home Health & Hospice Agency*

5/20/14
Date

Elaine Bussey
Name: *Elaine Bussey*
Title: *Executive Director*



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

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

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: North Country Home Health Hospice Agency Inc

5/20/14
Date

Elaine Bussey
Name: Elaine Bussey
Title: Executive Director



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name: North Country Home Health & Hospice Agency Inc

5/20/14
Date

Elaine Bussey
Name: Elaine Bussey
Title: Executive Director



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: North Country Home Health & Hospice Agency Inc

Date 5/20/14

Elaine Bussey
Name: Elaine Bussey
Title: Executive Director



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



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.

_____ The State <u>Sheri Rockburn</u> Signature of Authorized Representative <u>Sheri Rockburn</u> Name of Authorized Representative <u>Director</u> Title of Authorized Representative <u>5/27/14</u> Date	<u>North Country Home Health + Hospice Agency Inc</u> Name of the Contractor <u>Elaine Bussey</u> Signature of Authorized Representative <u>Elaine Bussey</u> Name of Authorized Representative <u>Executive Director</u> Title of Authorized Representative <u>5/20/14</u> Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

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

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: North Country Home Health Hospice Agency Inc

Date: 5/20/14

Name: Elaine Bussey
Title: Executive Director



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: 170374276
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:

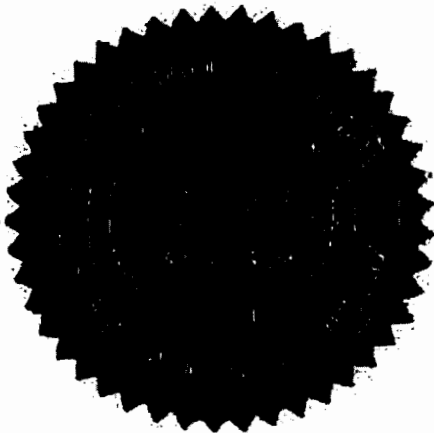
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that North Country Home Health & Hospice Agency, Inc. is a New Hampshire nonprofit corporation formed March 18, 1970. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 1st day of May A.D. 2014

A handwritten signature in dark ink, appearing to read "William M. Gardner", written in a cursive style.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

(Corporation without Seal)

I, Erin Hennessey Treasurer, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of North Country Home Health + Hospice Agency
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 5/21/14:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, for the provision of

DAHS - BEAS Contract services.

RESOLVED: That the Elaine Bussey Executive Director
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 27 day of May, 2014.
(Date Contract Signed)

4. Elaine Bussey is the duly elected
Executive Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Erin Hennessey
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Grafton

The forgoing instrument was acknowledged before me this 27 day of May, 2014.

By Erin Hennessey
(Name of Clerk of the Corporation)

Debra Simmons
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: June 20, 2018

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/21/2014

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

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

PRODUCER Hunkins & Eaton Agency, Inc. 93 Main Street Littleton NH 03561	CONTACT NAME: PHONE (A/C, No, Ext): (603) 444-3975 FAX (A/C, No): (603) 444-1131 E-MAIL ADDRESS: <table style="width: 100%;"> <tr> <td style="text-align: center;">INSURER(S) AFFORDING COVERAGE</td> <td style="text-align: center;">NAIC #</td> </tr> <tr> <td>INSURER A : Union Mutual Fire Insurance Company</td> <td></td> </tr> <tr> <td>INSURER B :</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 : Union Mutual Fire Insurance Company		INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A : Union Mutual Fire Insurance Company															
INSURER B :															
INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															
INSURED North Country Home Health and Hospice Agency, Inc. 536 Cottage Street Littleton NH 03561															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			BOP0008460	11/12/2013	11/12/2014	EACH OCCURRENCE
	☒ COMMERCIAL GENERAL LIABILITY						\$ 1,000,000
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)
							\$ 50,000
							MED EXP (Any one person)
							\$ 5,000
							PERSONAL & ADV INJURY
							\$ 1,000,000
							GENERAL AGGREGATE
							\$ 2,000,000
							PRODUCTS - COMP/OP AGG
							\$ 2,000,000
							\$
A	AUTOMOBILE LIABILITY			BOP0008460-04	11/12/2013	11/12/2014	COMBINED SINGLE LIMIT (Ea accident)
	☐ ANY AUTO						\$ 1,000,000
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					BODILY INJURY (Per person)
	☒ HIRED AUTOS	☒ NON-OWNED AUTOS					\$
							BODILY INJURY (Per accident)
							\$
							PROPERTY DAMAGE (Per accident)
							\$
							\$
A	☒ UMBRELLA LIAB			UC0389297	11/12/2013	11/12/2014	EACH OCCURRENCE
	☐ EXCESS LIAB	☒ OCCUR					\$ 2,000,000
	☐ CLAIMS-MADE						AGGREGATE
	☐ DED ☒ RETENTION \$10,000						\$ 2,000,000
							\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT
							\$
							E.L. DISEASE - EA EMPLOYEE
							\$
							E.L. DISEASE - POLICY LIMIT
							\$

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

HOME HEALTH AGENCY

CERTIFICATE HOLDER

CANCELLATION

NH Department of Health & Human Services Bureau of Elderly & Adult Services 129 Pleasant Street The Brown Building Concord, NH 03301	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 <TD>

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Client#: 1010782

NORTHC0U34

ACORD™**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

6/17/2013

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

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

PRODUCER USI Insurance Svcs LLC PO Box 406 Portland, ME 04112-0406	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): E-MAIL ADDRESS:														
INSURED North Country Home Health Agency 536 Cottage Street Littleton, NH 03561	<table border="1"> <tr> <th data-bbox="826 472 1395 504">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1395 472 1514 504">NAIC #</th> </tr> <tr> <td data-bbox="826 504 1395 535">INSURER A: Technology Insurance Company, I</td> <td data-bbox="1395 504 1514 535">42376</td> </tr> <tr> <td data-bbox="826 535 1395 567">INSURER B:</td> <td data-bbox="1395 535 1514 567"></td> </tr> <tr> <td data-bbox="826 567 1395 598">INSURER C:</td> <td data-bbox="1395 567 1514 598"></td> </tr> <tr> <td data-bbox="826 598 1395 630">INSURER D:</td> <td data-bbox="1395 598 1514 630"></td> </tr> <tr> <td data-bbox="826 630 1395 661">INSURER E:</td> <td data-bbox="1395 630 1514 661"></td> </tr> <tr> <td data-bbox="826 661 1395 676">INSURER F:</td> <td data-bbox="1395 661 1514 676"></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Technology Insurance Company, I	42376	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

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INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS								
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$								
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$								
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A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ N (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	TWC3364780	07/01/2013	07/01/2014	<table border="1"> <tr> <th data-bbox="1106 1260 1239 1291">WC STATUTORY LIMITS</th> <th data-bbox="1239 1260 1321 1291">OTH-ER</th> </tr> <tr> <td data-bbox="1106 1291 1239 1323">E.L. EACH ACCIDENT</td> <td data-bbox="1239 1291 1321 1323">\$500,000</td> </tr> <tr> <td data-bbox="1106 1323 1239 1354">E.L. DISEASE - EA EMPLOYEE</td> <td data-bbox="1239 1323 1321 1354">\$500,000</td> </tr> <tr> <td data-bbox="1106 1354 1239 1386">E.L. DISEASE - POLICY LIMIT</td> <td data-bbox="1239 1354 1321 1386">\$500,000</td> </tr> </table>	WC STATUTORY LIMITS	OTH-ER	E.L. EACH ACCIDENT	\$500,000	E.L. DISEASE - EA EMPLOYEE	\$500,000	E.L. DISEASE - POLICY LIMIT	\$500,000
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Cancellation Provisions apply per attached form WC 28 06 04.

CERTIFICATE HOLDER**CANCELLATION**

State of New Hampshire Dept. of Elderly & Adult Svcs Contracting Officer 129 Pleasant Street Concord, NH 03301	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 <i>E. Gould Jones</i>

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Client#: 16173

NORCO1

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/05/2014

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PRODUCER Eaton&Berube Ins Agency Inc 11 Concord St. Nashua, NH 03064 603 882-2766	CONTACT NAME: Debbie Rioux PHONE (A/C, No, Ext): 603 882-2766 FAX (A/C, No): 603 886-4230 E-MAIL ADDRESS: drioux@eatonberube.com																					
INSURED North Country Home Health & Hospice Agency, Inc. 536 Cottage St. Littleton, NH 03561	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr> <tr> <td>INSURER A:</td><td>Medical Mutual Ins Co of Maine</td><td></td></tr> <tr> <td>INSURER B:</td><td></td><td></td></tr> <tr> <td>INSURER C:</td><td></td><td></td></tr> <tr> <td>INSURER D:</td><td></td><td></td></tr> <tr> <td>INSURER E:</td><td></td><td></td></tr> <tr> <td>INSURER F:</td><td></td><td></td></tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Medical Mutual Ins Co of Maine		INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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E.L. DISEASE - POLICY LIMIT	\$																				
A	Professional Liability Claims Made			NHHCP000743 Retro Date	11/12/2013 04/12/1986	11/12/2014	\$1,000,000 Each Claim \$3,000,000 Aggregate														

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

CERTIFICATE HOLDER

CANCELLATION

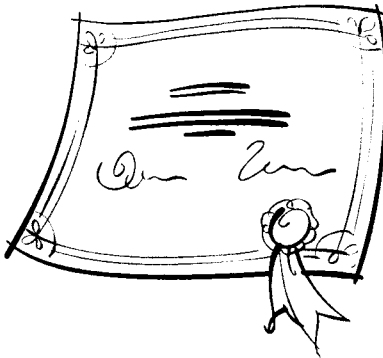
NH DHHS, Bureau of
 Elderly & Adult Services
 Division of Community Based Care
 129 Pleasant Street,
 Concord, NH 03301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Marc R Berube

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NORTH COUNTRY HOME HEALTH AND HOSPICE AGENCY, INC.

MISSION STATEMENT

To provide quality home health and hospice care,
utilizing a holistic approach, while working in
collaboration with all community resources, to meet
the comprehensive needs of the clients and their families,
in a cost effective manner.

Reaffirmed: 09/18/02

09/17/03

09/15/04

09/21/05

09/20/06

12/19/07

01/20/09

01/20/10

01/19/11

1/18/12

1/15/13

NORTH COUNTRY HOME HEALTH
& HOSPICE AGENCY, INC.

A handwritten checkmark and a circled number 9.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

CONTENTS

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FINANCIAL STATEMENTS:	
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Statements of Operations	4
Statements of Changes in Net Assets	5
Statements of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7 - 17

BRAD BORBIDGE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

PHONE 603/224-0849
FAX 603/224-2397

Independent Auditors' Report

Board of Directors
North Country Home Health
and Hospice Agency, Inc.
Littleton, New Hampshire

We have audited the accompanying financial statements of North Country Home Health & Hospice Agency, Inc., which comprise the balance sheets as of December 31, 2013 and 2012, the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Country Home Health & Hospice Agency, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "D. Dady".

Concord, New Hampshire
April 16, 2014

NORTH COUNTRY HOME HEALTH & HOSPICE AGENCY, INC.

BALANCE SHEETS

DECEMBER 31, 2013 AND 2012

ASSETS

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 254,958	\$ 256,987
Patient accounts receivable, net of allowance for uncollectible accounts of \$41,202 and \$48,000 at December 31, 2013 and 2012, respectively	388,731	561,719
Other receivables	46,241	122,953
Prepaid expenses	48,242	42,149
Total Current Assets	738,172	983,808
Assets Limited As To Use	511,147	447,862
Beneficial Trust Held By Others	61,080	55,766
Property And Equipment, Net	994,015	1,024,092
TOTAL ASSETS	<u>\$ 2,304,414</u>	<u>\$ 2,511,528</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 87,582	\$ 81,946
Accrued payroll and related expenses	159,972	131,455
Deferred revenue	25,240	119,292
Current maturities of long-term debt	12,713	20,104
Total Current Liabilities	285,507	352,797
Long-term Debt, Less Current Maturities	514,311	519,975
Total Liabilities	799,818	872,772
Net Assets		
Unrestricted net assets	1,368,516	1,507,990
Permanently restricted net assets	136,080	130,766
Total Net Assets	1,504,596	1,638,756
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,304,414</u>	<u>\$ 2,511,528</u>

(See accompanying notes to these financial statements)

NORTH COUNTRY HOME HEALTH AND HOSPICE AGENCY, INC.

STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
Operating Revenue		
Patient service revenue	\$ 2,598,312	\$ 2,584,698
Provision for bad debt	(4,784)	(35,368)
Net Patient Service Revenue	2,593,528	2,549,330
Grants	132,946	66,247
Municipal and county appropriations	88,436	80,978
Other operating revenue	25,774	28,046
Total Operating Revenue	2,840,684	2,724,601
Operating Expenses		
Salaries and related expenses	2,048,386	1,722,265
Other operating expenses	949,659	845,198
Depreciation	55,072	50,431
Interest expense	30,419	28,764
Total Operating Expenses	3,083,536	2,646,658
OPERATING (LOSS) INCOME	(242,852)	77,943
Other Revenue and Gains		
Contributions	37,455	37,485
Investment income	10,578	13,297
Recognized change in fair value of investments	55,345	37,414
Total Other Revenue and Gains	103,378	88,196
(DEFICIT) EXCESS OF REVENUE OVER EXPENSES	\$ (139,474)	\$ 166,139

(See accompanying notes to these financial statements)

NORTH COUNTRY HOME HEALTH & HOSPICE AGENCY, INC.

STATEMENTS OF CHANGES IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	Unrestricted	Permanently Restricted	Total
Balance, December 31, 2011	\$ 1,341,851	\$ 127,412	\$ 1,469,263
Excess of revenue over expenses	166,139	-	166,139
Recognized change in fair value of beneficial trust held by others	-	3,354	3,354
Change in Net Assets	166,139	3,354	169,493
Balance, December 31, 2012	1,507,990	130,766	1,638,756
Deficit of revenue over expenses	(139,474)	-	(139,474)
Recognized change in fair value of beneficial trust held by others	-	5,314	5,314
Change in Net Assets	(139,474)	5,314	(134,160)
Balance, December 31, 2013	<u>\$ 1,368,516</u>	<u>\$ 136,080</u>	<u>\$ 1,504,596</u>

(See accompanying notes to these financial statements)

NORTH COUNTRY HOME HEALTH & HOSPICE AGENCY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013	2012
Cash Flows From Operating Activities		
Change in net assets	\$ (134,160)	\$ 169,493
to net cash used by operating activities		
Depreciation	55,072	50,431
Provision for bad debt	4,784	35,368
Recognized change in fair value of investments	55,345	37,414
Recognized change in fair value of beneficial trust held by others	(5,314)	(3,354)
(Increase) decrease in the following assets:		
Patient accounts receivable	168,204	(416,809)
Other receivables	76,712	(89,179)
Prepaid expenses	(6,093)	(3,974)
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	5,636	39,008
Accrued payroll and related expenses	28,517	34,461
Deferred revenue	(94,052)	92,049
Net Cash Provided (Used) by Operating Activities	154,651	(55,092)
Cash Flows From Investing Activities		
Purchase of investments	(547,498)	(109,191)
Proceeds from sale of investments	428,868	262,035
Capital acquisitions	(24,995)	(15,644)
Net Cash (Used) Provided by Investing Activities	(143,625)	137,200
Cash Flows From Financing Activities		
Principal payments of long-term debt	(13,055)	(11,368)
Net (Decrease) Increase in Cash and Cash Equivalents	(2,029)	70,740
Cash and Cash Equivalents, Beginning of Year	256,987	186,247
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 254,958	\$ 256,987
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 30,419	\$ 28,764

(See accompanying notes to these financial statements)

NORTH COUNTRY HOME HEALTH & HOSPICE AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

North Country Home Health & Hospice Agency, Inc., "the Agency", is a non-stock, non-profit corporation organized in New Hampshire. The Agency's primary purposes are to provide home health care, hospice and health promotion services to residents.

Income Taxes

The Agency is a public charity under Section 501(c)(3) of the Internal Revenue Code. As a public charity, the Agency is exempt from state and federal income taxes on income earned in accordance with its tax exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Agency's tax position and concluded that the Agency has no unrelated business income or uncertain tax positions that require adjustment to the financial statements. Management believes the Agency is no longer subject to income tax examinations for years prior to 2010.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use. Short-term highly liquid investments with an original maturity of more than three months are classified as temporary investments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Limited As To Use

Assets limited as to use include board designated investments for future operating and capital needs at the discretion of the Board of Directors and donor restricted investments.

Investments in equity and debt securities are reported at fair value. Investment income and the recognized change in fair value are included in the excess of revenue over expenses unless otherwise stipulated by the donor or State law.

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

Accounts Receivable

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Agency analyzes its past history and identifies trends for all funding sources in the aggregate. In addition, balances in excess of 180 days are 100% reserved. Management regularly reviews data about revenue in evaluating the sufficiency of the allowance for uncollectible accounts. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for uncollectible accounts. The Agency has not changed its methodology for estimating the allowance for uncollectible accounts during the years ended December 31, 2013 and December 31, 2012.

A reconciliation of the allowance for uncollectible accounts follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 48,000	\$ 20,354
Provision	4,784	35,368
Write-offs	<u>(11,582)</u>	<u>(7,722)</u>
Balance, end of year	<u>\$ 41,202</u>	<u>\$ 48,000</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Trust Held by Others

The Agency is a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation, "the Foundation", as a separate fund designed for the benefit of the Agency.

In accordance with its spending policy, the Foundation makes distributions from the fund to the Agency. The distributions are approximately 4.5% of the market value of the fund per year. All property in the fund was contributed to the Foundation to be held and administered for the benefit of the Agency.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Provisions for depreciation are made on the straight-line method by annual charges to operations over the useful lives of the related assets.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those assets whose use by the Agency has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. There were no temporarily restricted net assets at December 31, 2013 and 2012. Permanently restricted net assets represent the Agency's share of the fair value of the beneficial trust held by others and a donor restricted endowment (see Note 5).

Gifts of Long-lived Assets

Gifts of long-lived assets, such as furniture or equipment, are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Patient Service Revenue

Standard charges for services to all patients are recorded as revenue when services are rendered. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Agency's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

(Deficit) Excess of Revenue Over Expenses

The statements of operations reflect the (deficit) excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the (deficit) excess of revenue over expenses, consistent with industry practice would include contributions of long-lived assets (including assets acquired using contributions which, by donor restriction were to be used for the purposes of acquiring such assets).

NOTE 2 INVESTMENTS AND ASSETS LIMITED AS TO USE

Investments at December 31, 2013 and 2012 are stated at fair value and consisted of the following:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 84,012	\$ 70,258
Mutual funds		
Equity	298,701	290,019
Fixed income	123,841	82,842
Beneficial trust held by others	<u>61,080</u>	<u>55,766</u>
 Total Investments	 <u>\$ 567,634</u>	 <u>\$ 498,885</u>
 Assets limited as to use	 506,554	 443,119
Beneficial trust held by others	<u>61,080</u>	<u>55,766</u>
 Total Investments	 <u>\$ 567,634</u>	 <u>\$ 498,885</u>

Cash and cash equivalents included in investments and assets limited as to use are not considered cash and cash equivalents for cash flow purposes or for concentration of risk disclosure.

Financial accounting standards established a valuation hierarchy for disclosure of the inputs used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs - quoted prices traded daily in an active market.
- Level 2 inputs - other than quoted prices for active markets that are traded less frequently than daily.
- Level 3 inputs - unobservable inputs.

The fair value of all of the Association's investments are measured on a recurring basis using level 1 inputs, with the exception of the beneficial trust investments held by others, which is measured on non-recurring basis using level 3 inputs. The fair value of beneficial trust investments held by others is determined annually based on the fair value of the assets in the trust as represented by the Foundation's management. The Agency's management determines the reasonableness of the methodology by evaluating market developments.

NOTE 2 INVESTMENTS AND ASSETS LIMITED AS TO USE (CONTINUED)

The following table sets forth a summary of the change in the fair value of the level 3 beneficial trust investments held by others for the years ended December 31, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 55,766	\$ 52,412
Change in fair value	7,836	5,980
Distributions	(2,151)	(2,242)
Fees	<u>(371)</u>	<u>(384)</u>
Balance, end of year	<u>\$ 61,080</u>	<u>\$ 55,766</u>

Investment income and recognized change in fair value of investments and cash equivalents for the years ended December 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets		
Interest and investment income	\$ 10,578	\$ 13,297
Change in fair value of investments	<u>55,345</u>	<u>37,414</u>
Total Unrestricted Activity	<u>65,923</u>	<u>50,711</u>
Restricted Net Assets		
Interest and investment income	150	207
Change in fair value of investments	-	2,388
Change in fair value of beneficial trust held by others	<u>5,314</u>	<u>3,354</u>
Total Restricted Activity	<u>5,464</u>	<u>5,949</u>
Total	<u>\$ 71,387</u>	<u>\$ 56,660</u>

Assets limited as to use are set aside for the following at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Designated by the governing board for future operating and capital needs	\$ 436,147	\$ 372,862
Permanently restricted by donor for endowment	<u>75,000</u>	<u>75,000</u>
Total	<u>\$ 511,147</u>	<u>\$ 447,862</u>

NOTE 3 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment at December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 168,203	\$ 168,203
Building	1,059,352	1,059,352
Furniture and equipment	<u>341,731</u>	<u>316,735</u>
Total Cost	1,569,286	1,544,290
Less, accumulated depreciation	<u>575,271</u>	<u>520,198</u>
Property and Equipment, Net	<u>\$ 994,015</u>	<u>\$ 1,024,092</u>

NOTE 4 LONG-TERM DEBT

A summary of long term debt at December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
5.25% mortgage payable to a local bank, payable with equal installments, including principal and interest through February, 2021 when interest will be adjusted to prime plus 0.50% for the remaining balance of the loan, secured by real estate.	\$ 527,024	\$ 540,079
Less current maturities	<u>12,713</u>	<u>20,104</u>
Long-term Debt, Less Current Maturities	<u>\$ 514,311</u>	<u>\$ 519,975</u>

The Agency is required to meet an annual minimum debt service coverage ratio as defined in the loan agreement with Woodsville Guaranty Savings Bank (WGSB). The covenant was not met at December 31, 2013. The Agency obtained a waiver from the bank waiving the requirement for the year ended December 31, 2013.

NOTE 4 LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on mortgages payable for the next five years and thereafter follows:

<u>Year Ending</u> <u>December 31,</u>	
2014	\$ 12,713
2015	13,397
2016	14,118
2017	14,877
2018	15,677
Thereafter	<u>456,242</u>
Total	<u>\$ 527,024</u>

NOTE 5 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consisted of the following at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Permanently restricted:		
Beneficial trust held by others	\$ 61,080	\$ 55,766
Endowment	<u>75,000</u>	<u>75,000</u>
Total	<u>\$ 136,080</u>	<u>\$ 130,766</u>

The following summarizes changes in permanently restricted endowment assets for year ended December 31, 2013:

	<u>Unrestricted</u>	<u>Temporarily</u> <u>Restricted</u>	<u>Permanently</u> <u>Restricted</u>
Balance December 31, 2011	\$ (7,338)	\$ -	\$ 75,000
Interest income	207	-	-
Recognized change in fair value of investments	<u>2,388</u>	<u>-</u>	<u>-</u>
Balance December 31, 2012	(4,743)	-	75,000
Interest income	<u>150</u>	<u>-</u>	<u>-</u>
Balance December 31, 2013	<u>\$ (4,593)</u>	<u>\$ -</u>	<u>\$ 75,000</u>

NOTE 5 PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

The Agency has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are currently invested in a money market.

From time to time, the fair value of assets associated with the donor restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requires the Agency to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles the deficiency was reported in unrestricted net assets as noted above.

The Agency has adopted an endowment spending policy that is equal to investment income earned (dividends and interest) on endowment investments.

NOTE 6 PATIENT SERVICE REVENUE

Patient service revenue provided for the years ended December 31, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Medicare	\$ 1,797,767	\$ 1,771,257
Medicaid	326,887	376,525
Other third-party payers and private pay	<u>473,658</u>	<u>436,916</u>
Patient Service Revenue	<u>\$ 2,598,312</u>	<u>\$ 2,584,698</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Agency believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenues in the year that such amounts become known.

The Agency provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Agency does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

NOTE 6 PATIENT SERVICE REVENUE (CONTINUED)

The Agency was able to provide the above charity care under local community support and state grants. Local community support consisted of contributions and municipal and county appropriations.

NOTE 7 FUNCTIONAL EXPENSES

The Agency provides various services to residents within its geographic location. Expenses related to providing these services for the years ended December 31, 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 2,545,354	\$ 2,157,893
Administrative and general	<u>538,182</u>	<u>488,765</u>
Total	<u>\$ 3,083,536</u>	<u>\$ 2,646,658</u>

NOTE 8 COMMITMENTS

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining lease terms in excess of one year:

<u>Year Ending December 31,</u>	<u>Lease Payments</u>
2014	\$ 12,069
2015	12,069
2016	12,069
2017	<u>7,041</u>
Total	<u>\$ 43,248</u>

Rental expense on operating leases was \$19,515 and \$40,980 for the years ended December 31, 2013 and 2012, respectively.

NOTE 9 CONCENTRATION OF RISK

The Agency grants credit without collateral to its patients, most of who are local residents and are insured under third party payer agreements.

The following is a summary of accounts receivable at December 31, 2013.

Medicare	43%
Medicaid	19%
VA	17%
Other	<u>21%</u>
Total	<u>100%</u>

NOTE 10 MALPRACTICE INSURANCE

The Agency insures its medical malpractice risks on a claims-made basis. There were no known malpractice claims outstanding at December 31, 2013 and 2012, which in the opinion of management, will be settled for amounts in excess of insurance coverage; nor are there any unasserted claims or incidents which require a loss accrual. The Agency intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

NOTE 11 SUBSEQUENT EVENTS

For financial reporting purposes, subsequent events have been evaluated by management through April 16, 2014, which is the date the financial statements were available to be issued.

NORTH COUNTRY HOME HEALTH & HOSPICE AGENCY, INC.
BOARD OF DIRECTORS
FY 2014

Officers:

PRESIDENT: Evelyn Elms
VICE PRESIDENT: Carolyn Walko
TREASURER: Erin Hennessey
SECRETARY: Shawn Tester

Board Development Committee - 4 members
Building & Grounds Committee - 3 members
Finance Committee - 5 members
Fund Raising & Marketing Committee - 6 members
Personnel Committee - 4 members

<u>Elms, Evelyn (Bunny)</u> *Chair - Board Development *Chair - Personnel	<u>Tammy Ross-Smith</u> *Board Development *Fund Raising & Marketing	<u>Bill Parnell</u> *Personnel
<u>Hennessey, Erin T.</u> *Board Development *Chair - Finance	<u>Chrissy Smith</u> Fundraising/Marketing	<u>Chad Proulx</u> *Fund Raising & Marketing *Personnel
Kelley Ilacqua *Finance *Fundraising/Marketing	<u>Jeffrey Stimson</u> *Buildings & Grounds *Finance	
<u>David Kenney</u> *Personnell *Building Committee *Fundraising.Marketing	<u>Shawn Tester</u> *Finance	
<u>Christine Latulip</u> *Board Development *Finance	<u>Walko, Carolyn</u> *Chair - Buildings & Grounds*Co-Chair - Fund Raising & Marketing	

Elaine Davis Bussey

HOME CARE EXPERIENCE

October 2011-

Present: North Country Home Health and Hospice, Littleton, New Hampshire

Executive Director

Responsible for management, budgeting, and strategic planning for Medicare certified private non-profit Home Health Agency that provides, home health, hospice, private duty, and state grant programs in the New Hampshire's North Country.

- Provide leadership and organizational support to the leadership team
- Develop and improve QI/QA initiative
- Develop strategies to increase referrals
- Enhance and improve service delivery.

2004-2011 Connecticut Valley Home Care & Hospice, Newport, NH

Director

Responsible for management and oversight of a hospital based certified home health care agency. Provide leadership for the operations of home health care, hospice, state grant programs, private pay services, as well as Medical Adult Day Care program.

- Responsible for finances and budgeting improving agency revenue by one million dollars.
- Improved compliance Medicare PPS, increasing clinical case mix scores.
- Improved quality improvement initiatives increasing OBQI outcomes with Home Health Compare overall by 20%.
- Provide leadership for agency successful Joint Commission surveys.
- Initiated improvements with electronic clinical record and point of care documentation to a complete paperless system,
- Developed improvements in marketing, outreach, education, strategic planning, and community collaboration programs for the agency.
- Participate in community liaison and legislative outreach for hospital and home care.
- Member of Valley Regional Hospital leadership team.

2000-2003 Women's Educational and Industrial Union, Boston, MA.

Director of Home Health Care Services

Management of growing home health care department responsible for service delivery to clients in the Boston communities. Responsible for a diverse staff over 80 home care aides, field supervisory nurses, and administrative staff.

- Secured contracts with local home health agencies for home health aide services.
- Implemented home health aide training program.
- Developed career ladder and mentor programs through state contract initiatives such as ECCLI grants.
- Successful union contract negotiations with SEIU to benefit both management and employees.
- Participated in the Direct Caregivers Workforce initiative partnership to promote improved recognition for home health aide and homemaker services.
- Participated in state lobbying activities and testified for improved state reimbursement for direct caregivers in home care.
- Strong customer/ community relations to develop growth in all services.

1990-2000 Home Health Care of Greater Newburyport, Newburyport, MA.

Supportive Services Manager

Responsible for overall management of the Supportive Services program within a certified home health care agency which included nursing, home health aide, homemaker, companion care, and private pay programs.

- Managed an interdisciplinary clinical team to provide non-certified services.
- Expanded services from a team of 10 to over 100 home care workers.
- Implemented home health aide training program and clinical preceptor programs.
- Expanded private pay services.
- Negotiated contracts with state to provide homemaker and personal care services.

OTHER PROFESSIONAL EXPERIENCE

2003-2004 Health First Family Care Center, Franklin, NH

Clinical Manager

Developed and directed quality assurance functions and supervision for clinical services of this federally qualified community health center.

- Provided supervision and training for clinical staff with improvements in workflow functions.
- Developed disease management programs for providers.
- Managed grants and other contract funding for reporting and compliance.
- Participated in community network collaboration for health and education programs addressing community needs assessments and program implementation.

1988-1990 Hillhaven Corp., Blueberry Hill Healthcare, Beverly, MA.

Staff Development Coordinator

Department head position responsible for staff recruitment, orientation and retention for all departments of this long-term care facility. Developed and implemented state nursing assistant training program. Coordinated nursing CEU in-service programs and employee training programs.

1983-1988 Senior Homecare Services, Gloucester, MA.

Program Director/RN, Adult Day Health Center

Coordinated implementation of a new Adult Day Health Center. Responsible for marketing and outreach, fulfillment of regulatory requirements, nursing management, and overall program administration.

1980-1983 Morgan Memorial/Goodwill Industries, Beverly, MA.

RN/Day Habilitation Program for special needs clients

1978-1980 S. Virginia Mental Health Institute, Danville, VA.

Head Nurse of interdisciplinary team in an acute psychiatric hospital.

1976-1978 Danville Memorial Hospital, Danville, VA.

Charge Nurse for a medical-surgical floor.

EDUCATION

2002-2004 New England College: Master's of Science Degree in Health Care Administration
Henniker, NH
1998-2002 Lesley University: Bachelor's of Science Degree in Management
Cambridge, Mass
1972-1975 Mt. Auburn Hospital School of Nursing: Registered Nurse
Cambridge, Mass

CURRENT RN LICENSURE

Massachusetts
New Hampshire

MEMBERSHIPS

2004-present:

Home Care Association of New Hampshire:

2009-present Board member,

2010-2011 Vice President of Board and Member of Executive Committee

Member of Legislative Committee

2012- Board President

2004-present:

Rural Home Care Association;

2008-2011 Board Member

2011-present:

North Country Health Consortium, Inc.: A rural health network collaborative to address common issues among health and human service providers serving northern New Hampshire

Board member

2006-present:

Rotary Club:

2008-2011: Newport Rotary: Board Member and Chair of Vocational Committee.

2011-present: Littleton Rotary

2004-2011:

Partners in Caring: A community collaborative and networking organization for Sullivan County.

2007-2011: Chairperson

2008-2011

Communities United Against Substance Abuse of Sullivan County: state grant initiative in Sullivan County to promote awareness and prevention of substance abuse issues within the county.

Board Member

1990- present:

Massachusetts Council for Home Care Aide Services: State association for providers of home care aide and private duty services.

2000- 2003: Executive Board Member and Chair of Program Committee

REFERENCES

Furnished upon request

Sally Crossley, RN

Resume Update:

9/07 –present

North Country Home Health & Hospice Agency, Inc.

9//07- 10/12: RN Case Manager: Hospice and Home Health Nurse: provided patient care, skilled nursing care, patient assessments, pain and symptom control for Hospice patients, case management, supervision of Home Health Aides, as well as interdisciplinary care planning.

10/12-present: QI/Coordinator/Supportive Services Supervisor: Provides oversight to the Quality Improvement program, record reviews, assessing agency performance utilizing benchmarks and outcomes, developing performance improvement plans utilizing the "Plan Do Study Act" methodology. Provide supervision and oversight to the Supportive Services Program, oversee the Home health aide and homemakers person-centered plans of care, supervise scheduling of services, ensure the skills of the home health aide and homemaker staff meets the needs of the clients. Performs annual performance evaluations of staff as well as in home supervisions.

Education

11/12 to present: QI Scholars initiative, Home Care Association of NH, Institute of Health Quality training program: training and education to enhance and develop improvements to agency quality improvement and assurance programs. Developing the ability to utilize industry standards tools for QI assessments, reviews, benchmarks, and reporting for the best possible quality improvement outcomes.

RESUME OF SALLY J. CROSSLEY

OBJECTIVE: To obtain a full time R.N. position.

ACHIEVEMENTS:

March 2002 ADON position at LWCC

Jan 2000 BLS Instructor (CPR & AED)

Mar 1998 RN position at EPBH

Feb 1998 Passed RN licensure exam

Dec 1997 Associates Degree Nursing obtained DTCC, Stanton Campus

WORK EXPERIENCE:

02/2007- current

Case Manager at Odyssey Healthcare (Hospice) in Wilmington DE. Educate patients & caregivers on Hospice philosophy, services & availability. Coordinate care with patients, physicians, caregivers & other Hospice team members to maintain optimal quality of life for patients & families. Frequently reassess patients to ensure maximum palliation of symptoms, physical & emotional comfort. Ensure regulatory compliance for patients in home & skilled nursing settings. Enroll patients in Hospice program as needed. Pronounce death & visit with families, arrange aftercare as needed.

2005- 2006

Case Manager at Seasons Hospice in Elkton, MD. Educate patients and caregivers on Hospice philosophy, services & availability. Enroll in Hospice program as desired. Coordinate care with patients, caregivers, physicians & Hospice team members to maintain optimal quality of life for patients and their families. Frequently reassess patients to ensure maximum palliation of symptoms, physical & emotional comfort. Ensure regulatory compliance for patients in home & skilled nursing settings.

2002- 2005

ADON at Laurelwood Care Center, a 133 bed private rehab and LTC facility in Elkton MD. Assist the DON with day to day functions, ensure regulatory compliance, supervise & schedule staff. Coordinate care with other departments & agencies, participate in various committees, care planning, etc.

1998-2002

RN III at EPBH, a LTC facility run by the State of Delaware. Acted as charge nurse, supervised other employees, worked with other departments and family members to ensure quality care. Administered medications, performed treatments, participated in care planning & IDCC conferences, served on the Policy & Procedure Committee.

1996-1998

Front end supervisor with Hechingers Incorporated. supervised up to 20 people, ensure quality customer service, monitored staff, counted & delivered drops.

1992-1996

Customer Service Rep at First USA Bank, handled customer inquiries via telephone, conducted Job Fairs to recruit new employees.

1987- 1992

Customer Retention Specialist at CoreStates Bank of Delaware, worked to retain customers who would have otherwise closed their accounts.

1983-1987

Military Intelligence Specialist in the U.S. Army, supervised 5-8 people, held Top Secret security clearance. Honorably Discharged.

REFERENCES: Available upon request.

RESUME

JoAnn Miller

EDUCATION:

Grades 1-6 Dalton Elementary School
Grades 7-8 Whitefield Elementary School
Grades 9-12 White Mountain Regional High
School (1977 Graduate)

WORK HISTORY:

1982-1984 Franconia Nursing Home
1987-1989 Cumberland Farms (Store Manager)
1990 to Present North Country Home Health &
Hospice Agency

SPECIAL SKILLS:

Ability to multi-task efficiently.
Good communication and rapport with clients and
peers.
LNA hands-on experience.

Debra J. Simmons

Finance Director

North Country Home Health & Hospice Agency, Inc Littleton, NH

April 2013- Present

- Direct the administration and development of financial management systems, strategies, fiscal policy and procedures;
- Prepare monthly, quarterly and annual budgeting and variation reporting to identify areas requiring attention and areas of possible improvement;
- Attended Board and other committee meetings to present financial budgets and reports;
 - Prepare annual budget, grant budgets, financial plans, business plans and other financial and business documents with an annual fiscal budget of \$2.6 million; oversee the external audit, review and analyze results and recommend for approval the audited financial statements; prepare the financial section of the annual report; monitor the continuous improvement of accounting and financial processes and the development of the team with the goal to achieve best practices;
- Convene and facilitate the Board's Finance Committee meetings to provide continuous financial audit and control systems to monitor the performance of the organization, its flow of funds, adherence to the budget, expenditures and income;

Finance Director

North Country Health Consortium : Littleton, NH

May 2002-April 2012

- Directed the administration and development of financial management systems, strategies, fiscal policy and procedures;
- Prepared monthly, quarterly and annual budgeting and variation reporting to identify areas requiring attention and areas of possible improvement;
- Attended Board and other committee meetings to present financial budgets and reports;

Debra J. Simmons

- Prepared annual budget, grant budgets, financial plans, business plans and other financial and business documents with an annual fiscal budget of \$1.3 million; oversee the external audit, review and analyze results and recommend for approval the audited financial statements; prepare the financial section of the annual report; monitored the continuous improvement of accounting and financial processes and the development of the team with the goal to achieve best practices;
- Convened and facilitated the Board's Finance Committee meetings to provide continuous financial audit and control systems to monitor the performance of the organization, its flow of funds, adherence to the budget, expenditures and income;
- Develops efficient office systems and policies consistent with those of the organization to support effective use of resources;
- Develops the organizations accounting policies to ensure compliance with Generally
- Accepted Accounting Principles (GAAP); plans, directs and participates in the maintenance of a specialized accounting system such as cost accounting; conducts preparation of periodic AR/AP/CD, general/edger balances and reports, preparation and distributions of checks and related accounting activities;

Effectively communicated and presented complex information to all levels within the organization and to other stakeholders of the organization and the community

Debra J. Simmons

- Oversee the annual insurance renewal process and ensured appropriate coverage was maintained at all times;
- Review finance of contractors and preferred vendors
- Assisted Executive Director in human resource and employee benefits management:

Additional Professional Affiliations

- State of NH Governor's appointment to the Commission on The Status of Women
- Treasurer New Hampshire Public Health Association
- North Country Health Consortium Executive Director SEARCH Committee
- North Country Health Consortium Finance Committee member
- North Country Human Resource Association
- Littleton Chamber of Commerce
- Northern Gateway Chamber of Commerce-Board Member
- New England Telehealth Consortium, Interim Representative
- Rotary International-Littleton NH District

Southern NH University Delta Phi Kappa, May 2005

Southern NH University,

Spring 2005 Manchester, NH

Bachelor of Science Accounting

- Graduated Summa Cum laude: Cumulative GPA of 3.87

Skills

Proficient in the use of computers and technology, including:

- Microsoft Office Suite (I.e. Microsoft Outlook, Word, Excel, PowerPoint, and Publisher)
- Organizational Budgets
- Cash Flow Management
- Pro Forma Business Plan Development
- Organizational Infrastructure Design and Implementation
- Proficient with Accufund Fund Accounting; SAGE MIP; Yardi Classic; Yardi Genesis; Quickbooks

CONTRACTOR NAME

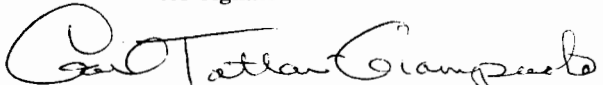
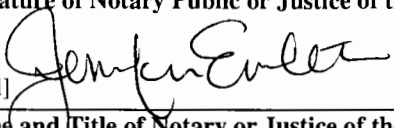
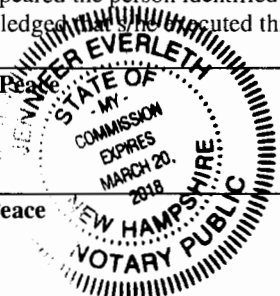
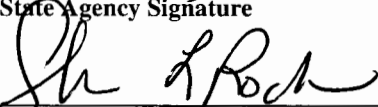
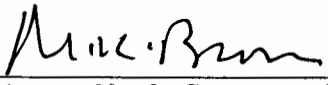
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
ELAINE BUSSEY	Executive Director	101,400.00	10 %	10,140.00
DEBRA SIMMONS	Finance Director	62,600.00	5 %	3,130.00
SALLY CROSSLEY	Supportive Care Superv	63,994.00	50 %	31,997.00
JOANN MILLER	Sup. Care Scheduler	35,547.00	60 %	21,328.00

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Northern New Hampshire Health Care Collaborative, Inc.		1.4 Contractor Address 278 Main Street Lancaster, NH 03584	
1.5 Contractor Phone Number 603-788-5020	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$311,444.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Gail Tattan-Giampeolo, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Cook</u> On <u>5/23/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that she executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  			
1.13.2 Name and Title of Notary or Justice of the Peace Jennifer Everleth Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockow Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

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

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

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

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

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

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

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

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

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

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

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

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

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

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

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

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



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services and In Home Health Aide Level of Care Services: Coos Co. towns of: Carroll, Clarksville, Colebrook, Columbia, Dalton, Errol, Jefferson, Lancaster, Pittsburg, Stewartstown, Whitefield, Northumberland, Groveton, Stark, and Stratford.

5. Services Provided in this Agreement

	Services		
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	x	na
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



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Exhibit A

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
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Exhibit A

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- management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
- 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
- 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
- 6.2.1.2. receiving referrals from an individual's health care provider(s),
- 6.2.1.3. performing evaluations of individuals' medical needs,
- 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
- 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
- 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
- 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
- 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
- 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
- 6.3.3. The following nursing services shall be covered based on the individual's need:
- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.



Exhibit A

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
 - The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
 - 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
 - 1)The reason(s) for the denial;
 - 2)A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3)Contact information for requesting an appeal.
- 7.3.3. Redetermination of Service Eligibility.
 - The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.
- 7.3.4. Termination of Services.
 - Services shall be terminated when:



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- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.



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Exhibit A

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.



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- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



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is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.



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- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.



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7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and



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- d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

- 7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 7.20.2. Ensure the Department is provided with access that includes but is not limited to:
 - a) Data
 - b) Financial records
 - c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
 - d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
 - e) Scheduled phone access to Contractor principals and staff
 - f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

- 7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.
- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
 - 1. Require a corrective action plan for identified deficiencies, or



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2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix						
Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, , Exhibit B Purchase of Services, , Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$234,379
Title IIIB	In Home Care Services	\$8.38	\$37,710
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	\$39,355
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

[Signature]
5/23/14



Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.

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Exhibit B

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- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.

[Signature]
5/23/14



SPECIAL PROVISIONS

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

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

[Signature]
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Exhibit C



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

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

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

New Hampshire Department of Health and Human Services
Exhibit C



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

[Handwritten Signature]

5/23/14



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$10,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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

New Hampshire Department of Health and Human Services
Exhibit D



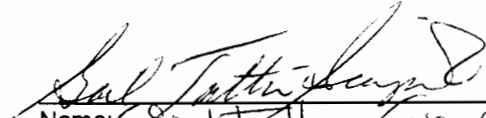
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted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

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

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

Contractor Name:

5-23-2014
Date


Name: Carol Tatten-Campbell
Title: Executive Director

Contractor Initials


Date 5/23/2014



CERTIFICATION REGARDING LOBBYING

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

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

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

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

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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

Contractor Name:

5-23-2014
Date

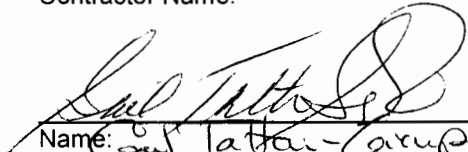

Name: Paul Tattai-Carupano
Title: Executive Director

Exhibit E – Certification Regarding Lobbying

Contractor Initials PTC

Date 5/23/14



**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

[Handwritten Signature]
5/23/14

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

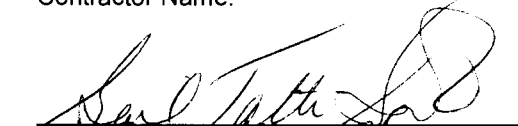
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 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 (l)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name:

5-23-2014
Date


Name: Carl Tatham
Title: Executive Director

Contractor Initials

Date


5/23/14



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Contractor Name:

5-23-2014
Date


Name: Paul Ketter
Title: Executive Director

Contractor Initials PK
Date 5/23/14



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

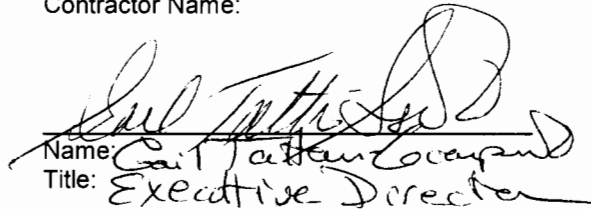
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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:

5-23-2014
Date


Name: Paul T. Hickey
Title: Executive Director

Contractor Initials [Signature]
Date 5/23/14



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) **Definitions.**

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

[Signature]

5/23/14



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) **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

[Handwritten Signature]
5/23/2014



Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



Exhibit I

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

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

3/2014

Contractor Initials

Date

[Handwritten Signature]
5/23/14



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

[Signature]
5/23/14



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.

Dept of Health & Human Svcs
The State

Shari Rockburn
Signature of Authorized Representative

Shari Rockburn
Name of Authorized Representative

Director
Title of Authorized Representative

5/28/14
Date

Northern New Hampshire Healthcare Collaborative Inc
Name of the Contractor

Gail Tattan-Camparo
Signature of Authorized Representative

Gail Tattan-Camparo
Name of Authorized Representative

Executive Director
Title of Authorized Representative

5-23-2014
Date



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

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

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

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

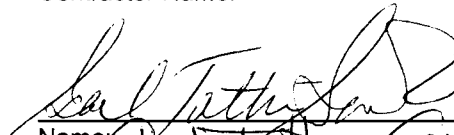
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name:

5-23-2014
Date


Name: Carl Tatten
Title: Executive Director

New Hampshire Department of Health and Human Services
Exhibit J



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: 07-940-7626
2. In your business or organization's preceding completed fiscal year, did your business or organization receive (1) 80 percent or more of your annual gross revenue in U.S. federal contracts, subcontracts, loans, grants, sub-grants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements?

 / NO YES

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

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

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

 NO YES

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

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

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

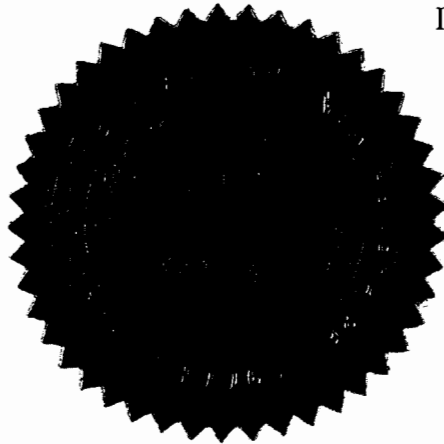
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

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 Northern New Hampshire Healthcare Collaborative, Inc. is a New Hampshire nonprofit corporation filed March 26, 2013. I further certify that it is in good standing as far as this office is concerned, having paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 30th day of April, A.D. 2014

A handwritten signature in black ink, appearing to read "Wm Gardner", written in a cursive style.

William M. Gardner
Secretary of State

CERTIFICATE OF AUTHORITY/VOTE
(Corporation with Notary Seal)

I, Russell G. Keene, do hereby certify that:
(Name of Clerk of the Corporation, can not be the one who signed the contract)

1. I am a duly elected Clerk of Northern New Hampshire Healthcare Collaborative, Inc.
(The Corporation)
2. The following are true copies fo two resolutions adopted at a meeting of the Board of Directors of the Corporation duly held on May 23, 2014.
(Date given authority)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Corrections, Division of Administration, for the provision of Home Care, Home Health Aide Level of Care and Home Nursing Level of Care services.

RESOLVED: That the Executive Director
(Title of one who signed the contract)

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

3. The foregoing resolutions have not been amended or revoked, and remain in full force and effect as of May 23, 2014.
(Date Contract Signed)
4. Gail Tattan-Giampaolo (is/are) the duly elected Executive Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.


(Signature for the Clerk of the Corporation)
Russell G. Keene

STATE OF New Hampshire
COUNTY OF Cooe

The foregoing instrument was acknowledged before me this 23 day of May,
20 14, by Russell G. Keene.
(Name of person signing above, Clerk of the Corporation)

(NOTARY SEAL)


Notary Public/Justice of the Peace

Commission Expires: DARLENE M. BLAIS, Notary Public
My Commission Expires August 24, 2016



NORTH06

OP ID: JG

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/29/14

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

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

PRODUCER CENTURION CORPORATION Centurion Place, PO Drawer 959 Hanover, NH 03755-0959 A. W. Cunningham, CIC		Phone: 603-643-2000 Fax: 603-643-2740	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:	FAX (A/C, No):
			INSURER(S) AFFORDING COVERAGE	NAIC #
			INSURER A : National Union Fire Ins Co.	
			INSURER B : Granite State Insurance Co.	
			INSURER C :	
			INSURER D :	
			INSURER E :	
			INSURER F :	

INSURED
Northern New Hampshire
Healthcare Collaborative, Inc.
Northwoods Home Health
& Hospice
59 Page Hill Road
Berlin, NH 03570

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	☒ GENERAL LIABILITY			02-LX-024055299-0/000	01/01/14	01/01/15	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
							PRODUCTS - COMP/OP AGG \$ 1,000,000
A	☐ AUTOMOBILE LIABILITY			EXS6916336(15)	01/01/14	01/01/15	COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ANY AUTO						BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
							\$
							\$
A	☐ UMBRELLA LIAB			EXS6916336(15)	01/01/14	01/01/15	EACH OCCURRENCE \$ 10,000,000
	☒ EXCESS LIAB	☐ CLAIMS-MADE					AGGREGATE \$ 10,000,000
	☐ DED ☒ RETENTION \$ 10,000						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			N/A			WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y ☐ N					E.L. EACH ACCIDENT \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

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

CERTIFICATE HOLDER**CANCELLATION**

NH Dept. of Health and Human
Services; Bureau of Eldery and
Adult Services
129 Pleasant Street
Concord, NH 03301

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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Client#: 1076573

NORTHNEW7

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/30/2014

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

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

PRODUCER USI Insurance Svcs LLC PO Box 406 Portland, ME 04112-0406	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Technology Insurance Company NAIC # 42376 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
INSURED Northern NH Healthcare Collaborative 278 Main Street Lancaster, NH 03584	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	TWC3394501	01/01/2014	07/01/2014	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

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

This Certificate is issued for insured operations usual to home health & hospice.

CERTIFICATE HOLDER

CANCELLATION

State of NH Department of
 Health & Human Services
 129 Pleasant Street
 Concord, NH 03301

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

E. Build Z...

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Northwoods Home Health & Hospice

A Division of Northern New Hampshire Healthcare Collaborative

278 Main Street, Lancaster, NH 03584

1-800-750-2366 • Fax: (603) 788-5279

Mission Statement

Northern New Hampshire Healthcare Collaborative will ensure access to quality care within the communities in which our patients live, provide local and high quality care with positive outcomes to our patients in Coos County while controlling the cost of care by through innovative programs and the use of shared resources.

"We're here for you!"



Northwoods Home Health & Hospice

A Division of Northern New Hampshire Healthcare Collaborative
278 Main Street, Lancaster, NH 03584
1-800-750-2366 • Fax: (603) 788-5279

Northern New Hampshire Healthcare Collaborative Inc

2014 Board Members

Scott Howe

David Atkinson

Patrick Kelly

Eric Stohl

Russ Keene

Bruce Bean

Bill Jackson

Jim Tibbetts

Don Noyes

"We're here for you!"



Northwoods Home Health & Hospice

A Division of Northern New Hampshire Healthcare Collaborative

278 Main Street, Lancaster, NH 03584

1-800-750-2366 • Fax: (603) 788-5279

Northern New Hampshire Healthcare Collaborative Inc

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Deb Holt	Clinical Director	\$76,000	20%	\$15,200.
Gail Tattan-Giampaolo	Executive Director	\$103,000.	15%	\$15,450.
Cindy Winget	Grant Coordinator	\$33,280.	50%	\$16,640.

"We're here for you!"

RUSSELL G. KEENE

Dynamic and Innovative Senior Healthcare Executive with proven success in combining vision, innovation, passion, emotional intelligence and business savvy. Successful at achieving value-added results in the short-term while building an infrastructure for long-term success.

CORE COMPETENCIES

A sense of self, personal conviction and set of values that drives and guides service toward the greater good and larger purpose.

- Positive bottom lines during tenure as Chief Executive Officer. Achieved increasing revenues and enhanced productivity while community was in economic distress.
- Received an "A-" rating from Standard & Poor.
- Restructured institution and eliminated unprofitable line of business.

A visionary leader with the ability to clearly communicate a vision with courage, passion and conviction that inspires others to see the opportunities and reasons for change.

- Successfully converted to Critical Access Hospital through effective communication to gain Board, Medical Staff and Community consensus.
- Enhanced growth and financial sustainability through successful recruitment of key specialists.
- Expanded core business units through regional collaboration.
- Received license for nursing home beds to augment conversion to Critical Access Hospital. Completed during period of state moratorium on nursing home beds.

The courage, emotional intelligence and skill to listen well, support, and provide timely, open, honest and direct feedback. This results in relationships where trust and accountability for attaining specific goals and measures by individuals and teams is achieved in a positive way.

- Reconfigured Senior Management team to facilitate philosophical and ideological changes.
- Achieved significant increase in quality and patient satisfaction scores through collaborative process of Board/Medical Staff/Management.
- Altered organizational structure to facilitate improved Board/Medical Staff relationship.
- Established significant cultural changes through enhanced communication and employee involvement.
- Initiated governance processes resulting in heightened Board participation.

The ability to lead projects through to successful conclusion. Achieved through innovation, collaboration and effective working relationships, good communication and facilitation skills, transparent decision-making, and flexibility in approach.

- Developed innovative and creative strategic plans/initiatives.
- Completed facility master planning process successfully.
- Initiated philanthropic initiatives.
- Completed \$15 million bond issues resulting in net present value savings of \$1 million.

CAREER CHRONOLOGY

President and Chief Executive Officer
Androscoggin Valley Hospital

Years Employed (06/2002 - Present)
59 Page Hill Road, Berlin NH 03570

Chief Executive Officer and Chief Financial Officer
Northern New Hampshire Healthcare Collaborative, Inc.

Years Employed (03/2013 - Present)
59 Page Hill Road, Berlin NH 03570

Vice President, Fiscal Services
Androscoggin Valley Hospital

Years Employed (03/1995 - 05/2002)
59 Page Hill Road, Berlin NH 03570

Chief Financial Officer
Isaacson Structural Steel, Inc.

Years Employed (1983 - 03/1995)
40 Jericho Road, Berlin NH 03570

EDUCATION

Masters of Business/Administration
Plymouth State College, Plymouth NH

Years Attended (1985 - 1988)

M.B.A., Graduated Summa Cum Laude.

Bachelor of Science in Accounting
Associates of Arts in Management
Park College, Austin TX

Years Attended (1978 - 1982)

Graduated Summa Cum Laude. Deans Honor List.

CAREER HIGHLIGHTS

Androscoggin Valley Hospital, CEO, Berlin, NH

2002-Present

- Successfully converted to Critical Access Hospital (CAH).
 - Received licence for 8 nursing home beds during moratorium to augment CAH conversion.
 - \$15 million bond issue.
 - Effectively recruited an orthopaedic surgeon, two general surgeons, radiologist, three obstetricians, ENT, urologist, cardiologist, neurologist, and pulmonologist during last five years.
 - Negotiated with the State of NH for supplemental funding of \$600,000 annually for psychiatric unit.
 - Technological advance including PACS system, 16-slice CT scanner, nuclear medicine camera, 5 days MRI, and state-of-the-art operating room equipment.
 - Successfully converted independent specialists to Hospital employees to ensure continuity of specialty practices in the community.
 - Negotiated merger of primary care practice with local federally qualified health center resulting in additional federal grant of \$600,000 annually.
 - Receive in excess of \$3 million in Medicare exception payment requests.
 - Implemented outreach clinics in neighboring communities enhancing revenue and access to care.
 - Created cultural change in quality management efforts resulting in greater medical staff collaboration.
 - Completed Facility Master Plan.
 - Implemented state-of-the-art materials management system.
 - Negotiated contracts with the State of NH Department of Corrections to provide service to State Prison.
 - Negotiating contract with Federal Bureau of Prisons to provide services to Federal Prison.
 - Altered management of \$25 million endowment.
 - Converted pension plan from Defined Benefit Plan to Defined Contribution Plan resulting in savings of \$500,000 annually.
 - Collaborated with Medical Staff and primary care physicians to increase local referrals, leading to enhanced revenue.
 - Negotiated acquisition of ultrasound business currently providing services to local institutions.
 - Negotiated outreach contracts with Catholic Medical Center (cardiology), Coos County Family Health Services (lab), Upper Connecticut Valley Hospital, Weeks Memorial Hospital, and Coos County Nursing Home.
 - Participated in the planning, development and implementation of a regional oncology center.
 - Initiated significant campus enhancements including recent capital campaign.
 - Re-energized Auxiliary and institutional Volunteer Program; currently have 95 volunteers.
 - Successfully negotiated a \$1 million stipend from the State of NH for Obstetrics subsidy during cycle of budget cuts.
 - Currently serve on numerous boards, including the New Hampshire Hospital Association.
 - Selected by State of NH Department of Health and Human Services to sit on an advisory committee to review the disproportionate share program.
 - Implemented construction of a biomass facility to provide all heat to facility.
 - Led efforts to facilitate affiliation of three separate hospitals.
-

Gail Tattan-Giampaolo

EDUCATION

Bachelor of Science in Professional Studies 1990
University System of New Hampshire
Magna Cum laude

EMPLOYMENT

- **Executive Director, Northwoods Home Health & Hospice**
 - Responsible for the overall management of the agency, including the management of fiscal, operational, marketing, overall planning and direction, grant writing and management and long range development activities which has included:
 - Home Care
 - Hospice
 - Long Term Care / Independent Living
 - Community Health Clinics

Recognized as one of the top home health agencies in the country in 2011, 2012 and 2013

- **Community Outreach Coordinator** 1997 – 2003
Weeks Medical Center, Lancaster, NH 03584
 - Home Health Management Team member
 - Responsible and accountable for the day-to-day management of Community Outreach Services
 - Plan and implement community health programs
 - Fiscal management of multiple grants and department budget.
 - Coordinate grant projects and activities
 - Develop and strengthen links to community, schools and youth programs

Deborah G. Holt

Career objective:

Clinical Director of Northwoods Home Health & Hospice

Summary of qualifications:

I am a registered nurse with 33 years of nursing experience in a variety of roles. I have experience in acute care nursing management as a charge nurse, interim ICU Director, and ICU Director. I have experience in ambulatory nursing management as Clinical Supervisor.

Professional Experience:

- LPN nursing for 7 years
- Registered nurse for 25 years
- Management experience for 8 years

Education:

High School: Deering High School, Portland, Maine

LPN: licensed practical nurse graduation from SMVTI, S. Portland, Maine in 1980

RN: registered nurse graduation from Concord Technical Institute, Concord, NH 1987

Additional Skills:

I have nursing experience in both the acute care setting and ambulatory setting. This background supports the critical thinking skills needed for the home care setting.

CYNTHIA M. CORLISS, LPN

OBJECTIVE

I am a hard working, caring, compassionate person that truly enjoys being a nurse. I am easy going, a team player, however also able to work independently. I am dependable and reliable, I don't like to miss time from work. I am a fast learner and willing to learn new things as nursing and the medical field is always changing. I am a critical thinker and am also able to think outside the box and problem solve. I believe that these qualities would make me a good supervisor. I strive for quality patient care and customer service. I am very good at managing my time and also very good at communication, both verbal and written.

I would like to have more experiences as a nurse out in the field. I have not had a role as a nurse where I could go into the home and get to know about patient's, their support systems, and their living situation. I have been geriatric nurse in a nursing home starting out as a LNA in 1994, continuing my education I became a MNA in 2002, and in 2004 I took classes to obtain my LPN while continuing to work as both a LNA and MNA at Coos County Nursing Hospital in West Stewartstown. In 2005 I graduated from my nursing program and took my boards in 2006. I then applied for a full time LPN position at Indian Stream Health Center. I have had many roles over my years in nursing. From daily care, medication administration, dressing changes and supervising LNA's on all shifts that I worked at CCHH, to rooming patients, triaging patients both in person and on the phone. I have learned how to use the EKG machine, Lead Care II machine, as well as Hgb and Glucose machines, and the Clinitec Urinalysis machine. Most recently I have been a Care Management nurse, which I have experienced many different roles. I manage the Coumadin program. I do prescription refills, prior authorizations for medications, diagnostic radiology and nuclear stress tests, as well as outpatient behavioral health services. Orders for durable medical equipment are handled by the Care Management department. I also do referrals to home health agencies and nursing home placement. I also do follow up phone calls with patients that have been discharged from the hospital or emergency room and make sure patients medication lists are updated as well as their diagnosis list and allergy list. I also make sure that they have a follow up appointment with their PCP and that any diagnostic test or referrals to specialists have been taken care of. I previously created the nurses schedule, until a new nursing supervisor was hired. I have also supervised nursing staff as well as Care Management staff when the supervisor was away.

In September of 2013 I joined the staff of Northwoods Home Health and Hospice, I am the supervisor of Homemaking staff and LNA's. I do admissions for Homemaking as well as supervisory visits every 6 months with the patients. I provide monthly meetings and NH Board of Nursing CEU's each month. I also fill in as a field nurse when needed. I am a team leader as

well as a member of the Professional Advisory Committee.

SUMMARY OF QUALIFICATIONS

- 2005 Graduated with an Associates Degree LPN from Skill Med Nursing in Laconia New Hampshire.
- 2006 Passed my LPN boards
- 2002 Became a MNA
- 1994-2005 LNA
- 2012 BLS+

WORK OF EXPERIENCE

Northwoods Home Health and Hospice 278 Main Street Lancaster, NH
2013 LPN/Supportive Services Coordinator

Indian Stream Health Center 141 Corliss Lane Colebrook, NH
LPN and Care Management Nurse 2006-Present

Coos Count Nursing Hospital
LNA, MNA,LPN 1994-2006

EDUCATION

- 2005 Graduated from Skilled Med Nursing with an Associate LPN
- 2002 Graduated from a Medication Nursing Assistant program offered at the nursing hospital
- 1994 Graduated from a LNA program offered by Berlin Vocational Technical School in Berlin, NH

EXTRACURRICULAR ACTIVITIES

In my free time I like to be with my 2 Labrador retrievers Rylee and Khloe. I like to hike, camp, go for walks and Jeep rides in the summer. In the winter I enjoy snowshoeing, snowmobiling and quilting.

REFERENCES

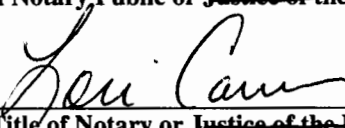
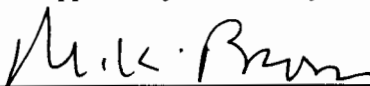
References are available upon request.

Subject: In Home Care Services, In Home Health Aide Level of Care , In Home Nursing Level of Care Services, and Adult Day Program Services

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name The Homemakers Health Services		1.4 Contractor Address 215 Rochester Hill Road Rochester, NH 03867-1701	
1.5 Contractor Phone Number 603-335-1770	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$901,662.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Susan Reid, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>5/22/14</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace Lorraine Carver, Finance Officer			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockburn Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/26/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

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

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

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

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each


5/22/14

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

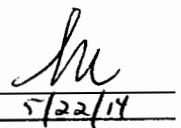
20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.





**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care,
In Home Nursing Level of Care Services, and Adult Day Program Services
Exhibit A**

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 and 4.2 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services, In Home Health Aide & In Home Nursing Services: Carroll Co. Towns of Brookfield & Wakefield. Rockingham Co. Towns of Newington, Newmarket & Northwood. Strafford Co. - All Cities and Towns.

- 4.2. The Contractor shall provide Adult Day Program Services at the locations, hours, and days identified as:

The Homemakers Health Services
215 Rochester Hill Road
Rochester, NH.

Monday through Friday from 8:00 am to 3:00 pm.



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care,
In Home Nursing Level of Care Services, and Adult Day Program Services
Exhibit A**

5. Services Provided in this Agreement

	Services			
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services	Adult Day Program Services
Program:				
Title III	x	x	x	na
Title XX	x	na	na	x

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;



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- 6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;
- 6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;
- 6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;
- 6.1.11.5. Placing the medicine container within reach; and/or
- 6.1.11.6. Opening the container
- 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:



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- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.
- 6.4. Adult Day Program Services: Adult Day Services means a program that provides one or more of the following services for fewer than 12 hours a day to participants 18 years of age and older, based on an individual's needs:
 - 6.4.1. Supervision in a protected environment;
 - 6.4.2. The following services, as described in the NH Administrative Rule He-P 818.15:
 - 6.4.2.1. Personal care services;
 - 6.4.2.2. Health and safety services;
 - 6.4.2.3. Dietary services;
 - 6.4.2.4. Nursing services;
 - 6.4.2.5. Social services; and
 - 6.4.2.6. Recreational activities;
 - 6.4.3. Monitoring of the individual's condition, and counseling, as appropriate, on nutrition, hygiene or other related matters; and
 - 6.4.4. Referrals, as appropriate, to other services and resources that could assist the individual, including any necessary follow up.
 - 6.4.5. Assistance and support to caregiving families.
 - 6.4.6. Contract agencies providing adult day program services shall develop a person-centered plan for each individual in accordance with the NH Administrative Rule He-E 501.21.
 - 6.4.7. The contractor shall be licensed in accordance with RSA 151:2 (f) and as governed by NH Administrative Rule He-P 818. In addition, contractors shall provide the specific services in accordance with NH Administrative Rules governing Adult Day Program Services He-E 501 and He-E 502; administered by the Bureau of Elderly and Adult Services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502.



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Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.

7.3.2. Eligibility determination

The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.

7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:

- 1) The reason(s) for the denial;
- 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
- 3) Contact information for requesting an appeal.

7.3.3. Redetermination of Service Eligibility.

The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.

7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301



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7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.



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7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
 - b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
 - c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
 - d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.
- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
- a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services and Adult Day Program Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;



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- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form and the Adult Day Program Services Form two (2) times per year. These forms will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

For Adult Day Program Services:

- The number of hours served by client and by the city or town where the client come from to attend the Adult Day Program.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.



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7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information.

Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.

7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,



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- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:
- i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:



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- i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such in ability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.



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7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

1. Require a corrective action plan for identified deficiencies, or
2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.

7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.

7.21.4. Risk Assessment Process:

The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:

- Low Risk 70% and Above
- Moderate Risk From 26% to 69%
- High Risk 25% and Below

7.21.5. Weighted Average: The process for the scoring is

1. Calculate the individual ratio for the Contractor
2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.

7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is	0.7:1	5.0%



New Hampshire Department of Health and Human Services
 In Home Care, In Home Health Aide Level of Care,
 In Home Nursing Level of Care Services, and Adult Day Program Services
 Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				expressed as a ratio and represents 5% of the total risk assessment value.		
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	50%	10.0%
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%



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Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38 per ½ Hour	\$773,291
Title IIIB	In Home Care Services	\$8.38 per ½ Hour	\$52,895
Title XX	Adult Day Program Services	\$7.25 per Hour	\$61,625
Title III	Adult Day Program Services	\$7.25 per Hour	N/A
Title IIIB	In Home Health Aide Level of Care Services	\$12.50 per ½ Hour	\$12,013
Title IIIB	In Home Nursing Level of Care Services	\$24.50 per ½ Hour	\$1,838

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care Services, and Adult Day Program Services	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care,
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Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
Adult Day Program Services	Social Services Block Grant- Title XX	U.S. Dept of Health & Human Services	93.667	05-95-48-481010-92550000-566-500918

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.
9. Form Submission:
 Prior to submittal of an invoice for the following Title III funded services: In Home Care, In Home Health Aide Level of Care and Adult Day Program Services, the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

 Prior to submittal of an invoice for Title XX In Home Care and Adult Day Program Services the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.
10. Invoice Submission:
 - 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the

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- month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.

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SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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5/22/14



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

[Handwritten Signature]
5/22/14



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. CONDITIONAL NATURE OF AGREEMENT.
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

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Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

New Hampshire Department of Health and Human Services
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

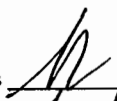
215 Rochester Hill Road, Rochester, NH 03867

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name: The Homeena Koss Health Services

5/22/14
Date


Name: Susan Reid
Title: President


5/22/14



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: *The Homemakers Health Services*

5/22/14
Date

[Signature]
Name: *Susan Reid*
Title: *President*



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
 - 11.4. have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.
12. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal (contract).

LOWER TIER COVERED TRANSACTIONS

13. By signing and submitting this lower tier proposal (contract), the prospective lower tier participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:
- 13.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
 - 13.2. where the prospective lower tier participant is unable to certify to any of the above, such prospective participant shall attach an explanation to this proposal (contract).
14. The prospective lower tier participant further agrees by submitting this proposal (contract) that it will include this clause entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions," without modification in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

Contractor Name: *The Hammerheads Health Services*

5/22/14
Date


Name: *Susan Reid*
Title: *President*



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name: *The Homemakers Health Services*

5/22/14
Date

Susan Reid
Name: *Susan Reid*
Title: *President*

Contractor Initials *SR*
Date 5/22/14



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: *The Homemakers Health Services*

5/22/14
Date

Susan Reid
Name: *Susan Reid*
Title: *President*

Contractor Initials *SR*
Date 5/22/14



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



Exhibit I

- I. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

[Signature]
5/22/14



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



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.

The State	The Homesteaders Health Services
<u>[Signature]</u>	<u>[Signature]</u>
Signature of Authorized Representative	Signature of Authorized Representative
<u>Shari Rockburn</u>	<u>Susan Reid</u>
Name of Authorized Representative	Name of Authorized Representative
<u>Director</u>	<u>President</u>
Title of Authorized Representative	Title of Authorized Representative
<u>5/27/14</u>	<u>5/22/14</u>
Date	Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The 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: *The Homekeepers Health Services*

5/22/14
Date

[Signature]
Name: *Susan Reid*
Title: *President*

New Hampshire Department of Health and Human Services
Exhibit J



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: 197260375
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:

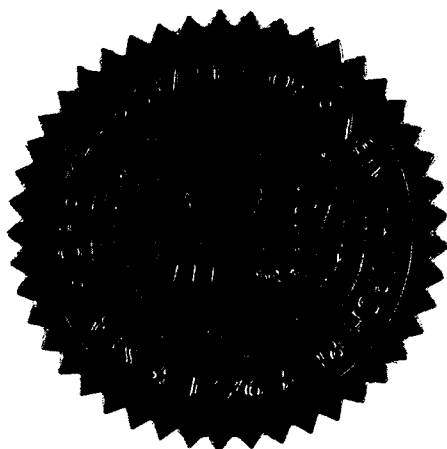
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

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 The Homemakers Health Services is a New Hampshire nonprofit corporation formed March 29, 1974. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto set my hand and cause to be affixed the Seal of the State of New Hampshire, this 6th day of May A.D. 2014

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner
Secretary of State



ABSTRACT OF CORPORATE MINUTES

The following is a true abstract from minutes of a meeting of the Board of Directors of The Homemakers Health Services on July 28, 2009, which was duly called and at which a quorum was present:

On motion duly made and seconded, it was voted "to authorize the President or in his/her absence the Vice-President of the Board of Directors of The Homemakers Health Services, to accept grants and awards and enter into contracts, and contract amendments from time to time with State and Federal Agencies and/or Departments to sign and otherwise fully execute such acceptances and contracts, and contract amendments or modifications thereto, and any related documents requested by the State and Federal Agencies and/or Departments; this authorization to continue until revoked by vote of this governing board."

I certify the foregoing vote is still in effect and has not been revoked, rescinded or modified.

I further certify that Susan Reid is duly elected President Vice-President of this corporation and is still qualified and serving in such capacity.

5/22/2014
(Date)

[Signature]
Secretary

NO CORPORATE SEAL

STATE OF NEW HAMPSHIRE
COUNTY OF STRAFFORD

On May 22, 2014, before the undersigned officer personally appeared the person identified in the corporation identified in the foregoing certificate, known to me (or satisfactorily proven) to be the Secretary of the corporation identified in the foregoing certificate, and acknowledged that he executed the foregoing certificate.

In witness whereof I hereunto set my hand and official seal.

[Signature]
Notary

My Commission Expires: _____

Lorraine Carver Notary Public State of New Hampshire My Commissions Expires May 9, 2017

Client#: 507997

HOMEMHEA

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/24/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services LLC PO Box 6360 Manchester, NH 03108-6360 603 625-1100	CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): E-MAIL ADDRESS:														
INSURED The Homemakers Health Services 215 Rochester Hill Rd Rochester, NH 03867	<table border="1"> <thead> <tr> <th data-bbox="826 472 1445 493">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1445 472 1576 493">NAIC #</th> </tr> </thead> <tbody> <tr> <td data-bbox="826 493 1445 525">INSURER A: Arch Insurance Company</td> <td data-bbox="1445 493 1576 525">11150</td> </tr> <tr> <td data-bbox="826 525 1445 556">INSURER B: Wesco Insurance Company</td> <td data-bbox="1445 525 1576 556">19500</td> </tr> <tr> <td data-bbox="826 556 1445 588">INSURER C:</td> <td data-bbox="1445 556 1576 588"></td> </tr> <tr> <td data-bbox="826 588 1445 619">INSURER D:</td> <td data-bbox="1445 588 1576 619"></td> </tr> <tr> <td data-bbox="826 619 1445 651">INSURER E:</td> <td data-bbox="1445 619 1576 651"></td> </tr> <tr> <td data-bbox="826 651 1445 676">INSURER F:</td> <td data-bbox="1445 651 1576 676"></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Arch Insurance Company	11150	INSURER B: Wesco Insurance Company	19500	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		NCPKG0115704	07/01/2013	07/01/2014	EACH OCCURRENCE \$1,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000
	☐ CLAIMS-MADE ☒ OCCUR					MED EXP (Any one person) \$5,000
	☒ Professional Liab					PERSONAL & ADV INJURY \$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$3,000,000
	☐ POLICY ☐ PROJECT ☐ LOC					PRODUCTS - COMP/OP AGG \$3,000,000
						\$
	AUTOMOBILE LIABILITY		NCAUT0115704	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	☐ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS					BODILY INJURY (Per accident) \$
	☒ HIRED AUTOS					PROPERTY DAMAGE (Per accident) \$
	☒ SCHEDULED AUTOS ☒ NON-OWNED AUTOS					\$
A	☒ UMBRELLA LIAB		NCFXS0011570	07/01/2013	07/01/2014	EACH OCCURRENCE \$1,000,000
	☐ EXCESS LIAB					AGGREGATE \$1,000,000
	☐ DED ☒ RETENTION \$10,000					\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WWC3062610	07/01/2013	07/01/2014	☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y ☒ N	N/A				E.L. EACH ACCIDENT \$500,000
	(Mandatory in NH)					E.L. DISEASE - EA EMPLOYEE \$500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

This Certificate is issued for insured operations usual to Homemakers Health Services.

For work performed by the Insured during the policy year.

CERTIFICATE HOLDER

CANCELLATION

Dept. of Health & Human Services
 Bureau of Elderly & Adult Svcs
 Catherine A. Cormier, Contract Administration
 129 Pleasant St
 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

E. Arnold

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Mission Statement

Our mission is to provide comprehensive health care and supportive services to enhance the lives of individuals in need so that they may remain safely in their home.

AUDITED FINANCIAL STATEMENTS
THE HOMEMAKERS HEALTH SERVICES, INC.
ROCHESTER, NEW HAMPSHIRE
JUNE 30, 2013

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PEACH & MCPHERSON
CERTIFIED PUBLIC ACCOUNTANTS
110 WASHINGTON AVENUE
NORTH HAVEN, CONNECTICUT 06473
TELEPHONE (203) 234-9426

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of
The Homemakers Health Services, Inc.
Rochester, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of The Homemakers Health Services, Inc. which comprise the balance sheets as of June 30, 2013 and 2012, and the related statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Homemakers Health Services, Inc. as of June 30, 2013 and 2012, and the results of its operations, changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



North Haven, Connecticut
September 24, 2013

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

BALANCE SHEETS

June 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets:		
Cash and Cash Equivalents	\$ 357,873	\$ 968,798
Investments	321,486	25,448
Accounts Receivable	247,678	116,527
Grants Receivable	68,794	77,701
Accounts Receivable - Other	-	12,321
Prepaid Expenses	<u>12,139</u>	<u>49,941</u>
Total Current Assets	1,007,970	1,250,736
Property and Equipment, Net	<u>1,177,410</u>	<u>1,169,871</u>
Total	<u>\$2,185,380</u>	<u>\$2,420,607</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Current Portion of Long-Term Debt	\$ 10,342	\$ 10,007
Accounts Payable and Accrued Expenses	65,250	58,606
Accrued Payroll and Related Withholdings	78,083	66,258
Estimated Third-Party Payor Reserves	<u>29,318</u>	<u>29,318</u>
Total Current Liabilities	182,993	164,189
Long-Term Debt, Net of Current Portion	<u>170,637</u>	<u>180,979</u>
Total Liabilities	353,630	345,168
Net Assets:		
Unrestricted	<u>1,831,750</u>	<u>2,075,439</u>
Total	<u>\$2,185,380</u>	<u>\$2,420,607</u>

See accompanying notes to financial statements.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Revenue, Gains and Other Support:		
Net Patient Service Revenue	\$1,469,299	\$1,417,664
Contributions, Bequests, Memorials and Fund Raising	117,142	130,732
Grant Revenue	852,616	919,381
Other Revenue	11,834	10,111
Interest Income	4,137	2,022
Total Revenue, Gains and Other Support	<u>2,455,028</u>	<u>2,479,910</u>
Expenses:		
Salaries and Related Expenses	2,043,299	1,877,421
Professional Fees and Contracted Services	119,946	151,668
Transportation	120,882	114,234
Space Occupancy	58,249	65,782
Other	277,021	277,534
Interest	6,401	6,727
Depreciation	56,076	54,604
Total Expenses	<u>2,681,874</u>	<u>2,547,970</u>
Loss From Operations	(226,846)	(68,060)
Other Income:		
Gain (Loss) on Sale of Assets	(11,239)	333,844
Excess (Deficiency) of Revenue Over Expenses	(238,085)	265,784
Grant for Capital Acquisition	-	47,205
Net Appreciation (Depreciation) on Investments	(5,604)	6,082
Increase (Decrease) in Unrestricted Net Assets	(243,689)	319,071
Net Assets, Beginning of Year	<u>2,075,439</u>	<u>1,756,368</u>
Net Assets, End of Year	<u>\$1,831,750</u>	<u>\$2,075,439</u>

See accompanying notes to financial statements.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Cash Received From Patients and Third-Party Payors	\$1,338,149	\$1,411,674
Cash Received From Contributions, Bequests, Memorials and Fund Raising	117,142	130,732
Cash Received From Grants	861,127	863,795
Cash Received From Other Revenue	11,834	10,111
Cash Received From Interest Income	4,137	2,022
Cash Paid to Employees and Suppliers	(2,550,410)	(2,589,544)
Interest Paid	(6,401)	(6,727)
Net Cash Used by Operating Activities	(224,422)	(177,937)
Cash Flows From Investing Activities:		
Purchase of Property and Equipment	(63,617)	(49,005)
Purchase of Investments	(301,640)	-
Proceeds Received (Expense Paid) From Sale of Assets	(11,239)	357,843
Grant for Capital Acquisition	-	47,205
Net Cash Provided (Used) From Financing Activities	(376,496)	356,043
Cash Flows From Financing Activities:		
Payments on Long-Term Debt	(10,007)	(9,681)
Net Increase (Decrease) in Cash and Cash Equivalents	(610,925)	168,425
Cash and Cash Equivalents at Beginning of Year	<u>968,798</u>	<u>800,373</u>
Cash and Cash Equivalents at End of Year	<u>\$ 357,873</u>	<u>\$ 968,798</u>

See accompanying notes to financial statements.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

STATEMENTS OF CASH FLOWS – CONT'D.

For the Years Ended June 30, 2013 and 2012

RECONCILIATION OF CHANGE IN NET ASSETS
TO NET CASH USED BY OPERATING ACTIVITIES

	<u>2013</u>	<u>2012</u>
Change in Net Assets	(\$243,689)	\$319,071
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	56,076	54,604
Gain (Loss) on Sale of Assets	11,239	(333,844)
Grant for Capital Acquisition	-	(47,205)
Net (Appreciation) Depreciation on Investments	5,604	(6,082)
(Increase) in Accounts Receivable	(131,151)	(5,990)
(Increase) Decrease in Grants Receivable	8,907	(55,586)
Decrease in Accounts Receivable - Other	12,321	2,454
(Increase) Decrease in Prepaid Expenses	37,802	(30,915)
Increase (Decrease) in Accounts Payable and Accrued Expenses	6,644	(13,744)
Increase (Decrease) in Accrued Payroll and Related Withholdings	<u>11,825</u>	<u>(60,700)</u>
Net Cash Used by Operating Activities	<u>(\$224,422)</u>	<u>(\$177,937)</u>

See accompanying notes to financial statements.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS

For the Years Ended June 30, 2013 and 2012

Note 1 – Summary of Significant Accounting Policies

Organization

The Homemakers Health Services, Inc. (the Organization) was incorporated in 1974 in New Hampshire as a not-for-profit corporation. The Organization provides health and supportive services to individuals at their homes, primarily in Strafford County, New Hampshire and operates an adult medical day care center in Rochester, New Hampshire.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include checking, savings and money market savings accounts, a money market mutual fund, and certificates of deposit.

Investments

Investments are measured at fair value in the balance sheet, in accordance with FASB ASC 820-10, *Fair Value Measurement and Disclosures*.

Investment income (including realized and unrealized gains and losses on investments, interest and dividends) is included in excess (deficiency) of revenues over expenses, unless the income is restricted by donor or law.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 1 – Summary of Significant Accounting Policies – Cont'd.

Fair Value Measurements

In accordance with FASB ASC 820-10, Fair Value Measurements and Disclosures, the Organization is required to measure fair value of its assets and liabilities. Fair value measurements are based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard established a fair value hierarchy that prioritizes observable and unobservable inputs to measure fair value into three levels, as follows:

Level 1: Valuations based on quoted prices in active markets for identical asset or liabilities to which an entity has access at the measurement date. The fair value hierarchy gives the highest priority to level 1 inputs.

Level 2: Valuations based on inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations based on unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The Organization's carrying amounts for all assets and liabilities, which are required to be measured at fair value, with the exception of investments, approximate fair value under Level 1. Investments approximate fair value based on Level 1 and are presented in Note 4.

Assets Limited as to Use - Endowments

Board-designated Investments (Endowments) – represent resources set aside by the Board of Directors over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes. Currently, the Organization has no board-designated investments.

Donor-restricted Term Investment (Endowments) – represents resources restricted by donors for use as specified by the donor or by the passage of time. Currently, the Organization has no donor-restricted term investments.

Donor-restricted Permanent Investment (Endowments) – represents resources restricted by donors with the stipulation that the contribution must remain intact in perpetuity. Currently, the Organization has no donor-restricted permanent investments.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Estimated useful lives range from three to thirty years.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 1 – Summary of Significant Accounting Policies – Cont'd.

Net Asset Classifications

In accordance with the provisions of FASB ASC 958-205, Not-for-Profit Entities – Presentation of Financial Statements, the Organization is required to report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- 1) Unrestricted Net Assets – represents unrestricted resources available for support of the Organization, including assets set aside by the Board of Directors, over which the Board of Directors retains control and may, at its discretion, subsequently use for other purposes.
- 2) Temporarily Restricted Net Assets – represents resources that are restricted by a donor for use for a particular purpose or in a particular future period, and income derived from permanently restricted net assets not yet expended in accordance with the donor's restriction. When the 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 financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. Currently the Organization has no temporarily restricted net assets.
- 3) Permanently Restricted Net Assets – represents resources received with the donor's stipulation that the contribution must remain intact in perpetuity. However, the income derived from permanently restricted net assets must be used in accordance with the donor's restriction. Currently the Organization has no permanently restricted net assets.

FASB ASC 958-205, Not-for-Profit Entities – Presentation of Financial Statements, provides guidance on net asset classification of donor-restricted funds for not-for-profit organizations that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and also requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds), whether or not the organization is subject to UPMIFA. The State of New Hampshire has adopted UPMIFA, which established law for the management and investment of donor-restricted funds.

The Board of Directors and Management have determined that the Organization's net assets do not meet the definition of endowment under UPMIFA. In addition, the Board of Directors and Management have determined that the Organization's investment portfolio does not meet the definition of endowment under FASB ASC 985-205.

Excess (Deficiency) of Revenue Over Expenses

The statement of operations includes excess (deficiency) of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess (deficiency) of revenue over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction, were to be used for the purposes of acquiring such assets).

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 1 – Summary of Significant Accounting Policies – Cont'd.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered.

Laws and regulations governing Medicare and other governmental reimbursement programs are extremely complex and subject to interpretation. In recent years, the federal government has placed increased scrutiny on compliance with federal regulations. As a result, there is a possibility that recorded estimates could change in the near term. It is management's opinion that the Organization is in compliance with the applicable laws and regulations; however, the possibility of government review and interpretation exists.

Charity Care

The Organization provides care to patients, who meet certain criteria under its charity care policy, without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Donor-restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Income Taxes

The Organization is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and, accordingly, there is no provision for income taxes. Income determined to be unrelated business taxable income would be taxable. During the years ended June 30, 2013 and 2012, the Organization had no unrelated business income. The Organization is no longer subject to federal, state or local tax examinations by tax authorities for years before fiscal year ended June 30, 2009.

The Organization, in accordance with the provisions of FASB ASC 740, Accounting for Uncertainty in Income Taxes, evaluates its uncertain tax positions, if any, on a continual basis through review of its policies and procedures, review of any required tax filings and discussions with outside experts.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure through September 24, 2013, which is the date the financial statements were available to be issued.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 1 – Summary of Significant Accounting Policies – Cont'd.

Financial Statement Reclassifications

Certain prior period amounts have been reclassified in the financial statements and related notes in order to conform to the 2012 presentation. Such reclassifications had no effect on previously reported net income.

Note 2 – Net Patient Service Revenue

Approximately sixty-seven percent in 2013 and sixty-five percent in 2012 of net patient service revenue was derived under federal and state third-party reimbursement programs. These revenues are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. In the opinion of management, retroactive adjustments, if any, would not be material to the financial position or results of operations of the Organization.

The Organization also has entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Organization under these agreements are negotiated rates usually less than its established charges.

Note 3 – Accounts Receivable and Provision for Bad Debts

The Organization records an estimated allowance for uncollectible accounts by applying estimated bad debt percentages to its patient accounts receivable aging. The percentages to be applied are based on the Organization's historical collection and loss experience.

The Organization's allowance for doubtful accounts at June 30, 2013 and 2012 was approximately \$48,000 and \$32,000, respectively, and is netted against "Accounts Receivable". The Organization's provision for bad debts at June 30, 2013 and 2012 was approximately \$35,000 and \$16,000, respectively, and is netted against "Net Patient Service Revenue". The allowance for doubtful accounts is maintained at a level that management believes is sufficient to cover potential losses. However, actual collections could differ from estimates.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 4 – Investments

The composition of unrestricted investments as of June 30, 2013 and 2012 is set forth in the following table. Investments are stated at fair value:

	<u>Fair Value</u>	<u>Fair Value Measurements Using:</u> Quoted Prices In Active Market For Identical Assets (Level 1)
<u>June 30, 2013</u>		
Cash and Cash Equivalents	\$ 1,642	\$ 1,642
Common Stocks:		
Financial	458	458
Consumer Goods	<u>30,198</u>	<u>30,198</u>
	<u>30,656</u>	<u>30,656</u>
Mutual Funds:		
Intermediate Government Fixed Income	<u>289,188</u>	<u>289,188</u>
	<u>\$321,486</u>	<u>\$321,486</u>
<u>June 30, 2012</u>		
Common Stocks:		
Financial	\$ 309	\$ 309
Consumer Goods	<u>25,139</u>	<u>25,139</u>
	<u>\$ 25,448</u>	<u>\$ 25,448</u>

Note 5 – Property and Equipment

A summary of property and equipment at June 30, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 834,355	\$ 834,355
Building and Improvements	508,263	508,263
Office Furniture and Equipment	278,209	229,523
Vehicles	<u>201,156</u>	<u>201,156</u>
Total Cost	1,821,983	1,773,297
Less, Accumulated Depreciation	(644,573)	(603,426)
Net Property and Equipment	<u>\$1,177,410</u>	<u>\$1,169,871</u>

Depreciation expense for the years ended June 30, 2013 and 2012 amounted to \$56,076 and \$54,604, respectively.

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 6 – Long-Term Debt

The Organization and the City of Rochester, New Hampshire obtained grants and other funding commitments to fund the costs associated with the design and construction of an extension of the City of Rochester, New Hampshire's public sewer mains to service the Organization's property in Rochester, New Hampshire. The costs associated with the extension of the sewer main was \$523,298, which was funded by grants of \$181,925 and a promissory note, payable to the City of Rochester, New Hampshire of \$341,373. The promissory note bears interest at 3.352% per annum. In addition, the City of Rochester, New Hampshire has been approved for a loan funding grant in the amount of \$145,798, which consists of loan principal funding of \$105,018 and loan interest funding of \$40,780. The Organization recorded a net principal promissory note payable of \$236,355 with an issue date of July 1, 2007.

Long-term debt consists of the following at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Note payable to the City of Rochester, New Hampshire, payable in annual payments of \$16,408, including interest at 3.352% and net of \$7,290 of principal and interest loan funding grant, through June 30, 2026. The note is secured by real estate.	\$180,979	\$190,986
Less, Current Installments	<u>10,342</u>	<u>10,007</u>
	<u>\$170,637</u>	<u>\$180,979</u>

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 7 – Grants

The Organization's policy is to record the entire amount of grant awards as receivable when notified of approval. Revenue is recognized based on actual expenses incurred with any unexpended portion recorded as deferred revenue. The status of the grants at June 30, 2013 and 2012 is as follows:

<u>Grantor</u>	<u>Grant Title</u>	<u>Grant Amount</u>	<u>Grant Period</u>
State of New Hampshire Department of Health and Human Services:			
Bureau of Elderly & Adult Services	Homemaker	\$537,120	July 1, 2011 – June 30, 2013
Bureau of Elderly & Adult Services	Day Out	\$ 98,165	July 1, 2011 – June 30, 2013
Bureau Elderly & Adult Services	In-Home	\$997,852	July 1, 2011 – June 30, 2013
Bureau of Elderly & Adult Services	Nursing Services	\$ 3,898	July 1, 2011 – June 30, 2013
Bureau of Elderly & Adult Services	Home Health Aides	\$25,094	July 1, 2011 – June 30, 2013
Bureau of Elderly & Adult Services	Transportation	\$261,982	July 1, 2011 – June 30, 2013
Total State of New Hampshire			
U.S. Department of Agriculture	Day-Out Meals	\$ 27,144	July 1, 2012 – June 30, 2013
U.S. Department of Agriculture	Day-Out Meals	\$ 30,614	July 1, 2011 – June 30, 2012
Total U.S. Department of Agriculture			
Total			

<u>Grant Receivable</u>		<u>Grant Revenue</u>	
<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
\$ 19,366	\$ 19,578	\$218,720	\$250,738
4,570	1,071	42,401	44,005
33,369	46,308	475,875	483,615
114	91	1,926	986
524	-	12,186	8,295
<u>5,891</u>	<u>8,242</u>	<u>74,364</u>	<u>101,128</u>
<u>63,834</u>	<u>75,290</u>	<u>825,472</u>	<u>888,767</u>
4,960	-	27,144	-
<u>-</u>	<u>2,411</u>	<u>-</u>	<u>30,614</u>
<u>4,960</u>	<u>2,411</u>	<u>27,144</u>	<u>30,614</u>
<u>\$ 68,794</u>	<u>\$ 77,701</u>	<u>\$852,616</u>	<u>\$919,381</u>

THE HOMEMAKERS HEALTH SERVICES, INC.
Rochester, New Hampshire

NOTES TO FINANCIAL STATEMENTS – CONT'D.

For the Years Ended June 30, 2013 and 2012

Note 8 – Concentration of Credit Risk

The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors is as follows:

	<u>2013</u>	<u>2012</u>
Federal Programs	24%	27%
State Programs	34	41
Other Third Parties	23	17
Patients	<u>19</u>	<u>15</u>
	<u>100%</u>	<u>100%</u>

In addition, the Organization maintains cash balances at a financial institution which are in excess of Federal Deposit Insurance Corporation (FDIC) limits.

Note 9 – Functional Expenses

The Organization provides health and supportive services to residents within its geographic location, and also operates an adult medical day care center. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Administrative and General	\$ 733,029	\$ 734,817
Skilled Services	675,471	512,553
Homemaker Services	320,251	350,567
In-Home Care Providers	418,804	404,700
Adult Day Care	424,233	409,814
Medical Transportation	74,364	101,128
Fund Raising	<u>35,722</u>	<u>34,391</u>
Total	<u>\$2,681,874</u>	<u>\$2,547,970</u>

Note 10 – Contingency

The Organization is involved in general litigation arising in the course of its business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Organization's future financial position or results from operations.

Note 11 – Related-Party Transactions

One member of the Board of Directors is employed by Frisbie Memorial Hospital. Frisbie Memorial Hospital refers patients, who are in need of home care services, to the Organization in the ordinary course of business. The patients' services are paid by a third-party payer. No compensation is paid to or received from the board member.



nursing • home support • adult day care

**The Homemakers Health Services
Board of Directors 2013-2014**

Officers:

President: Susan Reid
Vice President: Bill Hartley
Treasurer: Pete Lester
Secretary: Bob May

Board of Directors – Terms

Three Year Term:

Susan Reid-MacLennan
Derek Peters
Jill Sheing
Sherrilyn Hatch

Two Year Term:

Jeff Taylor
William Colbath
Robert May
Salud Mendoza, MD

One Year Term

Myles England
William Hartley, Esq.
Peter M. Lester

Linda Howard

Objective To effectively administrate comprehensive Home Health Care Agency

Experience **July 1, 2011 to Present** The Homemakers Health Services
(Formerly The Homemakers of Strafford Cty.)

Chief Executive Officer

Responsible for overall operation of The Homemakers Health Services. Establishes current and long range goals, objectives, plans and policies, subject to approval by the Board of Directors.

Interim Chief Executive Officer

January 15, 2011 to June 30, 2011 The Homemakers Health Services (Formerly The Homemakers of Strafford Cty.)

October 1992 to Present The Homemakers Health Services
(Formerly The Homemakers of Strafford Cty.)

Day Out Adult Day Care Director

Responsible for overall operation of Adult Group Day Care program with average daily census of 35 people, including supervision of activity aides, and transportation team, facility operations. Prepare grant requests, annual reviews and reports

January 1985 – October 1992 The Homemakers of Strafford County

Home Care Coordinator

Coordinate all public assistance programs in the area for elderly, handicapped and youth of Strafford County. Assess needs of clients and assist in formulating care plans, Responsible for the supervision and effective performance of 20 homemakers/home health aides.

August 1975 – January 1985 The Homemakers of Strafford County

Homemaker/Home Health Aides

Provide in-home certified nurses' aide and homemaker's services, and Alzheimer's respite care to older and disabled residents in Strafford County.

1972 – 1975 Frisbie Memorial Hospital

Nurse's Aide

Provide certified nurse's aide services to hospital patients

Education

- B.S., Social Services, New England College
- AS, Business Management, McIntosh College.
- Commercial Drivers License, State of NH

Certified in Passenger Assistance Techniques Training Course

- Emergency Evacuation of Vehicle
- Defensive Driving
- Caregivers of the Elderly
- Family Dynamics/Elderly Abuse – Dealing with the Difficult Client
- Caring for a Person With Alzheimer's disease

Professional

- Advisory Board of NH Endowment for Health 2011 - present
- Member of Adult Day Care Providers of NH 1991 – present
- Member of NH Transit Association 2006 – present
- Vice President and member of Executive Board of Transportation & Consolidation Committee 2009 - present
- Transportation Coordination and Consolidation Committee 2007 - present
- Member at Large of NH Quality Assurance for Medicaid 2007 - 2008
- Secretary/Board Member for Rest In Peace Foundation 2007 – 2009

Heidi Roberts-Morrison

HIGHLIGHTS AND QUALIFICATIONS

- Exceptional manager with demonstrated success at all levels of management in multiple administrative and clinical settings.
- Confident and comfortable team player and facilitator who excels in leadership roles.
- Experienced self-directed leader, confident in making decisions independently with multi-disciplinary, multi-departmental, multi-organizational collaboration.

PROFESSIONAL EXPERIENCE

January 2013- Present Director, Clinical Services The Homemakers Health Services

- Experienced team leader and team player proficiently assimilated to Home Health environment.
- Quickly identified opportunities to develop positive staff interactions and teamwork to improve communication inter- and intra-departmentally.
- Staff advocate who immediately increased Nursing staffing to alleviate over-time issues, lengthen on-call periodicity, and decrease staff workload.

February 2012- January 2013 National Nurse Manager AllOne Health Resources

- Expert Manager supervised 25 Nurses in Occupational Health Medical Review of greater than 500 exams per week.
- Flexible team leader adeptly guided collaborative processes with Injury Management Department assisting with administration of short-term disability, long-term disability, Workman's Compensation and Return to Work cases.
- Immediately identified as a leader; assumed active role in coordinating client services and program assessment.
- Skilled client liaison tackled challenging client situations to build forward-thinking relationships.
- Team leader in performance improvement and quality management project to transition all National services from paper-based processes to an electronic medical record system.
- Experienced team builder identified as the "right manager" to integrate nation-wide services with a new partner company.

2011- 2012 Practice Manager Primary Care Clinic Dartmouth Hitchcock Manchester

- Experienced manager supervised 104 staff to include physicians, associate providers, nurses, and support staff across Family Practice, Internal Medicine and Internal Medicine/Pediatrics.
- Developed baseline metrics and data analysis to improve patient through-time across three departments.
- Team builder actively creating strong working relationships across multi-departmental and inter-clinical boundaries to ensure increased patient access in primary and specialty areas.
- Staff and patient advocate who was quickly identified as the "go to" leader to problem solve with difficult patient situations and staff situations.
- Hands-on leader who provided direct care and guidance as needed in all clinics.
- Responsible for Annual Budget of greater than two million dollars.

2006-2011 Department Head, Primary Care Clinics, Naval Branch Health Clinic Portsmouth

- Successfully guided Clinic through 2 "no hits" Joint Commission surveys, 2 Bureau of Medicine and Surgery Inspector General Inspections, 5 Radiation Health Audits, and 5 Naval Sea Systems Radiation Health Surveys.
- Strong staff and patient advocate, nurse case manager identified problem prone, high risk and high volume patients, analyzed metric based solutions to improve patient outcomes.
- Hands-on Nurse Department Head active in care, guidance and administration of case management for Active Duty Service Members and their families as well as Industrial and Nuclear Shipyard Workers.

- The driving force to streamline and implement effective change in Occupational Medicine clinic in conjunction with Human Resources to review Workman's Comp, short-term and long-term disability cases.
- Team leader to create and implement the first Department of Defense Wounded, Ill and Injured Warrior Health Clinic providing case management services in Northern New England.
- Interim Quality Management and Risk Management officer through 2 staff transition periods.
- Assessed Nursing staff needs; created Quality Management, Performance Improvement, Risk Management, Safety, and staff education/training job description to ensure continuity of programming.
- Completed Lean Six Sigma White Belt training.
- Coordinated 45 military, civilian, and veteran entities from six states in three conferences to regionally streamline care of Wounded Warriors.
- Supervised 50 percent of all Clinical assets to include Pharmacy, Laboratory and Radiological Services and managed \$1.7 million budget.
- Facilitator for the Command Board of Directors and Executive Steering Committee.

**2005-2006 Practice Manager, Naval Branch Health Clinic Portsmouth
Family Practice Clinic and Occupational Health Services**

- Supervised team of Physicians, Physician Assistants, Nurse Practitioners, Industrial Hygienists, a Social Worker, Registered Nurses, Licensed Practical Nurses and Navy Corpsmen across Family Practice, Occupational Health, Immunizations, Military Medicine, and Behavioral Health.
- Responsible for all Case Management issues for Family Practice and Occupational Medicine
- Analyzed Occupational Medicine staff-to-patient ratio to justify staffing increase with 40 percent increase in clinic efficiency.
- Reengineered Family Practice Clinic processes to increase Access to Care by 30 percent in two months.

2004-2005 Senior Nurse, Ambulatory Care Clinic Naval Hospital Sigonella, Sicily, Italy

- Clinical Nurse Specialist and Lactation Consultant responsible for educating 25 nurses, 10 Corpsmen over 300 families.
- Coordinated joint education and care services across Europe for Army, Air Force and Navy providers, nurses and support staff.
- Dedicated patient advocate who provided case management and direction for a beneficiary population of 5,000 Active Duty, family members and ex-patriot retirees.
- Managed Pediatric Clinic and Immunizations clinic ensuring training and certification of 20 staff members.

2003-2004 Staff Nurse, Ambulatory Care Clinic Naval Hospital Sigonella, Sicily, Italy

- Clinical Nurse Specialist in Maternal-Child Health, as the sole resource, coordinated and provided new obstetric care and case management of all high risk couplets.
- Coordinated staff education and training for 40 staff members to include immunizations.
- Reviewed and edited schedules for fourteen Physicians and five specialty clinics.
- Supervised and managed contracts for the first two civilian registered nurses hired in our overseas hospital.

2001-2003 Staff Nurse, Inpatient Maternal-Child Unit Naval Hospital Sigonella, Sicily, Italy

- Chaired the Command's Patient Education Committee and was the Clinical Nurse Specialist representative to the Navy-wide Peri-natal Advisory Board.
- Assessed, created, and implemented all staff education for Maternal-Child Staff.
- Managed emergent situations with appropriate authority and diplomacy.

EDUCATION

Master of Science with highest honors, University of Maryland, Baltimore, Maryland, 2001
Bachelor of Science in Nursing with high honors, Capital University, Columbus, Ohio, 1992

Further history and References available upon request.

CFO / CONTROLLER
SENIOR FINANCE & ACCOUNTING MANAGER

Aligning Financial Resources with Business Strategies to Grow Profits and Maximize ROI

CORE COMPETENCIES

- International Finance & Accounting
- Sarbannes-Oxley (SOX 404)
- Fixed Asset Administration
- Subsidiary Accounting
- Contract Law and legal research
- All Business Insurance Products / Risk
- Employee Benefit Administration
- Business Controls & Internal Audit
- Business Taxes (SUT, VAT, PPT)
- Disbursements Management/ERP

SELECT ACHIEVEMENTS

- 25+ years in Finance with consistent career growth.
- Recipient of "Digital Worldwide Financial Excellence Award" for collapsing multiple international financial operations into a single North American Service Center.
- Led transparent relocation of accounting operations with no decrease in customer service.
- Reduced annual shipping costs by \$500K.
- Budget development to \$1.6B.
- Consolidated 85 weekly reports to 1 summary invoice reducing paperwork & increasing tracking efficiency.
- Knowledgeable of State Tax Laws revising compliance policies that saved the company \$100+K/year.
- Strong problem analysis skills proven under high-pressure environments with critical deadlines.

EDUCATION

M.B.A., International Finance 1997
Regis University, Colorado Springs
B.S., Accounting 1993
Regis University, Colorado Springs

COMPUTER EXPERIENCE

Languages: Basic, DOS, Cobol, VMS.
Software/Applications: Accounting, Financial, Workflow, Flowcharting, Data Warehousing, Tax & Legal, VAX/VMS, Microsoft Office Suite, Millenium, GEAC, ADP, Peachtree, Extensity, Ross, SAP(R3), Computron, BEST/FAS/SAGE, BNA, BT, Gelco, Allscripts, other.

PROFESSIONAL EXPERIENCE

The Homemakers Health Services 2007-Current
CFO/Controller 501(c)(3) Non-Profit Corporation
HR, IT, Accounting, Audit, Budgeting, Payroll, Treasury, Insurance (benefits, W/C & Business), Federal & State Grants, Reporting, Compliance & Govt Contracts

California Casualty Mgmt Co. 1996-2006
Asst VP, Finance & Administration
Sr. Accounting Manager

- Moved financial operations from San Francisco to Colorado.
- Designed implementation of workflow & imaging solutions.
- Disbursements management.
- Risk & cost management (ERM)
- Key resource to the Directors of Tax, HR, Operations & Budgets.
- Divested core brokerage and investment companies.

Digital Equipment Corporation 1983-1996
Worldwide Telecommunications & Engineering
Senior Finance Analyst

- Financial support for worldwide projects and assets for 36 centers of control with annual budget of \$1.6B.
- Resolved foreign tax and currency issues.
- Managed/turned around costs/expenses, consolidated internal reporting of 2 international and 1 domestic location.

International Corporate Staff Auditor

- Audit of Internal and Business Controls & regulatory compliance.
- Discovered major finding on first assignment.
- Interviewed employees and managers to ensure compliance.
- Detail-oriented in planning & preparation for International audits.

International Finance & Accounting Manager

- Position eliminated and promoted internally.
- Key member of department planning team during downsizing.
- Management interface at all levels.
- Integrated operations and converted to new accounting system.

Domestic General Ledger Manager

- Managed trial balancing for 3 manufacturing sites (CO, AZ, CA).
- Inter-company reconciliations, business controls, data warehousing, system design and implementation.
- Managed Sr. Analyst & 6 Data Entry direct reports.

Administrative Assistant/Financial Analyst

- Brought order to engineering & advanced development project managers having no financial expertise.
- Full budget support for 13 engineering managers and their staff.
- Drafted the "Engineering Managers guide to Financial Reports" later adopted company-wide.

Theresa A. Savinski

OBJECTIVE

Compassionate service professional seeking to contribute to the growth and success of the Homemakers Health Service with exceptional customer, management and leadership skills and health care experience.

PROFESSIONAL EXPERIENCE

3/30/2009-Present

Home Support Manager

The Homemakers Health Services

- Administer and monitor appropriate utilization of funding sources.
- Collaborate and consult with others when necessary in establishing client care plans.
- Monitor staff adherence to client care plans.
- Oversee client Intakes, Re-determinations and 502 requirement processes.
- Maximize ability to provide service by working with other entities when appropriate.
- Oversee and monitor scheduling of client services.
- Implement increased client communications via phone calls and field visits.
- Actively maintain and seek out community networking and partnership opportunities.
- Spearheaded implementation of personal care services to better meet our clients' needs.
- Conduct interviewing, hiring and performance management process.
- Supervise employees including field staff and office staff.
- Coach, empower and monitor staff to provide efficient and compassionate services to clients.
- Create and implement staff training.
- Manage and monitor monthly income and expenses; efficiently utilize resources.

11/21/2008-3/27/2009

In Home Provider

The Homemakers Health Services

- Provide clients with in home assistance as deemed necessary by the agency and care plan.
- Offer emotional support to clients and family members.
- Observe and render appropriate recommendations to reduce safety risk factors.
- Encourage and empower clients to participate in healthy activities to increase their self-esteem, self-confidence and overall well being.
- Maintain professionalism and confidentiality at all times.

5/2006-11/2007

Customer Service Manager

Liberty Mutual

- Manage staff and work flows in multiple locations.
- Coach and empower staff to provide effective and timely excellent customer service.
- Enhance first call resolution maximizing service level results.
- Reduced call rollover by 5.37% within 6 months.

- Improved staff time service results to achieve objective of 93% within 0-1 days.
- Increased Life leads obtained by 104% resulting in a 175% increase of Command Life policy sales.
- Coach and motivate Service staff on benefits of cross selling, resulting in a 10% increase of additional lines written.
- Interviewing, hiring, performance management and termination when necessary.

6/2004-5/2006

Assistant Customer Service Manager

Liberty Mutual

- Assist with the daily operations of a multiple office Command.
- Mentor and coach staff on service and sales issues, contributing to the Dover office earning 'Office of the Year Award'.
- Conduct customer call observations; coaching staff members on results.
- Compile and present interim and annual performance reviews.

10/2000-6/2004

Trainer

Liberty Mutual

- Develop and implement Training plans and materials for staff members of all experience levels.
- Deliver technical system billing and customer service Training. Monitor staff development through staff assessments.
- Conduct one-on-one and group training.
- Create and update department Procedure and Training Manuals.
- Go to person and first line of supervision.

EDUCATION

Hesser College	Portsmouth NH	Associate Degree-Business Administration
Hesser College	Portsmouth NH	Associate Degree-Paralegal Studies
Hesser College	Portsmouth NH	Bachelor Degree-Business Administration

Courses:

Alzheimer's Seminar; Developing Effective Listening Skills; MAGIC-Customer Service Skills; QSS-Quality Service Skills; Time Management; Communication Workshop; Providing Extraordinary Customer Service; CNA-Certified Nurses Aide; First Aide.

SUMMARY OF QUALIFICATIONS

-
- Exceptional Customer Service skills and experience.
 - Management and supervisory skills and experience.
 - Leadership skills.
 - Nurses' aide and home health care field experience.
 - Good written and verbal communication skills.
 - Analytical and problem solving skills.
 - Attention to detail.
 - Training and presentation skills.
 - Excel, Word, PowerPoint and typing skills.



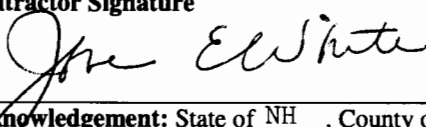
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Heidi Morrison	CEO; Clinical Director	\$70,000	15%	\$10,500
Linda Howard	Chief Care Coord; Director	\$65,000	30%	\$19,500
Lori Carver	Finance Officer	\$58,323	20%	\$11,665

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name The Visiting Nurse Association of Franklin		1.4 Contractor Address 75 Chestnut Street Franklin, NH 03235	
1.5 Contractor Phone Number 603-934-3454	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$65,763
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Jane E. White Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Merrimack</u> On <u>5/23/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace <u>CHRISTINA SUE OVERICK</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory <u>Sheri Rockburn Director</u>	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M. K. Brown</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/ PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

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certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services: Belknap Co. Towns of Belmont, Sanbornton & Tilton. Merrimack Co. Towns of Andover, Boscawen, Canterbury, Franklin, Hill, Northfield, Salisbury & Webster.

5. Services Provided in this Agreement

	In Home Care Services	Services	
		In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	na	na
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care and
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Exhibit A

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier

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**New Hampshire Department of Health and Human Services
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Exhibit A

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- management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
- 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
- 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
- 6.2.1.2. receiving referrals from an individual's health care provider(s),
- 6.2.1.3. performing evaluations of individuals' medical needs,
- 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
- 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
- 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
- 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
- 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
- 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
- 6.3.3. The following nursing services shall be covered based on the individual's need:
- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.

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Exhibit A

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
 - The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
 - 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
 - 1) The reason(s) for the denial;
 - 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3) Contact information for requesting an appeal.
 - 7.3.3. Redetermination of Service Eligibility.
 - The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.
 - 7.3.4. Termination of Services.
 - Services shall be terminated when:
 - 1) The individual or his or her authorized representative requests that the services be terminated;
 - 2) The individual no longer meets the eligibility requirements for services;

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**New Hampshire Department of Health and Human Services
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- 3)Funding by the State for the service(s) is no longer available;
- 4)The individual did not reapply for services as required by program rules;
- 5)The individual has been admitted to a nursing home or residential care facility; or
- 6)The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.

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- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.

- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).

4) Service Delivery

- a) The number of open cases at the end of each reporting period, and

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- i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

- 7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total

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amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services. The Contractor shall follow the plan of care established by the APS social worker. The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a



Exhibit A

prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:



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-
- i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
- i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
- d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;

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- c) The Contractor terminates a services or services for any reason;
- d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

1. Require a corrective action plan for identified deficiencies, or
2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.

7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.

7.21.4. Risk Assessment Process:

The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:

- Low Risk 70% and Above

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- Moderate Risk From 26% to 69%
- High Risk 25% and Below

7.21.5. Weighted Average: The process for the scoring is

1. Calculate the individual ratio for the Contractor
2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.

7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%



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Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%



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Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.

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Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$59,302
Title IIIB	In Home Care Services	\$8.38	\$6,461
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	N/A
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

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Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.

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Exhibit B

- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.

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SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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Date *5/23/14*

New Hampshire Department of Health and Human Services
Exhibit C



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

[Handwritten Signature]
5/23/14



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.

**New Hampshire Department of Health and Human Services
In Home Care Services, In Home Health Aide Level of Care Services and
In Home Nursing Level of Services**



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

[Signature]
5/23/14

New Hampshire Department of Health and Human Services
Exhibit D



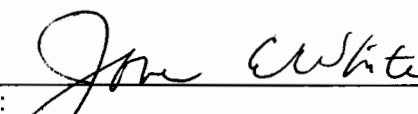
- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 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.

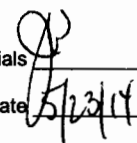
Place of Performance (street address, city, county, state, zip code) (list each location)

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name: Visiting Nurse Association of Franklin

May 23, 2014
Date


Name:
Title: Executive Director

Handwritten initials "JP" and date "5/23/14".

New Hampshire Department of Health and Human Services
Exhibit E



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: Visiting Nurse Association of Franklin

May 23, 2014
Date

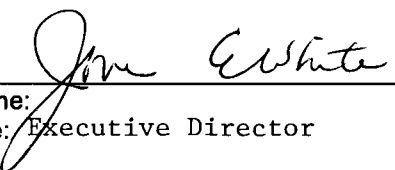

Name: _____
Title: Executive Director

Exhibit E – Certification Regarding Lobbying

Contractor Initials

Date


5/23/14



**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

JS
5/23/14

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

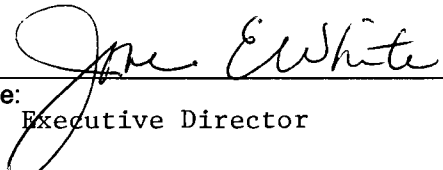
11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
- 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 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: Visiting Nurse Association of Franklin

May 23, 2014
Date


Name:
Title: Executive Director



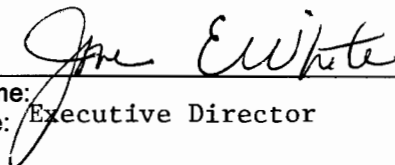
CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

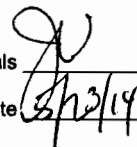
The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name: Visiting Nurse Association of Franklin

May 23, 2014
Date


Name: _____
Title: Executive Director


Handwritten initials "JV" and date "5/23/14".



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

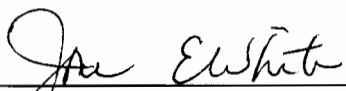
Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, 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: Visiting Nurse Association of Franklin

May 23, 2014
Date


Name: _____
Title: Executive Director

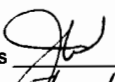
Contractor Initials 
Date 5/23/14



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

[Handwritten Signature]
3/23/14



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

[Handwritten Signature]
5/23/14



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

[Handwritten Signature]
5/23/14



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

[Signature]
5/23/14



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

[Handwritten Signature]
3/23/14



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.

The State <u>Sheri Rockburn</u> Signature of Authorized Representative <u>Sheri Rockburn</u> Name of Authorized Representative <u>Director</u> Title of Authorized Representative <u>5/27/14</u> Date	Visiting Nurse Association of Franklin Name of the Contractor <u>Jane E White</u> Signature of Authorized Representative <u>Jane E. White</u> Name of Authorized Representative Executive Director Title of Authorized Representative <u>May 23, 2014</u> Date

JW
Date 5/23/14



**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.

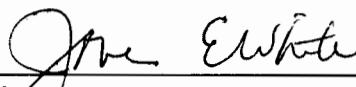
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

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: Visiting Nurse Association of Franklin

May 23, 2014
Date


Name: _____
Title: Executive Director


5/22/14

New Hampshire Department of Health and Human Services
Exhibit J



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: 013925176
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: _____

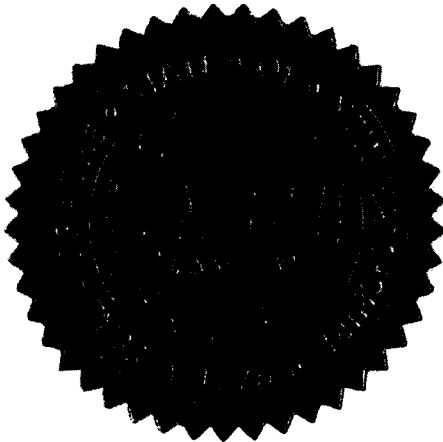
JK
5/23/14

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 THE VISITING NURSE ASSOCIATION OF FRANKLIN is a New Hampshire nonprofit corporation formed November 13, 1944. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 28th day of April A.D. 2014

A handwritten signature in black ink, reading "William M. Gardner", is written over a horizontal line.

William M. Gardner
Secretary of State

Visiting Nurse Association of Franklin

ABSTRACT OF CORPORATE MINUTES

The following is a true abstract from minutes of meeting of the Board of Directors Visiting Nurse Association of Franklin on April 29, 2014 which was duly called at which a quorum was present:

"On motion duly made and seconded, it was voted to authorize the Executive Director or the Vice-President of the Board of Directors to accept grants and awards and enter into contracts, and contract amendments from time to time with the New Hampshire Department of Health and Human Services, Bureau of Elderly and Adult Services, to sign and otherwise fully execute such acceptances and contracts, and contract amendments or modifications thereto, and any related documents requested by the Bureau of Elderly and Adult Services; this authorization to continue until revoked by vote of this governing board."

I certify the foregoing vote is still in effect and has not been revoked, rescinded or modified.

I further certify that Rob Steady is the duly elected Vice-President of the Board of Directors of this corporation and Jane White is the Board-appointed Executive Director of this corporation and both are still qualified and serving in such capacity.

May 23, 2014
(Date)

Judith Merriam
Judith Merriam, BOD Treasurer

(Imprint seal of corporation. If none, write: "No corporate seal.")

No corporate seal.

STATE OF NEW HAMPSHIRE

COUNTY OF MERRIMACK

On May 23, 2014, before the undersigned officer personally appeared the person identified in the foregoing certificate, known to me (or satisfactorily proven) to be the Treasurer of the corporation identified in the foregoing certificate, and acknowledged that she executed the foregoing certificate.

In witness whereof I hereunto set my hand and official seal.

Christine L. Michel
Notary Public/Justice of the Peace

My commission expires:

July 24, 2018



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
4/24/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Infantine Insurance P. O. Box 5125 Manchester NH 03108		CONTACT NAME: Gail Shaw, AAI PHONE (A/C No. Ext): (603) 669-0704 E-MAIL ADDRESS: gshaw@infantine.com FAX (A/C No): (603) 669-6831	
INSURED Visiting Nurse Association of Franklin, DBA: Franklin VNA & Hospice 75 Chestnut Street Franklin NH 03235		INSURER(S) AFFORDING COVERAGE INSURER A: American Alternative Ins. Co. INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** '14-'15 MASTER **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 SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☒ CLAIMS-MADE ☐ OCCUR ☒ Professional GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC		3054896	1/1/2014	1/1/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 50,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS		3054896	1/1/2014	1/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	☒ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$		5350617	1/1/2014	1/1/2015	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N	N/A				WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Various work throughout the policy term.

CERTIFICATE HOLDER**CANCELLATION**

Catherine.a.cormier@dhhs.s DHHS State of New Hampshire Att: Catherine A. Cormier 129 Pleasant St. Concord, NH 03301	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 Chuck Hamlin/GS5

Client#: 1038555

VNAFRA

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/24/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Svcs LLC PO Box 406 Portland, ME 04112-0406	CONTACT NAME: PHONE (A/C, No, Ext): 800-723-2877 FAX (A/C, No): 877-775-0110 E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A : Technology Insurance Co, Inc. NAIC # 42376 INSURER B : INSURER C : INSURER D : INSURER E : INSURER F :
INSURED VNA of Franklin 75 Chestnut Street Franklin, NH 03235	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ HIRED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	TWC3364779	07/01/2013	07/01/2014	X WC STATUTORY LIMITS E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

This Certificate is issued for insured operations usual to home health and hospice

CERTIFICATE HOLDER

CANCELLATION

State of NH Bureau of Elderly & Adult Services Catherine Cormier 129 Pleasant St 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 STATEMENT

The mission of the Visiting Nurse Association of Franklin is to provide quality home health care, Hospice care, and education to individuals and families in our communities so that they may reach their highest level of independence.



HOSPICE PROGRAM

MISSION STATEMENT

The mission of the Franklin Visiting Nurse Association's Hospice program is to provide the highest quality of physical, emotional and spiritual support to terminally ill patients, their family, and loved ones.

(12)

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THE VISITING NURSE ASSOCIATION OF FRANKLIN
D/B/A FRANKLIN VISITING NURSE ASSOCIATION & HOSPICE
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

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BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
TELEFAX 603/224-2397

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

Board of Directors
The Visiting Nurse Association of Franklin
d/b/a Franklin Visiting Nurse Association & Hospice
Franklin, New Hampshire

We have audited the accompanying financial statements of The Visiting Nurse Association of Franklin, d/b/a Franklin Visiting Nurse Association & Hospice, which comprise the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

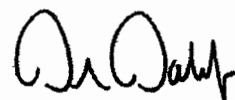
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Visiting Nurse Association of Franklin, d/b/a Franklin Visiting Nurse Association & Hospice as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "A. Dady", is located in the middle right section of the page.

Concord, New Hampshire
February 24, 2014

THE VISITING NURSE ASSOCIATION OF FRANKLIN
D/B/A FRANKLIN VISITING NURSE ASSOCIATION & HOSPICE

BALANCE SHEETS

DECEMBER 31, 2013 AND 2012

ASSETS

	2013	2012
Current Assets:		
Cash and cash equivalents	\$ 615,322	\$ 259,040
Temporary investments	-	216,673
Investments	1,235,325	1,099,660
Patient accounts receivable, less an allowance for doubtful accounts of \$32,665 and \$21,905 at December 31, 2013 and 2012, respectively	306,582	260,093
Prepaid expenses	25,666	14,741
Total Current Assets	2,182,895	1,850,207
Assets Limited As To Use	945,385	822,474
Property And Equipment, Net	141,995	132,955
TOTAL ASSETS	<u>\$ 3,270,275</u>	<u>\$ 2,805,636</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$ 37,922	\$ 15,987
Accrued payroll and related expenses	109,905	124,740
Deferred revenue	75,307	89,752
Total Current Liabilities	223,134	230,479
Net Assets:		
Unrestricted	3,047,141	2,575,157
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,270,275</u>	<u>\$ 2,805,636</u>

(See accompanying notes to these financial statements)

THE VISITING NURSE ASSOCIATION OF FRANKLIN
D/B/A FRANKLIN VISITING NURSE ASSOCIATION & HOSPICE
STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenue:		
Patient service revenue		
(net of contractual allowances and discounts)	\$ 2,185,098	\$ 2,049,945
Provision for bad debt	<u>(22,400)</u>	<u>(8,400)</u>
Net Patient Service Revenue	2,162,698	2,041,545
Other operating revenue	<u>136,075</u>	<u>150,463</u>
Total Operating Revenue	<u>2,298,773</u>	<u>2,192,008</u>
Operating Expenses:		
Salaries and benefits	1,675,616	1,616,449
Other operating expenses	401,458	441,764
Depreciation	<u>31,968</u>	<u>29,840</u>
Total Operating Expenses	<u>2,109,042</u>	<u>2,088,053</u>
OPERATING INCOME	<u>189,731</u>	<u>103,955</u>
Other Revenue and Gains :		
Investment income	51,936	62,422
Contributions	16,538	13,992
Change in fair value of investments	<u>213,779</u>	<u>84,631</u>
Total Other Revenue and Gains, Net	<u>282,253</u>	<u>161,045</u>
EXCESS OF REVENUE OVER EXPENSES AND CHANGE IN UNRESTRICTED NET ASSETS	471,984	265,000
Net Assets, Beginning of Year	<u>2,575,157</u>	<u>2,310,157</u>
NET ASSETS, END OF YEAR	<u>\$ 3,047,141</u>	<u>\$ 2,575,157</u>

(See accompanying notes to these financial statements)

THE VISITING NURSE ASSOCIATION OF FRANKLIN
D/B/A FRANKLIN VISITING NURSE ASSOCIATION & HOSPICE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 471,984	\$ 265,000
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	31,968	29,840
Bad debt expense	22,400	8,400
Change in fair value of investments	(213,779)	(84,631)
(Increase) decrease in the following assets:		
Patient accounts receivable	(68,889)	(118,751)
Prepaid expenses	(10,925)	4,397
Increase (decrease) in the following liabilities:		
Accounts payable	21,935	(11,954)
Accrued payroll and related expenses	(14,835)	(21,938)
Deferred revenue	(14,445)	(12,975)
Net Cash Provided by Operating Activities	<u>225,414</u>	<u>57,388</u>
Cash Flows From Investing Activities:		
Capital expenditures	(41,008)	(44,723)
Proceeds from matured temporary investments	216,673	-
Purchase of temporary investments	-	(5,012)
Purchase of long term investments	(159,488)	(161,465)
Proceeds from sale of long term investments	114,691	149,326
Net Cash Provided (Used) By Investing Activities	<u>130,868</u>	<u>(61,874)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	356,282	(4,486)
Cash and cash equivalents, beginning of year	<u>259,040</u>	<u>263,526</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 615,322</u>	<u>\$ 259,040</u>

(See accompanying notes to these financial statements)

BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
TELEFAX 603/224-2397

Finance Committee
The Visiting Nurse Association of Franklin
d/b/a Franklin Visiting Nurse Association & Hospice
Franklin, New Hampshire

We recently completed our audit of the financial statements of The Visiting Nurse Association of Franklin, d/b/a Franklin Visiting Nurse Association & Hospice, "the Association," as of and for the year ended December 31, 2013, and have issued our report thereon dated February 24, 2014. Auditing standards generally accepted in the United States of America require the independent auditor to communicate certain matters related to the conduct of its audit to individuals who have responsibility for oversight of the financial statement reporting process.

Scope of Audit

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The audit also included evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In planning and performing our audit we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Significant Accounting Policies

Please refer to Note 1 of the financial statements for a description of significant accounting policies.

Management Judgments and Estimates

Accounting estimates and assumptions are an integral part of the financial statements prepared by management of the Association and are based upon management's current judgments. Those judgments are normally based upon knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates and assumptions are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Significant management estimates relate to the allowance for uncollectible accounts and Medicare PPS related reserves.

The Allscripts system adjusts Medicare PPS expected revenue at the time of final billing of the episode. Since billing is timely, there was minimal change in the Medicare PPS reserve balance required compared to the prior year. We recommend management continue to monitor the impact of potential changes in the reserve balance in the event of a change in the timing of Medicare PPS billing.

The allowance for uncollectible accounts is determined by regular review of the account receivable aging balances and historical data.

The cumulative amount of reserves for unknown future events amounted to \$65,000 and \$69,000 for the year ended December 31, 2013 and 2012, respectively.

We believe management judgments are reasonable.

Preparation of Trial Balance and Financial Statements

We prepared the trial balance for use during the audit. Our preparation of the trial balance was limited to formatting the information in the Association's general ledger into a working trial balance. Also, as part of our audit, we prepared the draft financial statements and related notes from the trial balance. Management has reviewed, approved and takes responsibility for those financials statements and related notes. Our preparation of the financial statements and related notes was made as a convenience and does not indicate a significant deficiency in financial reporting.

Audit Adjustments

There were no audit adjustments.

Passed (Unrecorded) Audit Adjustments

There were no passed (unrecorded) audit adjustments.

Disagreements with Management

There were no disagreements with management about the application of generally accepted accounting principles, the determination of accounting estimates, or scope of the audit that could be significant to the Association's annual reporting.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties related to the conduct of our audit resulting from the actions of management.

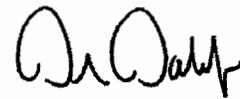
Internal Controls

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose as described under the *Scope of Audit* section above and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Limited Distribution of this Report

This report is intended solely for the information and use of the Association's Finance Committee, Board of Directors and management and is not intended to be and should not be used by anyone other than the specified parties.

A handwritten signature in black ink, appearing to read "McDuffy".

Concord, New Hampshire
February 24, 2014

THE VISITING NURSE ASSOCIATION OF FRANKLIN
D/B/A FRANKLIN VNA & HOSPICE
75 Chestnut Street Franklin, NH 03235 (603)934-3454
BOARD OF DIRECTORS 04/2014 - 04/2015

Effective 04/16/14

NAME	AREA/EXPERTISE	TERM	ENDS
<u>PRESIDENT</u>			
Sara Jones Salisbury	Physical Therapist	2007-2010	2011-2014
<u>VICE PRESIDENT</u>			
Rob Steady Northfield	Insurance	2011-2014	2015-2017
<u>TREASURER</u>			
Judith Merriam Franklin	CPA	2013-2016	2017-2019
<u>SECRETARY</u>			
Robin Lampron Webster	Information Technology	2009-2012	2012-2014

Susan Barnes Webster	Retired RN	2009-2012	2012-2014
Wayne Brock Tilton	Social Worker	2014-2017	2017-2019
Cheri Caruso	FSB Sr. VP (IT)	2013-2016	2016-2018 Northfield
Deanna Ford	Hill Fire Chief	2014-2017	2017-2019 Bristol
Karen Grzelak Franklin	Public Health – Retired	2013-2016	2017-2019
James Richardson Franklin	Public Hlth Network Coord	2013-2016	2016-2018
Steven Yannuzzi Hill	Bristol Fire Chief	2013-2016	2016-2018

Jane White, RN, BSN, MEd

Employment:

July 2008
to Present

Franklin VNA & Hospice
75 Chestnut Street, Franklin, NH 03235

Executive Director

Responsible for overall agency functions and working to maintain the agency mission statement. This includes; policy development and implementation, financial management, service delivery, quality improvement, office functions, public relations and education of staff and the Board of Trustees.

Education & Special Projects

Responsible for education and orientation of staff. Chair Professional Advisory, Safety and Conditions of Participation Review Committees.

Interim Clinical Manager

Responsible for supervision of all clinical staff.

Interim Support Services Manager

Responsible for oversight of the home health aide and homemaking programs.

Per Diem Staff Nurse

Responsible for assessment, clinical care, patient teaching, coordination of a plan of care and supervision of Home Health Aides in the patient's home.

August 2007
to May 2008

Great Bay Community College (Formerly New Hampshire Community Technical College-Stratham)
277 Portsmouth Avenue, Portsmouth, NH 03885

Clinical Instructor

Responsible for the instruction and supervision of first year nursing students in the Medical/Surgical clinical setting to assure understanding and implementation of the nursing process and the performance of nursing clinical assessment and clinical skills.

April 2007
to May 2008

Amedisys Home Health Care (Formerly Portsmouth Home Health & Hospice)
95 Brewery Lane # 11, Portsmouth, NH 03801

Jane White

Per Diem Staff Nurse

Responsible for clinical assessment and care of clients in their homes, communication with other members of the health care team and coordination of a plan of care for each client, utilizing the Amedisys Point of Care Technology.

March 2007
to June 2007

Hampstead Nursing Services

24 Old Forge Road, Hampstead, NH 03841

RN Staff Nurse

Responsible for nursing duties in long term care/assisted living facilities as assigned through this staffing agency.

February 2003
to Dec 2006

New Hampshire Community Technical College-Laconia

379 Belmont Road, Laconia, NH 03246

Professor of Nursing

Responsible for didactic and clinical instruction with Level I nursing students in the classroom and at clinical sites. Primarily instructed Medical/Surgical and Pediatric nursing. Lead instructor hired to assist with establishing the nursing program on campus. Assisted the program director with management responsibilities as needed. Member of Nursing Advisory Committee, Curriculum Committee, Long Range Planning Committee, and Advisor for Phi Theta Kappa Honor Society. Nursing Class 2005 Advisor.

June 2003
to May 2005

Lakes Region General Healthcare

80 Highland Street, Laconia, NH 03246

Staff Nurse Per Diem

Worked as a staff nurse (on a per diem basis) providing care to a group of 4-6 patients on the ElderCare unit.

January 1999
to Jan 2003

Newfound Area Nursing Association

214 Lake Street, Bristol, NH 03222

Executive Director

Responsible for total operations of all the Home Care Agency's programs, including policy development and implementation, financial management, service delivery, quality improvement, office functions, public relations and education of staff and the Board of Trustees.

August 1987
to Dec 1998

Franklin Regional Hospital

15 Aiken Avenue, Franklin, NH 03235

Jane White

October 1994
To Dec 1998

Education Manager

Managed the combined departments of Staff Development and Health Education. Coordinated community, staff, patient and management education and Employee Health and Wellness Programs. Chaired multiple nursing and interdepartmental committees (Policy/Procedure, Nursing Practice). An active member of several hospital-wide committees, including quality improvement, safety, and accreditation preparation.

August 1987
to Oct 1994

Staff Development Coordinator-August 1987 to October 1994
Coordinated orientation and education for the nursing staff. Acted as consultant to other managers. Also functioned as hospital supervisor and resource nurse.

Prior to 1987

Provided on request. Included nursing home, home care, hospital supervision, emergency room, medical/surgical and intensive care.

Education:

Antioch New England Institute
Institute for Non-Profit Management Certificate
May 2002

Plymouth State University, Plymouth, NH
Masters Degree in Education: Health Education and Wellness
Management, 2000

New Futures Leadership Training, 1999

Rhode Island College, Providence, RI
Bachelor of Science Degree in Nursing, 1974

Certification:

American Nurses Association Certification
Medical/Surgical Nursing, 1992 to 2002

License:

Registered Nurse State of New Hampshire
Registered Nurse State of Massachusetts

Personal:

Born in Pawtucket, Rhode Island
Married to Jeffrey G White
Enjoy grandchildren, gardening, kayaking and walking.

Christina Melick, CPA

May, 2013 – Present Finance Manager
Visiting Nurse Association of Franklin
Franklin, NH

Responsibilities include:

- Planning, coordinating and directing the financial performance of the agency
- Preparation of financial, statistical and grant reporting, program analysis and budgets.
- Managing the daily transaction accounting and asset accounting functions of the agency including the general ledger, accounts payable, payroll, employee benefits and financial reporting.
- Supervision of clerical staff under billing/accounts receivable functions, medical records maintenance and receptionist/phone coverage.
- Management of financial policies and procedures to ensure accounting processes are efficient, have adequate internal controls and are in accordance with accounting principles generally accepted in the U.S. and in compliance with state and federal regulations.

1993 – May 2013 Audit Manager
Brad Borbidge, PA
Concord, NH

Responsibilities include:

- Managing audit and consulting engagements with clients in the homecare and hospice health care industry.
- Planning, supervising and directing all aspects of financial audits, federal OMB-A133 audits and DOL employee benefit audits as they relate to homecare and hospice clients.
- Conducting risk assessments, internal control evaluations and review of work flow processes and reporting in accordance with accounting principles generally accepted in the U.S. and in compliance with state and federal regulations.
- Developing and leading staff training, education and quality review standards

1985 – 1993 Senior Auditor
Nathan Wechsler & Co
Concord, NH

Responsibilities include:

- Planning, supervising and preparing audit and compilation engagements and reports.
- Providing accounting, bookkeeping, cash-flow projections
- Providing research, planning and preparation of federal and state tax returns for corporations, partnerships and individuals.

Educational Degree/Certification

1985 – Southern New Hampshire University, Manchester, NH, B.S. in Accounting
1987 – Certified Public Accountant, Licensed in the State of NH

Laura Spagnolo

Education

- 2000 Northeastern University, Boston, MA
Bachelor of Science in Nursing; RN
- 1983 Bunker Hill Community College, Charlestown, MA
AS in Nursing
- 1976 Northeast Metropolitan Regional Vocational School, Wakefield, MA

Professional Experience

Franklin VNA & Hospice, Franklin, NH
October 2011-Present Support Services Manager; Staff RN

Genesis Health Care-Ridgewood Center, Bedford, NH
June 2008-September 2011 LTC Unit Manager

Hallmark Health VNA & Hospice, Inc., Malden, MA
April 2006-May 2008 Care Manager/Admission Team

Hillsborough County Nursing Home, Goffstown, NH
July 2005-February 2006 Staff Development Coordinator

Clough Center, New London, NH
September 2003-July 2005 Charge Nurse, Staff Development

Concord Regional VNA, Concord, NH
May 2003-September 2003 Home Care Nurse

Lake Sunapee VNA, New London, NH
September 2000-April 2003 Clinical Coordinator/Staff Development

Hallmark Health at Melrose-Wakefield Hospital, Melrose, MA
December 1988-September 2000 Staff RN, Surgical Floor, 12/1988-5/1990
Director, Continuing Care Dept, 3/1993-3/1994
Home Care Staff Nurse, 4/1994-7/1998
Clinical Supervisor, Home Care Dept, 7/1998-9/2000

Spaulding Rehab Hospital, Boston, MA
May 1985-December 1988 Staff Nurse, Neuro-Stroke Unit

VISITING NURSE ASSOCIATION OF FRANKLIN
CONTRACTOR NAME

Key Personnel

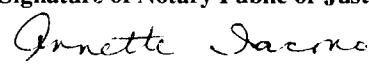
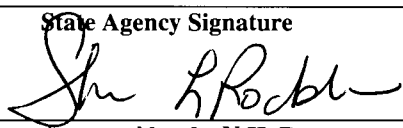
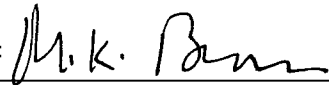
Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Jane White	Executive Director	\$103,480	1%	\$1,034.80
Christina Melick	Finance Manager	\$ 60,000	5%	\$3,000.00

Subject: In Home Care Services, In Home Health Aide Level of Care , In Home Nursing Level of Care Services, and Adult Day Program Services

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Valley Regional Healthcare, Inc.		1.4 Contractor Address 243 Elm Street Claremont, NH 03743	
1.5 Contractor Phone Number 603-542-3400	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$354,664.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter J. Wright, President	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Sullivan</u> On <u>5/28/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Annette Iacono, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockham Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
 - 8.1.2 failure to submit any report required hereunder; and/or
 - 8.1.3 failure to perform any other covenant, term or condition of this Agreement.
- 8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:
- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
 - 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
 - 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
 - 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS. The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



**New Hampshire Department of Health and Human Services
In Home Care, In Home Health Aide Level of Care,
In Home Nursing Level of Care Services, and Adult Day Program Services
Exhibit A**

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 and 4.2 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services and In Home Health Aide Level of Care Services: Grafton Co. Towns of Enfield, Grafton & Lebanon. Sullivan Co. – All Cities and Towns.

- 4.2. The Contractor shall provide Adult Day Program Services at the locations, hours, and days identified as:

Connecticut Valley Home Care Adult Day Program
958 John Stark Highway
Newport, NH.
Monday through Friday from 8:00 am to 4:00 pm.



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5. Services Provided in this Agreement

	Services			
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services	Adult Day Program Services
Program:				
Title III	x	x	na	x
Title XX	x	na	na	x

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;



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- 6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;
- 6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;
- 6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;
- 6.1.11.5. Placing the medicine container within reach; and/or
- 6.1.11.6. Opening the container
- 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:



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- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.
- 6.4. Adult Day Program Services: Adult Day Services means a program that provides one or more of the following services for fewer than 12 hours a day to participants 18 years of age and older, based on an individual's needs:
 - 6.4.1. Supervision in a protected environment;
 - 6.4.2. The following services, as described in the NH Administrative Rule He-P 818.15:
 - 6.4.2.1. Personal care services;
 - 6.4.2.2. Health and safety services;
 - 6.4.2.3. Dietary services;
 - 6.4.2.4. Nursing services;
 - 6.4.2.5. Social services; and
 - 6.4.2.6. Recreational activities;
 - 6.4.3. Monitoring of the individual's condition, and counseling, as appropriate, on nutrition, hygiene or other related matters; and
 - 6.4.4. Referrals, as appropriate, to other services and resources that could assist the individual, including any necessary follow up.
 - 6.4.5. Assistance and support to caregiving families.
 - 6.4.6. Contract agencies providing adult day program services shall develop a person-centered plan for each individual in accordance with the NH Administrative Rule He-E 501.21.
 - 6.4.7. The contractor shall be licensed in accordance with RSA 151:2 (f) and as governed by NH Administrative Rule He-P 818. In addition, contractors shall provide the specific services in accordance with NH Administrative Rules governing Adult Day Program Services He-E 501 and He-E 502; administered by the Bureau of Elderly and Adult Services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502.



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Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.

7.3.2. Eligibility determination

The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.

7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:

- 1)The reason(s) for the denial;
- 2)A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
- 3)Contact information for requesting an appeal.

7.3.3. Redetermination of Service Eligibility.

The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.

7.3.4. Termination of Services.

Services shall be terminated when:

- 1)The individual or his or her authorized representative requests that the services be terminated;
- 2)The individual no longer meets the eligibility requirements for services;
- 3)Funding by the State for the service(s) is no longer available;
- 4)The individual did not reapply for services as required by program rules;
- 5)The individual has been admitted to a nursing home or residential care facility; or
- 6)The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:



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Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.



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7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
 - b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
 - c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
 - d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.
- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
- a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services, and Adult Day Program Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;



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- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form and the Adult Day Program Services Form two (2) times per year. These forms will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

For Adult Day Program Services:

- The number of hours served by client and by the city or town where the client comes from to attend the Adult Day Program.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort



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to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker. The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,



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- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.



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- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
- d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

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7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.

7.20.2. Ensure the Department is provided with access that includes but is not limited to:

- a) Data
- b) Financial records
- c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
- d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
- e) Scheduled phone access to Contractor principals and staff
- f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.

7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:

1. Require a corrective action plan for identified deficiencies, or
2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.

7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.

7.21.4. Risk Assessment Process:

The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:

- Low Risk 70% and Above
- Moderate Risk From 26% to 69%
- High Risk 25% and Below

7.21.5. Weighted Average: The process for the scoring is

1. Calculate the individual ratio for the Contractor
2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.

7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is	0.7:1	5.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				expressed as a ratio and represents 5% of the total risk assessment value.		
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	50%	10.0%
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38 per ½ Hour	\$281,362
Title IIIB	In Home Care Services	\$8.38 per ½ Hour	\$32,590
Title XX	Adult Day Program Services	\$7.25 per Hour	\$8,700
Title III	Adult Day Program Services	\$7.25 per Hour	\$5,075
Title IIIB	In Home Health Aide Level of Care Services	\$12.50 per ½ Hour	\$26,937
Title IIIB	In Home Nursing Level of Care Services	\$24.50 per ½ Hour	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care Services, and Adult Day Program Services	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

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Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
Adult Day Program Services	Social Services Block Grant- Title XX	U.S. Dept of Health & Human Services	93.667	05-95-48-481010-92550000-566-500918

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.
9. Form Submission:
 Prior to submittal of an invoice for the following Title III funded services: In Home Care, In Home Health Aide Level of Care, and Adult Day Program Services, the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

 Prior to submittal of an invoice for Title XX In Home Care and Adult Day Program Services the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.
10. Invoice Submission:
 - 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the

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- month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.



Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
 4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
 - 10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
 - 10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
 - 10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
 - 10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
 - 10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
 - 4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.

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In Home Care Services, In Home Health Aide Level of Care Services,
In Home Nursing Level of Services, and Adult Day Program Services**



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$25,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

New Hampshire Department of Health and Human Services
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

Connecticut Valley Home Care, 958 John Stark Highway, Newport, NH 03773
Valley Regional Healthcare, 243 Elm Street, Claremont, NH 03743

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name:

Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

May 22, 2014

Date

Name: Peter J. Wright
Title: President & CEO

Contractor Initials

Date May 22, 2014



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-I.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name:

Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

May 22, 2014

Date

Name: Peter J. Wright

Title: President & CEO

Exhibit E – Certification Regarding Lobbying

Contractor Initials



**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

pb



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 (11)(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:

Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

May 22, 2014

Date

Name: Peter J. Wright

Title: President & CEO



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name:

Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

May 22, 2014

Date

Name: Peter J. Wright

Title: President & CEO

A handwritten signature in black ink, appearing to read "PJ Wright", written over the title line.

Handwritten initials "PJ" inside a circular stamp.



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:

Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

May 22, 2014

Date

Name: Peter J. Wright

Title: President & CEO

Contractor Initials

Date May 22, 2014



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

3/2014

Exhibit I
Health Insurance Portability Act
Business Associate Agreement
Page 1 of 6

Contractor Initials

A handwritten signature in black ink, appearing to be 'D' or 'P' with a flourish.

Date May 22, 2014



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) 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

A handwritten signature in black ink, appearing to be "P. B.", written over the "Contractor Initials" label.



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (l). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI

Handwritten signature of the Contractor, appearing to be "Pw".



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

3/2014

Contractor Initials

PC

Date May 22, 2014



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) **Obligations of Covered Entity**

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) **Termination for Cause**

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) **Miscellaneous**

- a. **Definitions and Regulatory References.** All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. **Amendment.** Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. **Data Ownership.** The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. **Interpretation.** The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

A handwritten signature, likely of the contractor, is written over the "Contractor Initials" label.



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.

The State	Valley Regional Healthcare, Inc. dba Connecticut Valley Home Care
<u>[Signature]</u>	<u>[Signature]</u>
Signature of Authorized Representative	Signature of Authorized Representative
<u>Sheri Rockburn</u>	<u>Peter J. Wright</u>
Name of Authorized Representative	Name of Authorized Representative
<u>Director</u>	<u>President & CEO</u>
Title of Authorized Representative	Title of Authorized Representative
<u>5/27/14</u>	<u>May 22, 2014</u>
Date	Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The 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:

Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

May 22, 2014

Date

Name: Peter J. Wright

Title: President & CEO

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: 194551560
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: _____

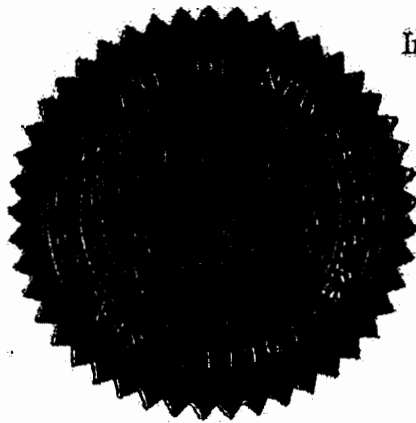
Name: _____ Amount: _____

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 VALLEY REGIONAL HEALTHCARE, INC. is a New Hampshire nonprofit corporation formed January 3, 1986. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 13th day of May A.D. 2014

A handwritten signature in dark ink, appearing to read "Wm Gardner", written in a cursive style.

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

I, Michael Fuerst, Board of Trustee - Chairman, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Valley Regional Healthcare, Inc.
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on December 4, 2013
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, _____, for the provision of _____ services.

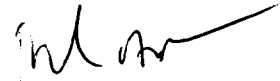
RESOLVED: That the President
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 23 day of May, 2014.
(Date Contract Signed)

4. Peter J. Wright is the duly elected President
of Valley Regional Healthcare, Inc.
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.



(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Sullivan

The forgoing instrument was acknowledged before me this 23 day of May, 2014.

By Michael Fuerst Chairman
(Name of Clerk of the Corporation)



(Notary Public/Justice of the Peace)

NOTARY SEAL

Commission Expires: 3/24/2015



CORPORATE RESOLUTION

I, the undersigned Officer of the Board of Trustees, Valley Regional Healthcare, Inc. hereby certify that the Corporation is organized and existing under and by virtue of the laws of the State of New Hampshire as a not-for-profit corporation, with its principal office at 243 Elm Street, Claremont, New Hampshire 03743, and is duly authorized to conduct business in the State of New Hampshire.

I further certify that at a regular meeting of the Board of Trustees of the Corporation, on December 4, 2013 with a quorum present, the following resolution was adopted:

Resolved, that Valley Regional Healthcare may enter into contract with the State of New Hampshire for calendar year 2014.

In testimony whereof, I have set my hand on December 4, 2013 and attest that the resolution has been voted.

Certified to and attested by:

Michael Fuerst, Chair
Board of Trustees



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/21/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Integro USA Inc. dba Integro Insurance Brokers Two Financial Center 60 South Street, Suite 800 Boston, MA 02111		1-617-531-6000	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:																					
INSURED Valley Regional Healthcare, Inc. Valley Regional Hospital 243 Elm Street Claremont, NH 03743		<table border="1"><thead><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A:</td><td>LEXINGTON INS CO</td><td>19437</td></tr><tr><td>INSURER B:</td><td></td><td></td></tr><tr><td>INSURER C:</td><td></td><td></td></tr><tr><td>INSURER D:</td><td></td><td></td></tr><tr><td>INSURER E:</td><td></td><td></td></tr><tr><td>INSURER F:</td><td></td><td></td></tr></tbody></table>		INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	LEXINGTON INS CO	19437	INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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INSURER F:																								

COVERAGES**CERTIFICATE NUMBER:** 39762431**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC			6795757	10/01/13	10/01/14	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ HIRED AUTOS ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	UMBRELLA LIAB ☐ OCCUR ☒ EXCESS LIAB ☒ CLAIMS-MADE DED ☐ RETENTION \$			6795756	10/01/13	10/01/14	EACH OCCURRENCE \$ 25,000,000 AGGREGATE \$ 25,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N ☐ N/A						WC STATUTORY LIMITS ☐ OTHER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	HEALTHCARE PROFESSIONAL LIABILITY (CLAIMS MADE)			6795757	10/01/13	10/01/14	Each Medical Incid. 1,000,000 Aggregate 3,000,000

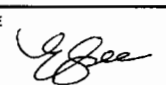
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: In Home Care Contract with the NH Bureau of Elderly and Adult

NOTE: Regarding Umbrella Liability / Excess Liability

Umbrella Liability coverage is Occurrence based and limits are excess over General Liability limit additionally this policy also provides a separate Excess Liability limit over HealthCare Professional Liability on a claims made basis.

CERTIFICATE HOLDER**CANCELLATION**

New Hampshire DHHS 129 Pleasant Street Concord, NH 03301 USA	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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Client#: 5853

VALLEYRE

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/23/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER William Gallagher Associates Insurance Brokers, Inc. 470 Atlantic Avenue Boston, MA 02210	CONTACT NAME: PHONE (A/C, No, Ext): 617 261-6700 FAX (A/C, No): 617 261-6720 E-MAIL ADDRESS:														
INSURED Valley Regional Hospital 243 Elm Street Claremont, NH 03743	<table border="1"> <thead> <tr> <th data-bbox="822 451 1420 483">INSURER(S) AFFORDING COVERAGE</th> <th data-bbox="1420 451 1551 483">NAIC #</th> </tr> </thead> <tbody> <tr> <td data-bbox="822 483 1420 514">INSURER A : New Hampshire Employers Insuran</td> <td data-bbox="1420 483 1551 514"></td> </tr> <tr> <td data-bbox="822 514 1420 546">INSURER B :</td> <td data-bbox="1420 514 1551 546"></td> </tr> <tr> <td data-bbox="822 546 1420 577">INSURER C :</td> <td data-bbox="1420 546 1551 577"></td> </tr> <tr> <td data-bbox="822 577 1420 609">INSURER D :</td> <td data-bbox="1420 577 1551 609"></td> </tr> <tr> <td data-bbox="822 609 1420 640">INSURER E :</td> <td data-bbox="1420 609 1551 640"></td> </tr> <tr> <td data-bbox="822 640 1420 661">INSURER F :</td> <td data-bbox="1420 640 1551 661"></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : New Hampshire Employers Insuran		INSURER B :		INSURER C :		INSURER D :		INSURER E :		INSURER F :	
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INSURER F :															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☐ UMBRELLA LIAB ☐ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y ☐ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	ECC60040003072013A	10/01/2013	10/01/2014	X WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Valley Regional Healthcare, Inc. is affiliated with Valley Regional Hospital

CERTIFICATE HOLDER

CANCELLATION

New Hampshire DHHS 129 Pleasant Street Concord, NH 03301	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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Valley Regional Healthcare, Inc.

Mission Statement

MISSION

Foster optimal and sustainable population health.

VISION

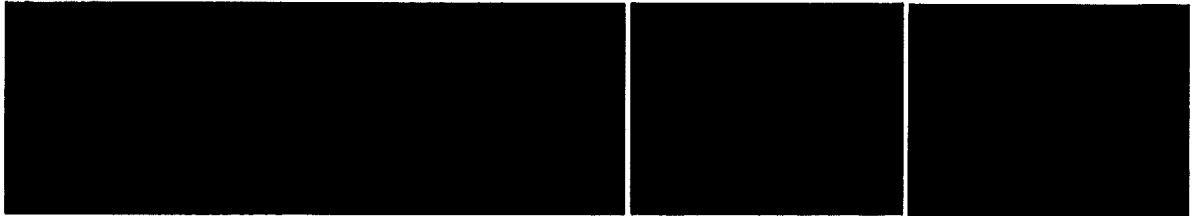
Valley Regional Healthcare will provide compassionate, affordable, evidence-based, high quality care in partnership with the community.

GUIDING PRINCIPLES

- Integrity
- Excellence
- Accountability
- Compassion

CRITICAL ISSUES

- People
- Quality
- Service
- Community
- Growth
- Finance



CONSOLIDATED FINANCIAL STATEMENTS

and

ADDITIONAL INFORMATION

September 30, 2013 and 2012

With Independent Auditor's Report





Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

September 30, 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Valley Regional Healthcare, Inc.

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Valley Regional Healthcare, Inc. and Subsidiary, which comprise the consolidated balance sheets as of September 30, 2013 and 2012, and the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Valley Regional Healthcare, Inc. and Subsidiary as of September 30, 2013 and 2012, and the results of their operations, changes in their net assets and their cash flows for the years then ended, in accordance with U.S. generally accepted accounting principles.



Board of Trustees
Valley Regional Healthcare, Inc.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the Schedules 1 and 2 are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
January 15, 2014



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2013 and 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current assets		
Cash and cash equivalents	\$ 4,964,739	\$ 9,805,541
Short-term investments	2,160,033	1,942,035
Assets limited as to use under bond indenture, current portion	498,153	495,000
Patient accounts receivable, net of allowances for doubtful accounts and contractual allowances of \$6,084,402 in 2013 and \$5,859,596 in 2012	3,816,555	3,661,988
Supplies	742,511	676,353
Prepaid expenses	468,160	357,615
Other accounts receivable	<u>1,641,302</u>	<u>4,368,006</u>
Total current assets	<u>14,291,453</u>	<u>21,306,538</u>
Assets limited as to use		
Internally designated for capital acquisitions and community service	20,539,116	18,257,162
Held by trustee under bond indenture, less current portion	-	26,043
Restricted cash	<u>93,756</u>	<u>103,383</u>
Total assets limited as to use, excluding current portion	<u>20,632,872</u>	<u>18,386,588</u>
Property and equipment, net	20,716,455	22,792,314
Long-term investments	6,441,357	1,133,182
Beneficial interests in perpetual trusts	3,687,952	3,560,046
Debt issuance costs, less accumulated amortization of \$64,363 in 2013 and \$50,208 in 2012	196,048	210,204
Cash surrender value of life insurance	289,183	289,183
Other assets	<u>114,250</u>	<u>107,635</u>
Total assets	<u>\$66,369,570</u>	<u>\$67,785,690</u>

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

	<u>2013</u>	<u>2012</u>
Current liabilities		
Current portion of long-term debt	\$ 515,000	\$ 495,000
Accounts payable and accrued expenses	2,549,515	2,925,646
Accrued compensated absences	1,198,155	1,185,036
Accrued salaries and related amounts	692,527	579,482
Estimated third-party payor settlements	4,871,274	4,911,283
Deferred revenue	93,213	110,788
Other current liabilities	<u>1,045,614</u>	<u>3,069,982</u>
Total current liabilities	10,965,298	13,257,217
Long-term debt, excluding current portion	24,775,000	25,290,000
Interest rate swaps	2,716,613	4,130,318
Other liabilities	<u>114,250</u>	<u>107,635</u>
Total liabilities	<u>38,571,161</u>	<u>42,785,170</u>
Commitments and contingencies (Notes 6 and 9)		
Net assets		
Unrestricted	22,680,280	20,122,595
Temporarily restricted	1,176,283	1,063,985
Permanently restricted	<u>3,941,846</u>	<u>3,813,940</u>
Total net assets	<u>27,798,409</u>	<u>25,000,520</u>
Total liabilities and net assets	<u>\$66,369,570</u>	<u>\$67,785,690</u>



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Statements of Operations

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Unrestricted revenues, gains, and other support		
Patient service revenue (net of contractual allowances and discounts)	<u>\$43,834,637</u>	<u>\$48,030,405</u>
Less provision for bad debts	<u>4,630,665</u>	<u>5,046,721</u>
Net patient service revenue	<u>39,203,972</u>	<u>42,983,684</u>
Other revenues	<u>1,237,014</u>	<u>1,143,086</u>
Meaningful use revenue	<u>439,107</u>	<u>845,288</u>
Grant revenue	<u>351,881</u>	<u>370,985</u>
Net assets released from restrictions used for operations	<u>3,000</u>	<u>3,000</u>
Total unrestricted revenues, gains, and other support	<u>41,234,974</u>	<u>45,346,043</u>
Expenses		
Salaries	<u>20,151,977</u>	<u>20,896,593</u>
Employee benefits	<u>5,183,302</u>	<u>5,385,092</u>
Supplies and other	<u>11,553,460</u>	<u>11,989,618</u>
Insurance	<u>373,596</u>	<u>412,597</u>
Depreciation and amortization	<u>2,440,222</u>	<u>2,686,674</u>
Interest	<u>1,128,784</u>	<u>1,175,921</u>
Medicaid enhancement tax	<u>2,035,407</u>	<u>2,189,994</u>
Total expenses	<u>42,866,748</u>	<u>44,736,489</u>
Operating (loss) income	<u>(1,631,774)</u>	<u>609,554</u>
Nonoperating gains (losses)		
Investment income	<u>1,032,208</u>	<u>1,059,478</u>
Contributions and program support	<u>50,470</u>	<u>12,941</u>
Other nonoperating gains	<u>204,519</u>	<u>51,864</u>
Unrealized gain (loss) on interest rate swaps	<u>1,413,705</u>	<u>(350,888)</u>
Nonoperating gains, net	<u>2,700,902</u>	<u>773,395</u>
Excess of revenues, gains, and other support over expenses and nonoperating gains (losses)	<u>1,069,128</u>	<u>1,382,949</u>
Change in net unrealized gains on investments	<u>1,477,073</u>	<u>2,003,366</u>
Net assets released for restrictions used for the purchase of property and equipment	<u>11,484</u>	<u>107,693</u>
Increase in unrestricted net assets	<u>\$ 2,557,685</u>	<u>\$ 3,494,008</u>

The accompanying notes are an integral part of these consolidated financial statements.



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Statements of Changes in Net Assets

Years Ended September 30, 2013 and 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balances, October 1, 2011	\$ <u>16,628,587</u>	\$ <u>985,890</u>	\$ <u>3,349,736</u>	\$ <u>20,964,213</u>
Excess of revenues, gains, and other support over expenses and nonoperating gains (losses)	1,382,949	-	-	1,382,949
Change in net unrealized gains on investments	2,003,366	-	-	2,003,366
Net realized and unrealized gains on investments	-	163,210	-	163,210
Net unrealized gains on beneficial interests in perpetual trusts	-	-	464,204	464,204
Restricted investment income	-	14,912	-	14,912
Restricted contributions	-	10,666	-	10,666
Net assets released from restrictions used for operations	-	(3,000)	-	(3,000)
Net assets released from restrictions used for the purchase of property and equipment	<u>107,693</u>	<u>(107,693)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>3,494,008</u>	<u>78,095</u>	<u>464,204</u>	<u>4,036,307</u>
Balances, September 30, 2012	<u>20,122,595</u>	<u>1,063,985</u>	<u>3,813,940</u>	<u>25,000,520</u>
Excess of revenues, gains, and other support over expenses and nonoperating gains (losses)	1,069,128	-	-	1,069,128
Change in net unrealized gains on investments	1,477,073	-	-	1,477,073
Net realized and unrealized gains on investments	-	106,040	-	106,040
Net unrealized gains on beneficial interests in perpetual trusts	-	-	127,906	127,906
Restricted investment income	-	15,774	-	15,774
Restricted contributions	-	4,968	-	4,968
Net assets released from restrictions used for operations	-	(3,000)	-	(3,000)
Net assets released from restrictions used for the purchase of property and equipment	<u>11,484</u>	<u>(11,484)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>2,557,685</u>	<u>112,298</u>	<u>127,906</u>	<u>2,797,889</u>
Balances, September 30, 2013	\$ <u>22,680,280</u>	\$ <u>1,176,283</u>	\$ <u>3,941,846</u>	\$ <u>27,798,409</u>

The accompanying notes are an integral part of these consolidated financial statements.



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

Years Ended September 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 2,797,889	\$ 4,036,307
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	2,440,222	2,686,674
Provision for bad debts	4,630,665	5,046,721
Loss on disposal of equipment	2,760	3,701
Net realized and unrealized gains on investments	(2,150,533)	(2,720,964)
Net unrealized (gain) loss on interest rate swaps	(1,413,705)	350,888
Equity in income of investee	(938)	22,136
Restricted contributions and investment income	(20,742)	(25,578)
Net unrealized gains on beneficial interests in perpetual trusts	(127,906)	(464,204)
(Increase) decrease in		
Patient accounts receivable	(4,785,232)	(5,591,568)
Supplies	(66,158)	13,421
Prepaid expenses	(110,545)	(131,869)
Other accounts receivable	2,726,704	(2,903,344)
Increase (decrease) in		
Accounts payable and accrued expenses	(376,131)	(340,863)
Accrued salaries and related amounts	146,164	219,966
Estimated third-party payor settlements	(40,009)	1,593,746
Other liabilities	(2,041,943)	2,071,225
Net cash provided by operating activities	<u>1,610,562</u>	<u>3,866,395</u>
Cash flows from investing activities		
Purchases of property and equipment	(352,967)	(681,685)
Proceeds from sale of investments	534,361	3,202,183
Purchases of investments	(6,158,500)	(1,064,438)
Net cash (used) provided by investing activities	<u>(5,977,106)</u>	<u>1,456,060</u>
Cash flows from financing activities		
Payments on long-term debt	(495,000)	(475,000)
Proceeds from restricted contributions and investment income	20,742	25,578
Net cash used by financing activities	<u>(474,258)</u>	<u>(449,422)</u>
Net (decrease) increase in cash and cash equivalents	(4,840,802)	4,873,033
Cash and cash equivalents, beginning of year	<u>9,805,541</u>	<u>4,932,508</u>
Cash and cash equivalents, end of year	\$ <u>4,964,739</u>	\$ <u>9,805,541</u>
Supplemental cash flow information		
Cash paid for interest	\$ <u>1,131,454</u>	\$ <u>1,175,528</u>

The accompanying notes are an integral part of these consolidated financial statements.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Organization

Valley Regional Healthcare, Inc. and Subsidiary (VRHC or Organization) is a not-for-profit corporation organized under the laws of the State of New Hampshire for the purpose of providing inpatient, outpatient, home health care, and primary care services. VRHC was established as a tax-exempt holding company whose purpose is to provide and promote health care and health education in the Sullivan County, New Hampshire area. VRHC is the parent company of Valley Regional Hospital, Inc. (VRH or Hospital).

The Organization is a member of the New England Alliance for Health (NEAH), a limited liability company owned and managed by Mary Hitchcock Memorial Hospital. NEAH makes various services available to the Organization and other members on a contract basis.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Valley Regional Healthcare, Inc. and Subsidiary represent the activities of the Hospital and VRHC after eliminating all material intercompany balances and transactions.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of reporting consolidated statements of cash flows, the Organization considers all cash accounts, which are not subject to withdrawal restrictions or penalties, purchased with a maturity of three months or less, as cash and cash equivalents in the accompanying consolidated balance sheets.

Patient Accounts Receivable

Patient accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to operations and a credit to a valuation allowance based on its assessment of individual accounts and historical adjustments. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to patient accounts receivable.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

In evaluating the collectibility of accounts receivable, the Organization analyzes past results and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Organization analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Organization records a provision for bad debts in the period of service based on past experience, which indicates that many patients are unable or unwilling to pay amounts for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated or eligible) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged against the allowance for doubtful accounts.

During 2013, the Organization decreased its estimate from \$3,738,130 to \$3,489,423 in the allowance for doubtful accounts relating to self-pay patients and during 2012 the Organization increased its estimate from \$3,102,173 to \$3,738,130 in the allowance for doubtful accounts relating to self-pay patients. During 2013, self-pay write-offs increased from \$4,407,369 to \$4,860,452 and during 2012 self-pay write-offs increased from \$4,274,973 to \$4,407,369. Such increases in write-offs resulted from trends experienced in the collection of amounts from self-pay patients.

Supplies

Supplies are valued using the moving average cost for storeroom and central services supplies and lower of cost (first in, first out) or market for all other supplies.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheet. Investment income or loss (including realized gains and losses on investments, other than temporary declines in investments, interest, and dividends) is included in the excess of revenues, gains, and other support over expenses and nonoperating gains (losses) unless the income or loss is restricted by donor or law. Unrealized gains and losses on investments are excluded from this measure, and reported as an increase or decrease in net assets.

Investments in general are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated balance sheets and statements of operations.

Assets Limited as to Use

Assets limited as to use primarily consist of assets held by trustees under indenture agreements and designated assets set aside by the Board of Trustees for future capital improvements, over which the Board retains control and which it may, at its discretion, subsequently use for other purposes.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Fair Value of Financial Instruments

The Organization's financial instruments consist of cash and cash equivalents, investments, assets limited as to use, trade accounts receivable and payable, beneficial interest in perpetual trusts, a life insurance policy, interest rate swaps, estimated third-party payor settlements, and long-term debt. The carrying values of all financial instruments approximate their fair values.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets to the Organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Donor-restricted endowment gifts are reported as long-term investments or as beneficial interests in perpetual trusts.

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if contributed, at fair market value determined at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

Gifts of long-lived assets such as land, buildings, or equipment are reported as unrestricted support, and are excluded from the excess of revenues, gains, and other support over expenses and nonoperating gains (losses), unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Debt Issuance Costs

Costs related to the issuance of debt are deferred and amortized on the straight-line method over the period during which the debt is outstanding. Amortization of debt issuance costs amounted to \$14,155 for the years ended September 30, 2013 and 2012.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Interest Rate Swaps

VRHC uses interest rate swap contracts to eliminate the cash flow exposure of interest rate movements on variable-rate debt. The Organization has adopted Financial Accounting Standards Board (FASB), Accounting Standards Codification (ASC) 815, *Derivatives and Hedging*, to account for its interest rate swap contracts. The interest rate swap contracts have not been designated as cash flow hedges. Gains and losses on derivative financial instruments not designated as cash flow hedges are required to be included in the performance indicator. As a result, the gains and (losses) on interest rate swaps for 2013 and 2012 have been included in the excess of revenues, gains, and other support over expenses and nonoperating gains (losses).

Employee Fringe Benefits

The Organization has an "earned time" plan which provides benefits to employees for paid leave hours. Under this plan, each employee earns paid leave for each period worked. These hours of paid leave may be used for vacations, holidays, or illnesses. Hours earned, but not used, are vested with the employee. The Organization accrues a liability for such paid leave as it is earned.

Deferred Revenue

The Organization receives equal monthly payments from the State of New Hampshire for grant funds. Deferred revenue is recorded to recognize payments received in excess of services provided according to the grant terms.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

The Organization has interpreted State law as requiring realized gains of permanently restricted net assets to be retained in a temporarily restricted net asset classification until appropriated by the Board and expended. State law allows the Board to appropriate so much of the net appreciation of permanently restricted net assets as is prudent considering the Organization's long- and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. No amounts were appropriated in 2013 or 2012.

Net Patient Service Revenue

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Organization does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

Excess of Revenues, Gains, and Other Support Over Expenses and Nonoperating Gains (Losses)

The consolidated statements of operations include excess of revenues, gains, and other support over expenses and nonoperating gains (losses). Changes in unrestricted net assets which are excluded from this measure, consistent with industry practice, include unrealized gains and temporary losses on investments, permanent transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets).

Health Insurance

VRHC is partially self-insured with respect to health care coverage. This coverage provides medical health benefits to eligible employees and their eligible dependents. The Organization estimates an accrual for claims incurred but not reported. Medical insurance expense approximated \$3,882,000 and \$4,033,000 in 2013 and 2012, respectively.

Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code), and is exempt from federal income taxes on related income.

Functional Expenses

The Organization provides general health care services to residents within its geographic location. Expenses related to providing these services were as follows for the year ended:

	<u>2013</u>	<u>2012</u>
Health care services	\$38,977,828	\$41,614,888
General and administrative	<u>3,888,920</u>	<u>3,121,601</u>
	<u>\$42,866,748</u>	<u>\$44,736,489</u>



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Recently Issued Accounting Pronouncement

In July 2011, FASB issued ASU 2011-07, "Health Care Entities (Topic 954): Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts for Certain Health Care Entities," which requires reclassifying the provision for bad debts associated with patient service revenue from an operating expense to a deduction from patient service revenue. It also requires enhanced disclosure about the policies for recognizing revenue and assessing bad debts, disclosures of patient service revenue, as well as qualitative and quantitative information about changes in the allowance for doubtful accounts. The provisions of ASU 2011-07 were effective for the Organization beginning October 1, 2012 and have been incorporated into the September 30, 2013 consolidated financial statements.

Reclassifications

Certain amounts in the 2012 consolidated financial statements have been reclassified to conform to the current year's presentation.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, management has considered transactions or events occurring through January 15, 2014, the date the September 30, 2013, financial statements were issued.

2. Net Patient Service Revenue and Net Patient Accounts Receivable

Patient service revenue and contractual and other allowances consisted of the following for the year ended September 30:

	<u>2013</u>	<u>2012</u>
Patient services		
Inpatient	\$11,174,737	\$13,568,744
Outpatient	<u>50,466,107</u>	<u>53,173,197</u>
Gross patient service revenue	<u>61,640,844</u>	<u>66,741,941</u>
Less Medicare and Medicaid allowances	10,175,196	10,741,532
Less other contractual allowances	5,545,459	6,332,629
Less charity care	<u>2,085,552</u>	<u>1,637,375</u>
	<u>17,806,207</u>	<u>18,711,536</u>
Patient service revenue (net of contractual allowances and discounts)	43,834,637	48,030,405
Less provision for bad debts	<u>4,630,665</u>	<u>5,046,721</u>
Net patient service revenue	<u>\$39,203,972</u>	<u>\$42,983,684</u>



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Net patient accounts receivable were as follows:

	<u>2013</u>	<u>2012</u>
Gross patient accounts receivable	\$ 9,900,957	\$ 9,521,585
Less allowance for doubtful accounts	3,489,423	3,738,130
Less contractual allowances	<u>2,594,979</u>	<u>2,121,467</u>
Net patient accounts receivable	<u>\$ 3,816,555</u>	<u>\$ 3,661,988</u>

The Organization has agreements with third-party payors that provide for payments to the Organization at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

The Hospital is a Critical Access Hospital (CAH) and is reimbursed 101% of allowable cost for its inpatient and outpatient services rendered to Medicare beneficiaries. The Hospital is reimbursed for cost reimbursable items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been audited by the Medicare fiscal intermediary through September 30, 2008.

Home health services rendered to Medicare program beneficiaries are paid at prospectively determined rates based on clinical, diagnostic, and other factors. Reimbursement of home health services is not impacted by the CAH designation.

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per day of hospitalization. The prospectively determined per-diem rates are not subject to retroactive adjustment. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Organization is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the fiscal intermediary. The Organization's Medicaid cost reports have been audited by the fiscal intermediary through September 30, 2008.

Anthem Blue Cross

Radiology and laboratory services are being reimbursed based on a fee schedule. Other inpatient and outpatient services rendered to Anthem Blue Cross subscribers are reimbursed at submitted charges less a negotiated discount. The amounts paid to the Organization are not subject to any retroactive adjustments.

Revenues from Medicare and Medicaid programs accounted for approximately 41% and 13%, respectively, of the Organization's patient service revenue for the year ended September 30, 2013,



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

and approximately 40% and 13%, respectively, of the Organization's patient service revenue for the year ended September 30, 2012. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. The 2013 net patient service revenue decreased approximately \$744,000, and the 2012 net patient service revenue increased approximately \$32,000, due to removal of allowances or recognition of settlements no longer subject to audits, reviews, and investigations.

The Organization recognizes patient service revenue associated with services rendered to patients who have third-party payor coverage on the basis of contractual rates for such services. For uninsured patients that do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates (or on the basis of discounted rates, if negotiated or provided by policy). Based on historical trends, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services rendered. Thus, the Organization records a provision for bad debts related to uninsured patients in the period the services are rendered. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized during fiscal year ended September 30, 2013 totaled \$43,834,637, of which \$36,951,744 was revenue from third-party payors and \$6,882,893 was revenue from self-pay patients and at September 30, 2012 totaled \$48,030,405, of which \$41,060,578 was revenue from third-party payors and \$6,969,827 was revenue from self-pay patients.

Medicaid disproportionate share hospital (DSH) payments provide financial assistance to hospitals that serve a large number of low-income patients. The federal government distributes federal DSH funds to each state based on a statutory formula. The states, in turn, distribute their portion of the DSH funding among qualifying hospitals. The states are to use their federal DSH allotments to help cover costs of hospitals that provide care to low-income patients when those costs are not covered by other payors. The State of New Hampshire's plan for the distribution of DSH monies to the hospitals has not yet been approved by the Centers for Medicare and Medicaid Services. Amounts recorded by the Organization are therefore subject to change.

3. Community Benefit

The Organization maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of charity care provided during the years ended:

	<u>2013</u>	<u>2012</u>
Charges foregone, based on established rates	\$ <u>2,086,000</u>	\$ <u>1,637,000</u>
Estimated costs incurred to provide charity care	\$ <u>1,450,000</u>	\$ <u>1,098,000</u>
Equivalent percentage of charity care services to all services	<u>3.38 %</u>	<u>2.45 %</u>

Costs of providing charity care services have been estimated based on the relationship of total expenses to total charges applied to charity care charges foregone.



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

4. Investments

Assets Limited as to Use

The composition of assets limited at to use at September 30, 2013 and 2012, is set forth in the following table. Investments are stated at fair value.

	<u>2013</u>	<u>2012</u>
Internally designated for capital acquisitions and community service		
Cash and short-term investments	\$ 772,798	\$ 583,605
Corporate bonds	1,807,242	1,818,779
Marketable equity securities	14,200,749	12,434,870
Fixed income mutual funds	3,758,327	3,419,908
	<u>20,539,116</u>	<u>18,257,162</u>
Held by trustee under bond indenture		
Cash and cash equivalents	498,153	521,043
Restricted cash		
Cash	<u>93,756</u>	<u>103,383</u>
	21,131,025	18,881,588
Less current portion	<u>498,153</u>	<u>495,000</u>
	<u>\$ 20,632,872</u>	<u>\$ 18,386,588</u>

Other Investments

Other investments consisted of the following as of:

	<u>2013</u>	<u>2012</u>
Short-term investments		
Cash equivalents	\$ 246,474	\$ 195,749
Corporate bonds	53,597	106,129
Marketable equity securities	1,462,506	1,260,839
Fixed income mutual funds	397,456	379,318
	<u>2,160,033</u>	<u>1,942,035</u>
Long-term investments		
Cash equivalents	55,502	47,722
Certificates of deposit	5,185,764	-
Corporate bonds	53,957	80,787
Marketable equity securities	897,687	816,525
Fixed income mutual funds	237,670	178,309
Investment in Summercrest	10,777	9,839
	<u>6,441,357</u>	<u>1,133,182</u>
	<u>\$ 8,601,390</u>	<u>\$ 3,075,217</u>



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Investment income and gains (losses) on investments are comprised of the following:

	<u>2013</u>	<u>2012</u>
Income		
Interest and dividend income	\$ 642,167	\$ 675,308
Realized gains on sales of securities	567,420	554,388
Investment management fees	<u>(177,379)</u>	<u>(170,218)</u>
	<u>\$ 1,032,208</u>	<u>\$ 1,059,478</u>
Other changes in net assets		
Unrestricted unrealized gains	\$ 1,477,073	\$ 2,003,366
Temporarily restricted investment income	15,774	14,912
Temporarily restricted net realized and unrealized gains	<u>106,040</u>	<u>163,210</u>
	<u>\$ 1,598,887</u>	<u>\$ 2,181,488</u>

	<u>Donor Restricted</u>		
	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Balances, October 1, 2011	694,826	\$ 3,349,736	\$ 4,044,562
Investment income	13,125	-	13,125
Net appreciation/change in perpetual trusts	<u>163,210</u>	<u>464,204</u>	<u>627,414</u>
Total investment return	176,335	464,204	640,539
Deposits	<u>72</u>	<u>-</u>	<u>72</u>
Net change	<u>176,407</u>	<u>464,204</u>	<u>640,611</u>
Balances, September 30, 2012	871,233	3,813,940	4,685,173
Investment income	16,312	-	16,312
Net appreciation/change in perpetual trusts	<u>106,040</u>	<u>127,906</u>	<u>233,946</u>
Total investment return	122,352	127,906	250,258
Deposits	67	-	67
Expenditures	<u>(947)</u>	<u>-</u>	<u>(947)</u>
Net change	<u>121,472</u>	<u>127,906</u>	<u>249,378</u>
Balances, September 30, 2013	<u>\$ 992,705</u>	<u>\$ 3,941,846</u>	<u>\$ 4,934,551</u>



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

The long-term investment objective of the Organization's endowment funds is to preserve and enhance the real value of the investment assets over time, in order to provide a sufficient rate of return for fulfilling the philanthropic purposes as defined by the donors.

To accomplish this objective, funds are to be invested for growth of principal and income for protection against inflation. The goal is to achieve a total return, net of investment management and administrative fees, which should exceed the Balanced Growth Index plus 2% annually. This goal is designed to maximize prudent risk so as to protect and increase the purchasing power of the invested assets, while providing income. It is recognized that this goal may be easily achieved in some periods, while more difficult to achieve in other periods.

To accomplish its investment objectives and to control risk, the Organization's portfolio will be diversified across multiple asset classes as follows:

<u>Asset Class</u>	<u>Range</u>
Cash Equivalents	0% - 30%
Domestic Equities	50% - 80%
Domestic Fixed Income (including preferred stock)	20% - 50%

Fair Value Measurements

FASB ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Assets and liabilities measured at fair value on a recurring basis are summarized below:

Fair Value Measurements at September 30, 2013, Using				
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 1,666,683	\$ 1,666,683	\$ -	\$ -
Certificates of deposit	5,185,764	5,185,764	-	-
Corporate bonds	1,914,796	-	1,914,796	-
Marketable equity securities:				
Consumer discretionary	1,909,784	1,909,784	-	-
Consumer staples	1,904,378	1,904,378	-	-
Energy	1,727,259	1,727,259	-	-
Financials	2,487,446	2,487,446	-	-
Healthcare	2,306,591	2,306,591	-	-
Industrials and materials	2,100,346	2,100,346	-	-
Technology and telecommunication	2,810,943	2,810,943	-	-
Utilities	343,829	343,829	-	-
Other	970,366	970,366	-	-
Total marketable equity securities	16,560,942	16,560,942	-	-
Fixed income mutual funds	4,393,453	4,393,453	-	-
Investments to fund deferred compensation	114,250	114,250	-	-
Beneficial interest in perpetual trusts	3,687,952	-	-	3,687,952
Total assets	<u>\$ 33,523,840</u>	<u>\$ 27,921,092</u>	<u>\$ 1,914,796</u>	<u>\$ 3,687,952</u>
Liabilities:				
Interest rate swaps	\$ 2,716,613	\$ -	\$ 2,716,613	\$ -
Total liabilities	<u>\$ 2,716,613</u>	<u>\$ -</u>	<u>\$ 2,716,613</u>	<u>\$ -</u>
Fair Value Measurements at September 30, 2012, Using				
	Total	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 1,451,502	\$ 1,451,502	\$ -	\$ -
Corporate bonds	2,005,695	-	2,005,695	-
Marketable equity securities:				
Consumer discretionary	1,587,694	1,587,694	-	-
Consumer staples	958,127	958,127	-	-
Energy	1,966,766	1,966,766	-	-
Financials	1,986,797	1,986,797	-	-
Healthcare	1,997,790	1,997,790	-	-
Industrials and materials	1,530,396	1,530,396	-	-
Technology and telecommunication	3,348,275	3,348,275	-	-
Utilities	292,066	292,066	-	-
Other	844,323	844,323	-	-
Total marketable equity securities	14,512,234	14,512,234	-	-
Fixed income mutual funds	3,977,535	3,977,535	-	-
Investments to fund deferred compensation	107,635	107,635	-	-
Beneficial interests in perpetual trusts	3,560,046	-	-	3,560,046
Total assets	<u>\$ 25,614,647</u>	<u>\$ 20,048,906</u>	<u>\$ 2,005,695</u>	<u>\$ 3,560,046</u>
Liabilities:				
Interest rate swaps	\$ 4,130,318	\$ -	\$ 4,130,318	\$ -
Total liabilities	<u>\$ 4,130,318</u>	<u>\$ -</u>	<u>\$ 4,130,318</u>	<u>\$ -</u>



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

The fair value for Level 2 assets and liabilities is primarily based on market prices of underlying assets, comparable securities, interest rates, and credit risk. Those techniques are significantly affected by the assumptions used. The fair value of Level 3 assets is based on the market prices of the underlying assets, but is classified as Level 3 as there is no market in which to trade the beneficial interest itself.

The following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

Balance, October 1, 2011	\$ 3,095,842
Change in value of trusts	<u>464,204</u>
Balance, September 30, 2012	3,560,046
Change in value of trusts	<u>127,906</u>
Balance, September 30, 2013	<u>\$ 3,687,952</u>

Investment in Summercrest

VRHC owned a 30% interest in Summercrest Assisted Living, LLC (Summercrest) as of September 30, 2013 and 2012, respectively. Summercrest, a long-term care entity in Newport, New Hampshire, opened for operations on March 1, 1998. Summercrest's fiscal year-end is December 31.

The investment in Summercrest is reported in accordance with the equity method. Investments are shown at cost and adjusted for VRHC's applicable share of the profit or loss based on the September 30 interim financial statements of Summercrest. As such, \$193,492 and \$51,864 is included in the statements of operations as part of other nonoperating gains for the years ended September 30, 2013 and 2012, respectively. VRHC received equity distributions in amounts of \$82,744 and \$74,000 during the years ended September 30, 2013 and 2012, respectively.

5. Property and Equipment

A summary of property and equipment follows:

	<u>2013</u>	<u>2012</u>
Land and land improvements	\$ 1,360,507	\$ 1,360,507
Buildings and improvements	16,685,518	16,666,639
Fixed equipment	14,692,576	14,682,769
Major moveable equipment	14,124,262	14,625,305
Leasehold improvements	<u>148,235</u>	<u>148,235</u>
	47,011,098	47,483,455
Less accumulated depreciation and amortization	<u>26,340,491</u>	<u>24,816,967</u>
	20,670,607	22,666,488
Construction in progress	<u>45,848</u>	<u>125,826</u>
Property and equipment, net	<u>\$20,716,455</u>	<u>\$22,792,314</u>



Valley Regional Healthcare

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

During 2011, the Organization began installing an integrated information system package, including software and hardware, with an estimated total cost of approximately \$1.6 million. Included in the contract is an additional commitment for monthly service fees totaling approximately \$2.2 million through September 30, 2016. The project was completed and placed into service in 2012.

6. Borrowings

Long-Term Debt

A summary of long-term debt follows:

	<u>2013</u>	<u>2012</u>
Business Finance Authority of the State of New Hampshire, Revenue Bonds (Valley Regional Hospital Issue), Series 2008, variable daily interest rate, 0.13% as of September 30, 2013	\$25,290,000	\$25,785,000
Less current portion	<u>515,000</u>	<u>495,000</u>
Long-term debt, excluding current portion	<u>\$24,775,000</u>	<u>\$25,290,000</u>

Scheduled principal repayments on long-term debt are as follows:

Year ending September 30,	
2014 (included in current liabilities)	\$ 515,000
2015	535,000
2016	555,000
2017	575,000
2018	595,000
Thereafter	<u>22,515,000</u>
	<u>\$ 25,290,000</u>

In 2008, the Hospital entered into a new loan agreement with the Business Finance Authority of the State of New Hampshire issuing Revenue Bonds (Valley Regional Hospital Issue), Series 2008, in the amount of \$26,260,000. The proceeds were used to advance refund the Series 2003 bonds and for acquiring, renovating, constructing and equipping a capital project with respect to the Hospital's facilities. Interest on the bonds is based on available daily rates as determined by the remarketing agent based on prevailing market conditions, not to exceed 10% per annum. The Hospital could, at any time, exercise an option to convert to a weekly rate or an irrevocably fixed rate. No conversion would be effective unless all bonds had been remarketed and sold. The Hospital could prepay certain of the bonds according to the terms of the loan and trust agreement. The bonds are collateralized by the gross receipts of the Hospital.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

Letter of Credit

While interest on the bonds accrues on a daily variable rate, the Hospital is required to maintain a credit facility in an amount not less than the principal amount of the outstanding bonds, plus accrued interest for 42 days at the maximum interest rate. To comply with this requirement, the Hospital has obtained an irrevocable direct pay letter of credit from RBS Citizens, National Association (Bank), in the amount of \$26,562,170. The letter of credit has a maturity date of October 1, 2016. The Hospital is required to pay the Bank quarterly commitment fees at the annual rate of 1.25% of the maximum amount available under the letter of credit agreement. Interest on drawings is paid at 1.85% to 2.10% per annum plus the base rate depending on the number of days the drawing is outstanding. The base rate is equal to the LIBOR rate. In the event of default, interest on the outstanding drawings is paid at 3.00% per annum plus the base rate. The base rate is the Wall Street Journal's prime rate.

Under the terms of the letter of credit agreement, the Hospital is required to satisfy certain measures of financial performance. The letter of credit agreement also places limits on the incurrence of additional borrowings or capital expenditures. The letter of credit is collateralized by substantially all of the assets of the Hospital. At September 30, 2013, the Hospital was in compliance with all covenants under the letter of credit agreement.

Interest Rate Swaps

The Hospital entered into an interest rate swap agreement with a Bank. Under this agreement, the Hospital makes or receives payments based on the difference between the fixed-rate interest payments and the variable market-indexed payments. The notional principal amount of the interest rate swap outstanding was \$8,460,000 and \$8,835,000, as of September 30, 2013 and 2012, respectively. The swap agreement expires on April 1, 2028. The fixed interest payment rate is 3.748%. The variable interest payments received were based on 68% of the "3-month USD-LIBOR-BBA Index." The fair value of the swap agreement is recorded in the balance sheets as of September 30, 2013 and 2012.

During 2010, the Hospital entered into another interest rate swap agreement with a Bank. Under this agreement, the Hospital makes or receives payments based on the difference between the fixed-rate interest payments and the variable market-indexed payments. The notional principal amount of the interest rate swap outstanding was \$16,830,000 and \$16,950,000 as of September 30, 2013 and 2012, respectively. The swap agreement expires on October 1, 2019. The fixed interest payment rate is 2.705%. The variable interest rates received were based on 68% of the "1-month USD-LIBOR-BBA Index." The fair value of the swap agreement is recorded in the balance sheets as of September 30, 2013 and 2012.

Line of Credit

During 2012, the Hospital entered into a \$4,000,000 line of credit agreement with a bank at a fixed interest rate of 2.875%. Borrowings on the line of credit were collateralized by certificates of deposit held by the bank. Quarterly interest only payments were required on any outstanding balances; remaining unpaid interest and principal balances were due in full on the expiration date. The line of credit expired on September 30, 2012 and was not renewed.

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

7. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at September 30:

	<u>2013</u>	<u>2012</u>
Retained appreciation on permanently restricted net assets to support health care services	\$ 992,705	\$ 871,233
Purchase of equipment, health education, and indigent care	<u>183,578</u>	<u>192,752</u>
	<u>\$ 1,176,283</u>	<u>\$ 1,063,985</u>

Permanently restricted net assets are restricted to:

	<u>2013</u>	<u>2012</u>
Investments to be held in perpetuity, the income from which is expendable to support health care services	<u>\$ 3,941,846</u>	<u>\$ 3,813,940</u>

8. Concentrations of Credit Risk

The Organization is located in Claremont, New Hampshire. The Organization grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows:

	<u>2013</u>	<u>2012</u>
Medicare	27 %	24 %
Medicaid	13	8
Anthem Blue Cross	8	12
Other third-party payors	13	12
Patients	<u>39</u>	<u>44</u>
	<u>100 %</u>	<u>100 %</u>

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant risk on cash and cash equivalents.

The Organization routinely invests its surplus operating funds in money market mutual funds. These funds generally invest in highly liquid U.S. government and agency obligations. Investments in money market funds are not insured or guaranteed by the U.S. government.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

9. Commitments and Contingencies

The Organization insures its comprehensive general liability and professional liability exposures on a claims-made basis, including prior acts coverage, with another commercial carrier. This coverage is provided by primary and excess insurance policies subject to shared policy limits with other selected NEAH entities. The policies are renewable on an annual basis and have been renewed through September 30, 2014. The Organization is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Organization to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected insurance recoveries are presented as a separate asset. Amounts recorded under this provision are included in other accounts receivable and other current liabilities in the balance sheets.

Operating Leases

The Organization leases equipment and buildings under various operating lease agreements. Total lease expense for the years ended September 30, 2013 and 2012 was \$548,576 and \$312,493.

The following is a schedule of future minimum lease payments required under operating leases:

	<u>Amount</u>
Year ending September 30,	
2014	\$ 504,300
2015	499,100
2016	267,700
2017	<u>267,700</u>
	<u>\$ 1,538,800</u>

10. Savings and Retirement Plan

The Organization participates in a tax-sheltered annuity plan which was adopted under Section 403(b) of the Internal Revenue Code for eligible employees of the Organization. Under the plan, employees make elective deferrals as allowed under Internal Revenue Service regulations. The Organization, at its discretion, matched each participating employee contribution up to 3% of annual compensation. Matching contributions were \$199,558 and \$233,198 for the years ended September 30, 2013 and 2012, respectively.



VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Notes to Financial Statements

September 30, 2013 and 2012

11. Beneficial Interests in Perpetual Trusts

The Hospital is the beneficiary of three trusts, a portion of the income from which is to be paid to the Hospital in perpetuity. VRH's interest in the trusts is recognized as an asset at the fair value of VRH's percentage of the underlying assets, which totaled \$3,687,952 and \$3,560,046 as of September 30, 2013 and 2012, respectively. Increases and decreases in the carrying value of this asset are included in permanently restricted net assets.

12. Grants

Connecticut Valley Home Care, a division of VRHC in 2013 and 2012, receives grants from the State of New Hampshire, Department of Health and Human Services, for the provision of Homemaker, Home Health Aide, Adult Group Day Care, Adult In-Home Care, and Health Screening services. Approximately \$2,979,000 was approved for the period July 1, 2005 through June 30, 2013. VRHC expended grant funds of \$339,281 and \$367,654 during fiscal years 2013 and 2012, respectively. Final disposition is subject to audit by the grantor.

13. Meaningful Use Revenue

The Medicare and Medicaid electronic health record (EHR) incentive programs provide a financial incentive for achieving "meaningful use" of certified EHR technology. The Medicare criteria for meaningful use will be staged in three steps from fiscal year 2012 through 2016. The meaningful use attestation is subject to audit by the Centers of Medicare and Medicaid Services (CMS) in future years. As part of this process, a final settlement amount for the incentive payments could be established that differs from the initial calculation.

The Medicaid program will provide incentive payments to hospitals and eligible professionals as they adopt, and implement, upgrade or demonstrate meaningful use in the first year of participation and demonstrate meaningful use for up to five remaining participation years. There will be no payment adjustments under the Medicaid EHR incentive program.

During 2013 and 2012, the Hospital attested to stage 1 meaningful use certification from the CMS and recorded meaningful use revenues of \$439,107 and \$845,288 from the Medicare EHR program.



Schedule 1

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2013
(With Comparative Totals for September 30, 2012)

ASSETS

	VRHC	VRH	Total	Eliminations	2013 Consolidated	2012 Consolidated
Current assets						
Cash and cash equivalents	\$ 84,511	\$ 4,880,228	\$ 4,964,739	\$ -	\$ 4,964,739	\$ 9,805,541
Short-term investments	2,006,206	153,827	2,160,033	-	2,160,033	1,942,035
Assets limited as to use under bond indenture, current portion	-	498,153	498,153	-	498,153	495,000
Patient accounts receivable, net	334,946	3,481,609	3,816,555	-	3,816,555	3,661,988
Due from affiliates	83,720	335,271	418,991	418,991	-	-
Supplies	-	742,511	742,511	-	742,511	676,353
Prepaid expenses	55,308	412,852	468,160	-	468,160	357,615
Other accounts receivable	24,696	1,616,606	1,641,302	-	1,641,302	4,368,006
Total current assets	<u>2,589,387</u>	<u>12,121,057</u>	<u>14,710,444</u>	<u>418,991</u>	<u>14,291,453</u>	<u>21,306,538</u>
Assets limited as to use						
Internally designated for capital acquisitions and community service	-	20,539,116	20,539,116	-	20,539,116	18,257,162
Held by trustee under bond indenture, less current portion	-	-	-	-	-	26,043
Restricted cash	<u>93,756</u>	<u>-</u>	<u>93,756</u>	<u>-</u>	<u>93,756</u>	<u>103,383</u>
Total assets limited as to use, excluding current portion	<u>93,756</u>	<u>20,539,116</u>	<u>20,632,872</u>	<u>-</u>	<u>20,632,872</u>	<u>18,386,588</u>
Property and equipment, net						
Long-term investments	195,165	20,521,290	20,716,455	-	20,716,455	22,792,314
Beneficial interests in perpetual trusts	10,777	6,430,580	6,441,357	-	6,441,357	1,133,182
Debt issuance costs, net of accumulated amortization	-	3,687,952	3,687,952	-	3,687,952	3,560,046
Cash surrender value of life insurance	-	196,048	196,048	-	196,048	210,204
Other assets	289,183	-	289,183	-	289,183	289,183
Total assets	<u>\$ 3,178,268</u>	<u>\$ 63,610,293</u>	<u>\$ 66,788,561</u>	<u>\$ 418,991</u>	<u>\$ 66,369,570</u>	<u>\$ 67,785,690</u>



Valley Regional Healthcare

Schedule 1
(Concluded)

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidating Balance Sheets

September 30, 2013
(With Comparative Totals for September 30, 2012)

LIABILITIES AND NET ASSETS

	VRHC	VRH	Total	Eliminations	2013 Consolidated	2012 Consolidated
Current liabilities						
Current portion of long-term debt	\$ -	\$ 515,000	\$ 515,000	\$ -	\$ 515,000	\$ 495,000
Accounts payable and accrued expenses	237,983	2,311,532	2,549,515	-	2,549,515	2,925,846
Accrued compensated absences	184,909	1,013,246	1,198,155	-	1,198,155	1,165,036
Accrued salaries and related amounts	119,439	573,088	692,527	-	692,527	579,482
Estimated third-party payor settlements	-	4,871,274	4,871,274	-	4,871,274	4,911,283
Due to affiliates	329,606	89,385	418,991	418,991	-	-
Deferred revenue	72,985	20,228	93,213	-	93,213	110,788
Other current liabilities	86,746	958,868	1,045,614	-	1,045,614	3,069,982
Total current liabilities	1,031,668	10,352,621	11,384,289	418,991	10,965,298	13,257,217
Long-term debt, excluding current portion	-	24,775,000	24,775,000	-	24,775,000	25,280,000
Interest rate swaps	-	2,716,613	2,716,613	-	2,716,613	4,130,318
Other liabilities	-	114,250	114,250	-	114,250	107,635
Total liabilities	1,031,668	37,958,484	38,990,152	418,991	38,571,161	42,785,170
Net assets						
Unrestricted	2,112,505	20,567,775	22,680,280	-	22,680,280	20,122,595
Temporarily restricted	34,095	1,142,188	1,176,283	-	1,176,283	1,083,985
Permanently restricted	-	3,941,846	3,941,846	-	3,941,846	3,813,940
Total net assets	2,146,600	25,651,809	27,798,409	-	27,798,409	25,000,520
Total liabilities and net assets	\$ 3,178,268	\$ 63,610,293	\$ 66,788,561	\$ 418,991	\$ 66,369,570	\$ 67,785,690



Valley Regional Healthcare

Schedule 2

VALLEY REGIONAL HEALTHCARE, INC. AND SUBSIDIARY

Consolidating Statements of Operations

Year Ended September 30, 2013
(With Comparative Totals for September 30, 2012)

	VRHC	VRH	Total	Eliminations	2013 Consolidated	2012 Consolidated
Unrestricted revenues, gains, and other support						
Patient service revenue (net of contractual allowances and discounts)	\$ 2,631,843	\$ 41,202,794	\$ 43,834,637	\$ -	\$ 43,834,637	\$ 48,030,405
Less provision for bad debts	34,566	4,596,099	4,630,665	-	4,630,665	5,048,721
Net patient service revenue	2,597,277	36,606,695	39,203,972	-	39,203,972	42,983,684
Other revenues						
Meaningful use revenue	2,260,808	987,251	3,248,059	2,011,045	1,237,014	1,143,086
Grant revenue	324,881	439,107	439,107	-	439,107	845,288
Net assets released from restrictions used for operations	3,000	27,000	351,881	-	351,881	370,985
Total unrestricted revenues, gains, and other support	5,185,966	38,060,053	43,246,019	2,011,045	41,234,974	45,346,043
Expenses						
Salaries	3,122,133	17,029,844	20,151,977	-	20,151,977	20,898,593
Employee benefits	881,190	4,302,112	5,183,302	-	5,183,302	5,385,092
Supplies and other	1,357,700	12,206,805	13,564,505	2,011,045	11,553,460	11,989,618
Insurance	72,330	301,266	373,596	-	373,596	412,597
Depreciation and amortization	34,495	2,405,727	2,440,222	-	2,440,222	2,868,674
Interest	-	1,128,784	1,128,784	-	1,128,784	1,175,921
Medicaid enhancement tax	-	2,035,407	2,035,407	-	2,035,407	2,189,994
Total expenses	5,467,848	39,409,945	44,877,793	2,011,045	42,866,748	44,736,489
Operating (loss) income	(281,882)	(1,349,892)	(1,631,774)	-	(1,631,774)	608,554
Nonoperating gains (losses)						
Investment income	79,359	952,849	1,032,208	-	1,032,208	1,059,478
Contributions and program support	-	50,470	50,470	-	50,470	12,941
Other nonoperating gains	79,574	124,945	204,519	-	204,519	51,884
Unrealized gain (loss) on interest rate swaps	-	1,413,705	1,413,705	-	1,413,705	(350,888)
Nonoperating gains, net	158,933	2,541,969	2,700,902	-	2,700,902	773,395
Excess (deficiency) of revenues, gains, and other support over expenses and nonoperating gains (losses)	(122,949)	1,192,077	1,069,128	-	1,069,128	1,382,949
Change in net unrealized gains on investments	132,149	1,344,924	1,477,073	-	1,477,073	2,003,368
Net assets released from restrictions used for the purchase of property and equipment	-	11,484	11,484	-	11,484	107,693
Increase in unrestricted net assets	\$ 9,200	\$ 2,548,485	\$ 2,557,685	\$ -	\$ 2,557,685	\$ 3,494,008



Valley Regional Healthcare



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Valley Regional Healthcare

PETER J. WRIGHT, FACHE

OBJECTIVE To provide executive leadership in the healthcare community of Northern New England. And, to contribute, serve and giveback to the communities that have allowed me to grow, provide and succeed.

EXPERIENCE 2007-Present Littleton Regional Hospital Littleton, NH
Chief Operating Officer

Overseeing the day-to-day operations (excluding nursing and finance) of a \$110 million Critical Access Hospital that serves as Northern New Hampshire's regional medical hub and Level III trauma center. Responsibilities include but are limited to: employed physician practices, clinical services (Laboratory, radiology, pharmacy, respiratory therapy, rehabilitation [PT, OT, Speech & Pulmonary], cardiac lab, EEG lab, echo-cardio, occupational health and employee health), support services (Information technology, engineering, environmental services, culinary and volunteers), strategic, operational and master facility planning, emergency preparedness, safety officer, incident command, community/statewide liaison and senior advisor to the President/CEO. Serve as the staff liaison to the Board of Trustees Facilities & Planning committee and as an invited guest to the finance and quality committee. Accomplishments include but are not limited to:

- Selection and implementation of a new hospital EHR (Paragon)
- Selection and implementation of physician practice EHR (eClinical Works)
- \$2 million outpatient practice financial turnaround
- Construction of a 66,000 sq ft medical office building meeting LEED standards. Completed on time and under budget.
- New construction of 10,000 sq ft Endo, Same Day Surgery & Recovery.
- Remodel 10,000 sq ft of OR (opening 4th OR) and PACU space.
- Improved productivity to QHR 75% and/or 90%.
- Reduced operating costs without impacting quality of care or staff satisfaction.
- Worked collaborative with nursing to reduce length of stay by 10%.
- Established six LEAN process projects to improve process and efficiency resulting in reduced waits time and cost.
- Established growth and market advancement in diagnostic imaging, laboratory services, occupational health, urology, orthopedics, ENT, general surgery, podiatry and ob/gyn services.



Valley Regional Healthcare

2006-2007

Copley Health Systems

Morrisville, VT

Sr. Dir. Planning, Development and Medical Group Operations

Senior administrator managing the visiting physician specialty clinic, Mansfield Orthopaedics and Rehabilitation Department as well as advising the President/CEO. Primary responsibilities: strategic, operational and master facility planning, business development, marketing, public relations, community and media relations, volunteer services, fund development and government affairs. Additional responsibilities included: staff liaison to the Board of Trustees Governance, Foundation, Strategic Planning and Legislative Committees. As a member of the senior leadership team, serve on rotation as administrator on call including incident command. Accomplishments include but are not limited to:

- Increased fund raising from \$250,000 per year to \$450,000 per year.
- Developed three year strategic plan that addressed identified community needs and improve patient satisfaction.
- On-boarded orthopedic clinic integrating with rehabilitation, and started aquatic therapy program.
- Established and responsible for relationships with state-wide government and legislative officials to help support the hospitals strategic direction.
- Established and responsible for collaborative and meaningful relationships and connections with key community officials.

2002-2006

Copley Health Systems

Morrisville, VT

Director of Planning, Marketing and Government Affairs

Senior administrator advising the President/CEO and facilitating: strategic, operational and master facility planning, business development, advertising, community and media relations, promotions, community outreach, volunteer services, fund development and government affairs. Additional responsibilities included: staff liaison to the Board of Trustees Governance, Foundation, Strategic Planning & Legislative Committees. Assist with operations and facilities as requested. As a member of the senior leadership team, serve on rotation as administrator on call. Accomplishments include but are not limited to:

- Crisis management plan to overcome public impact of a private practice general surgeon that was brought up on 27 counts of professional misconduct.
- Centralized and streamlined eight planning and marketing offices to one system office, reducing cost by 50% without negatively impacting productivity.
- Developed a community-wide education program supporting the CEO in ten town hall meetings.

2001-2002

Copley Hospital

Morrisville, VT

Director of Planning and Marketing

Senior administrator advising the President and facilitating: strategic and operational planning (w/COO), advertising, community and media relations, promotions, volunteer services and fund development. Additional



Valley Regional Healthcare

responsibilities included: staff liaison to the Board of Trustees Foundation and Strategic Planning (w/COO) committees.

2002-2006 Stowe Marathon Stowe, VT

Managing Director

Oversee and direct the administrative and operations aspects of the event (full marathon, half marathon and team relay) including but not limited to all financial, operational, marketing and technical aspects of the race. Directly supervise a staff of 50+ volunteers.

1999-2001 Littleton Coin Company Littleton, NH

Direct Mail Planner/Analyst

Plan, implement and oversee multi-million dollar direct mail circulation plan. Responsibilities include but are not limited to long and short term fiscal and project planning, product development, creative oversight, project initiation and results analyst. Piloted several internal cost saving projects such as paperless reporting and streamlining automated results analysis.

1996-1999 Burke Mountain Resort East Burke, VT

Director of Sales and Marketing

Implemented, directed and managed all wholesale and retail sales, promotions, public relations, reservations, special events and crisis command. Directed administrative operations including oversight of guest services, reservations and housekeeping. Planned, designed and implemented new website incorporating online reservations system. Implemented networking and file server system.

1995-1996 Fuller Jefferies Broadcasting Portland, ME

Sales Manager - 103.7 Peak FM- WZPK

Managed sales, promotions and on-air staff. Created new rate structure and implemented innovative promotions program. Maintained national client list and increased national sales while facilitating day-to-day operations.

EDUCATION 2007 American College of Healthcare Executives Chicago, IL
Fellow Status - Board Certified in Healthcare Management

2002-2005 Saint Michael's College Winooski, VT
Masters of Science - Administration

1990-1994 Lyndon State College Lyndonville, VT
Bachelors of Science - Business Administration

SERVICE American College of Healthcare Executives
Board Certified in Healthcare Management
Northern New England Association of Healthcare Executives
Board of Directors: 2003-Present
President: 2011-2012
Counsel of Regents: 2012-2014
Vermont Regent's Advisory Council: 2004-2007

 Valley Regional Healthcare

American Hospital Association: 2001-Present

Society for healthcare strategy and market development 2001-2007

New England society healthcare strategy and market development: 2001-2007

New England society for healthcare communications: 2001-2008

Littleton Industrial Corporation: 2010-Present

Rotary International: 2002-Present

Rotary Club of Littleton: 2007-Present (Membership Chair: 2010-2011)

Rotary Club of Stowe: 2002-2007 (Board of Directors: 2003-2007, President: 2005-2006 & Fundraising Chair: 2003-2005)

Vermont State Colleges

Board of Trustees: 2007-Present

Secretary, Vice Chair of Finance & Facilities committee, Chair of

Nominating committee, Member of Audit Committee

Lyndon State College Alumni Council: 2001-2004

Elmore Fire Department

Firefighter: January 2007-2010



Valley Regional Healthcare

STEVEN L. MONETTE

SUMMARY: Healthcare senior financial executive with a proven record and extensive experience in financial operations, financial planning, accounting, contract analysis and managed care negotiations, accustomed to a fast paced work environment, loyal and trusted team player with strong interpersonal skills, reputation for developing and leading a strong financial services function.

PROFESSIONAL EXPERIENCE

VALLEY REGIONAL HEALTHCARE, INC Claremont, NH (2005-present)

Chief Financial Officer & Treasurer (2006-present) of a \$50M Critical Access Hospital that includes a visiting nurse association and seven hospital-owned physician practices. Reporting to the President & CEO is responsible for the organization's overall direction in financial strategic planning and leadership, interpretation, coordination and administration of services and hospital procedures on finance, budgeting, general accounting, information systems, internal controls and auditing. Direct reports include Finance, Patient Financial Services including Health Information and Patient Access, Information Systems and Materials Management. Is responsible for five direct reports and 51 FTEs.

- Obtained financing for a CON approved \$22.5M Master Facility Project where the proceeds were used to refinance existing debt, construct a new emergency department, expand medical-surgical and ICU bed units and construct a new central plant.
- Renegotiated the terms of the hospital's Irrevocable Direct Pay Letter of Credit agreement with the hospital's issuing bank and hedged Variable Rate Demand Bonds with synthetically fixed Interest Rate Swaps.
- Developed and finalized a strategic multi-year plan for a hospital wide information systems solution
- Administered an information systems vendor selection process and negotiated a comprehensive information systems five year vendor contract as outlined in the hospital's information systems strategic plan.
- Converted the Medicare status of the physician practices from rural health clinics to provider-based clinics generating approximately \$600k in additional fiscal year reimbursement.
- Administered the transfer of the Visiting Nurse Association from the hospital corporate structure to the parent corporate structure creating approximately \$275k in additional fiscal year reimbursement.
- Successfully negotiated multi-year third party managed care contracts with the hospital's primary payers.
- Restructured and implemented a new organizational structure for the finance division's revenue cycle departments with emphasis on revenue optimization and cash collections as well as provide skill sets that can lead the organization in EMR and CPOE implementation.
- Created and developed a physician practice financial operations committee with an emphasis on practice profitability and operational opportunities.



Valley Regional Healthcare

- Established six LEAN sigma process projects to improve process and efficiency resulting in reduced waits time and cost.
- Provides financial advice and education to the CEO, Finance Committee and Board of Trustees.

Controller (2005-2006) Reporting to the CFO directed budgeting, accounting, accounts payable, payroll, cash management and third party reimbursement.

- Provided management with budget training, education and leadership in budget development and budgetary control processes.
- Provided education to departmental managers in budget variance policies and reporting.
- Assisted and provided direction in implementation of controls in statistical reporting during first fiscal year of critical access hospital status, reducing potential future exposure from CMS audits.
- Conducted an internal audit of the cash collection process within the organization and implemented procedures to obtain consistency as well as enhance controls.
- Provided leadership in education and direction of a hospital wide revenue cycle committee.

CENTRAL NEW ENGLAND HEALTH ALLIANCE

Leominster, MA (1988-2004)

Corporate Controller (2003-2004) of a \$125M integrated delivery system that includes a two campus community teaching hospital with TEFRA based acute rehabilitation and psychiatric units, two nursing homes, visiting nurse association, medical equipment company, physician practice group and a campus real estate corporation. Reporting to the CFO directed all financial activities of the corporation, directed budgeting, accounting, patient accounts, accounts payable, payroll, cash management, third party reimbursement and contract negotiations for seven-affiliated companies.

- Developed financial and accounting system controls and standards and ensured timely financial and statistical reports for management and/or board use.
- Assisted the CFO in the development of the financial plan linking the organizations strategic mission to measurable financial goals. Including the preparation, monitoring and implementation of cash and capital planning budgets.
- Reduced the monthly financial closing schedule to six business days allowing for additional financial statement analysis.
- Led the Fiscal Services Division with a concentration in staff management, training, and development. □ Presented monthly financial statements to the finance committee in the absence of the CFO.
- Monitored loan and bond covenants for system debt obligations and ensured that the system's assets were effectively invested and managed.

Director of Payment Systems (1995-2003) Reporting to the CFO directed the revenue cycle management functions of the corporation, including patient financial services, patient registration, third party reimbursement, managed care contracting, operational and revenue budgeting, Assisted the CFO with continuous quality improvement initiatives, and cost reduction initiatives, managed the financial and operational analysis of new and existing programs.

- Increased Medicare reimbursement by \$2.5M to the Health System by appropriately allocating cost with the hospital and among entities, increased DSH days by developing a system to capture managed Medicaid days and Medicaid eligible days, and filing routine cost limit exceptions for the nursing homes.
- After various IS conversions, developed task force and implemented a plan to reduce accounts receivable days. The result yielded a 10 day decline and a \$2M increase in cash.



Valley Regional Healthcare

- In 1997, assisted in the development of a regulatory case to increase reimbursable cost for a 1986 nursing home construction project. This resulted in a \$1.8M settlement and the restoration of positive net worth.
- Consolidated complete charge masters from two separate provider numbers into one system.
- Implemented an accounting system for tracking patient accounting denials resulting in a \$500K annual reduction in denials.
- In 1999, implemented the harvest Contract Management System to help analyze manage care contracts for underpayments and contract negotiations. The ROI was realized from the first hospital PPO negotiation.
- Built and developed a complete hospital revenue model based on capitation membership and population data resulting with more accurate budgeting data during a time of major healthcare reimbursement change.
- Provided management with analysis that guided a re-allocation of patient services between two acute care campuses that reduced 90 FTE's and eliminated duplicate costs. This resulted in \$8M in annual savings.
- Within the PHO, assisted in negotiating capitation rates for services provided by the health system.
Implemented concept of "continuum days" to distribute risk sharing funds between the physicians and the health system resulting in better physician relations.
- Managed and coordinated numerous charge master sensitivity analysis studies resulting in increased reimbursement opportunities along with ensuring compliance with billing regulations.

Director, Patient Accounting and Reimbursement (1990-1995) Reporting to the CFO directed the Patient Financial Services department of the hospital, as well as, coordinating the health system's reimbursement and statistical program.

- Consolidated two hospital billing departments into one, thereby increasing efficiencies and communications.
- Installed new technology that re-engineered office work allowing for more front-end work and FTE decreases. Led the successful automation of many clerical functions in registration and patient accounting, which improved productivity, cash collections, and days of cash on hand.
- Participated in the issuance of \$18 million in tax-exempt bonds through Massachusetts Health & Educational Facilities Authority and Massachusetts Determination of Need process.
- Assisted in due diligence proceedings in conjunction with the merger of the system.

Manager, General Accounting (1988-1990) Reporting to the Controller managed the financial statement preparation, short term cash management, year-end audit, accounts payable, payroll processing, third party contractual adjustments and liabilities.

COOLEY DICKINSON HOSPITAL, INC.
(1984-1988)

Northampton, MA

Manager, Budget and Reimbursement (1986 – 1988)

Manager, General Accounting (1984 – 1986)

COMMONWEALTH OF MASSACHUSETTS

Palmer, MA

Assistant Manager, Department of Mental Health (1981-1984)



Valley Regional Healthcare

EDUCATION:

Bachelor of Science in Business Administration with a major in Accounting

Western New England College, Springfield, MA

AFFILIATIONS:

United Way

NH-Sullivan County United Way Investment Committee Member

HFMA

Healthcare Financial Management Association

HFMA Membership Committee, Past Co-Chair, NH/VT Chapter

Education Committee member, NH/VT Chapter

Claremont Chamber of Commerce Board Member

**COO Resume – in the process of interviewing
candidates**

Karie Welling

A Proven Nurse Leader with 26 years of experience in public health and community nursing. Excellent communication, leadership, and public relation skills. Solid understanding of Nursing theory, health promotion principles and homecare strategies. Working knowledge of Medicare/ Medicaid reimbursement structure and marketing strategies. Directs and monitors quality assurance in health programs and determines need for staff education and in-services. Strong working knowledge of supervisory principles and maintaining effective working relationships across disciplines in state government providing leadership and accountability within key practices of customer service, holistic service, and strength based relationships and results oriented.

Relevant experience:

Knowledge of Home Care and Visiting Nurse Services and Medicare/ Medicaid reimbursement structure.

Ability to lead interdisciplinary teams and ensure continuous quality improvement and efficiency.

Extensive experience in Nursing theory and practice in home care.

Credentials:

Current State of Vermont License to practice as registered professional nurse.

Current State of New Hampshire License to practice as a registered professional nurse.

BLS (CPR) current certification 10/2013

American Nurses Association member

New Hampshire Homecare Association member

New Hampshire Rural health association Member.

Community Service

VERV Volunteer (2008-present)

Trainings:

Motivational Interview Training. 10/08 - 8/11

State of Vermont Supervisor Development program 12/07

Technical Skills:

Working knowledge of Windows XP, MS Office, MS Excel, MS Word, MS Outlook and internet explorer.

Education:

1980-1984: Salve Regina College, Newport. R.I. Graduate BSN

2008: University of Massachusetts. Graduate MPH course work.

2009- University of New Hampshire, Graduate MPH course work.



Valley Regional Healthcare

2010-2012: Norwich University, Northfield. VT. Graduate Masters Science in Nursing Administration.

Employment History:

2012-Present

Director of Home Health Care

Administers and supervises all phases of agency's program, including policy development and implementation, budgeting and accounting and public relations.

Develops a system of staff communication that ensures coordinated implementation of plans of treatment and the utilization of necessary services for comprehensive care of patients

2007- 2012

Public Health Nurse III Supervisor State of Vermont Department of Health Springfield District Office. Responsible for nursing advisory and management of public health programs. Maintains clinical direction, performance management and evaluation of nursing and non-nursing department staff. Promotes and maintains health of populations by identifying community health problems, assessing needs of high risk groups, and identifying resources and gaps in the health care delivery system, through data analysis.

2002-2007

Home Healthcare Case Manager.

Home Healthcare, Hospice and Community Services (HCS) Charlestown, NH.

Responsible for medical assessment, evaluation and management of infant, pediatric, adult and geriatric clients through interdisciplinary team approach. Skills include Home infusion therapy and venipuncture. Organized and implemented community health prevention programs and clinics.

2000-2002

Killingworth Board of Public Health, Killingworth, CT.

President: Oversee policy and funding for public health services to Town of Killingworth. Report to first selectman.

2000-2002

Public Health Liaison Nurse

Middletown Health Dept.: Middlesex Hospital Homecare: Middletown CT:

Responsible for investigating and reporting communicable diseases. Collects and interprets health data using computer based program EPI 2000. Plan and implement health fairs, flu clinics and emergency preparedness.

1996- 2000

Extended Hours/ Weekend Clinical Coordinator:

Middlesex Hospital Homecare, Middletown, CT.

Responsible for supervision of staff, work assignments and evaluation of patient services on weekend and after hours. Triage medical calls after hours.



Valley Regional Healthcare

JOANNE MILLER

Objective: To lead a healthcare team in providing the highest quality service by focusing on teamwork, effective communication, professional responsibility, customer service and the efficient use of information technology.

Professional Experience:

- 02/2013 - current Alice Peck Day Memorial Hospital, Lebanon, NH
Revenue Coordinator
- 01/2012-10/2012 Valley Family Physicians, PLLC, Claremont, NH
Practice Manager

Responsibilities included:

- Coordinated the implementation of a new EMR
- Managed staff of 10 employees and 3 providers including hiring, evaluations and ensuring all employees were practicing within the scope of their knowledge and training
- Trained staff in using new medical equipment and laboratory tests, and assessed their competency at regular intervals
- Scheduling of physicians, clinical and office staff
- Addressing patient complaints and concerns
- Management of accounts receivable including insurance and patient billing
- Review of fee schedules
- Payroll, taxes and retirement plan administration
- Purchasing, maintaining and upgrading of all office/medical supplies, computer systems and other equipment
- CLIA Laboratory Director
- Clinical monitoring of immunization and diagnostic database for insurance carrier review
- Physician credentialing with hospitals, insurance carriers and CAQH
- HIPAA compliance (included writing and implementing HIPAA manual)
- OSHA compliance officer
- Meaningful Use analysis with dashboard utilization

- 09/1985-12/2011 Claremont Family Practice, PLLC, Claremont, NH
- Practice Manager 1995-2011
Office Manager 1991-1995
Medical Secretary 1985-1991

Education:

- 1985 New Hampshire Vocational Technical College, Claremont, NH
Medical Assistant Program 4.0 GPA

Interests: Gardening, cooking, running, hiking, reading, biking, family time

References: Available upon request



Valley Regional Healthcare

DIANNE LEMAY R.N.

EDUCATION **Mary Hitchcock Memorial Hospital School of nursing**
Hanover, New Hampshire Graduated 1973

WORK EXPERIENCE

2005-Present **Connecticut Valley Home Care**
Interim Director (Effective 10.14.11)
Clinical Coordinator
Quality Assurance Coordinator
958 John Stark Highway
Newport, NH 03773

1993-2005 **Connecticut Valley Home Care**
Intake Coordinator
Staff Nurse
958 John Stark Highway
Newport, NH 03773

1980-1993 **Claremont General Hospital**
Staff Nurse Surgical
Staff nurse ICU/CCU
243 Elm Street
Claremont, NH 03743

1978-1980 **Mary Hitchcock Memorial Hospital**
Charge Nurse evenings
Cardiothoracic floor
Hanover, NH

1976-1978 **Mary Hitchcock Memorial Hospital**
Staff nurse Cardiothoracic and telemetry
Hanover, NH 03755

1973-1976 **Mary Hitchcock Memorial Hospital**
Staff Nurse Overflow & Neurology
Hanover, NH 03755

CURRENT LICENSURE

New Hampshire
Vermont

REFERENCES

Furnished upon request



Wendy Moquin

EDUCATION

Stevens High School
Claremont, New Hampshire

WORK EXPERIENCE

1997 - Present	Connecticut Valley Home Care Manager, Homemaker Services 958 John Stark Highway Newport, NH 03773
1996 - 1997	Connecticut Valley Home Care Coordinator, Homemaker Services 958 John Stark Highway Newport, NH 03773
1992 - 1997	Connecticut Valley Home Care Office Assistant, Homemaker Services 958 John Stark Highway Newport, NH 03773
1988 - 1992	Rancourt Estates Administrative Assistant Charlestown, NH 03603
1984 - 1988	Smith and Allen Construction Secretary/Receptionist Charlestown, NH 03603



Valley Regional Healthcare

Mary Schissel, RN

EDUCATION

Castleton State College, VT
Associate Degree, Nursing 1983

WORK EXPERIENCE

2007 – Present	Connecticut Valley Home Care Supervisor, Licensed Nurses Aides 958 John Stark Highway Newport, NH 03773
1993 – Present	Connecticut Valley Home Care Registered Nurse 958 John Stark Highway Newport, NH 03773
1990 – 1993	Lake Sunapee Visiting Nurses Association Registered Nurse New London, NH 03752
1987 – 1988	Eastern Maine Medical Center Staff Nurse Bangor, ME
1983 – 1986	Massachusetts General Hospital Staff Nurse Boston, MA

CONTRACTOR NAME
Valley Regional Healthcare, Inc.
dba Connecticut Valley Home Care

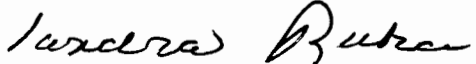
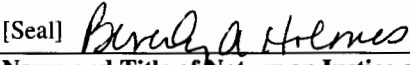
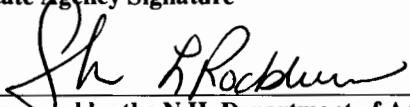
Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Peter J. Wright	President & CEO	\$250,000	0	0
Steve Monette	Chief Financial Officer	\$169,131	0	0
Karie Welling	Director, Connecticut Valley Home Care	\$76,000	0	0

Subject: In Home Care Services, In Home Health Aide Level of Care , and In Home Nursing Level of Care Services**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name Visiting Nurse Home Care & Hospice of Carroll County		1.4 Contractor Address 1529 White Mountain Highway North Conway, NH 03860	
1.5 Contractor Phone Number 603-356-7006	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$253,130.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory SANDRA RUKH, RN EXEC. DIR	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Carroll</u> On <u>May 22, 2014</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  BEVERLY A. HOLMES, Notary Public My Commission Expires October 21, 2014			
1.13.2 Name and Title of Notary or Justice of the Peace Beverly A. Holmes Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockburn Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>M. K. Brown</u> On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").
3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.
5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.
5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.
6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.
6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.
7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.
7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

- 8.1.1 failure to perform the Services satisfactorily or on schedule;
- 8.1.2 failure to submit any report required hereunder; and/or
- 8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

- 8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;
- 8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;
- 8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or
- 8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS. This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



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In Home Nursing Level of Care Services**

Exhibit A

Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services and In Home Health Aide Level of Care Services: Carroll Co. – All Cities and Towns.

5. Services Provided in this Agreement

	Services		
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services
Program:			
Title III	x	x	na
Title XX	x	na	na

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.



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6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

6.1.3.1.1. Washing dishes;

6.1.3.1.2. Dusting;

6.1.3.1.3. Vacuuming;

6.1.3.1.4. Sweeping;

6.1.3.1.5. Wet-mopping floors;

6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and

6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;

6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;

6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;

6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;

6.1.11.5. Placing the medicine container within reach; and/or

6.1.11.6. Opening the container

6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier

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Exhibit A

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- management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
- 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
- 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
- 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
- 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
- 6.2. In Home Health Aide Level of Care Services:
- 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
- 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
- 6.2.1.2. receiving referrals from an individual's health care provider(s),
- 6.2.1.3. performing evaluations of individuals' medical needs,
- 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
- 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
- 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
- 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
- 6.3. In Home Nursing Level of Care Services.
- 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
- 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
- 6.3.3. The following nursing services shall be covered based on the individual's need:
- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.



Exhibit A

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502. Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

- 7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.
- 7.3.2. Eligibility determination
 - The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.
 - 7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:
 - 1) The reason(s) for the denial;
 - 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
 - 3) Contact information for requesting an appeal.
 - 7.3.3. Redetermination of Service Eligibility.
 - The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.
 - 7.3.4. Termination of Services.
 - Services shall be terminated when:

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- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

- 7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301

7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

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- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.

7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
- b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
- c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
- d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.



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- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
 - 4) Service Delivery
 - a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;
- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form two (2) times per year. This form will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor



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is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.

7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information.

Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.



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- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,
- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.



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7.16. Wait Lists

- 7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:
- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
 - b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:
 - i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
 - ii) Declining mental or physical health of the caregiver;
 - iii) Declining mental or physical health of the individual;
 - iv) Individual has no respite services while living with a caregiver; and
 - v) Length of time on the wait list.
 - vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
 - vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
 - c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
 - d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and



Exhibit A

- d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations

Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

- 7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 7.20.2. Ensure the Department is provided with access that includes but is not limited to:
 - a) Data
 - b) Financial records
 - c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
 - d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
 - e) Scheduled phone access to Contractor principals and staff
 - f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

- 7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.
- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
 - 1. Require a corrective action plan for identified deficiencies, or



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2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:
The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:
- Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%

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Exhibit A

Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a ratio and represents 5% of the total risk assessment value.	0.7:1	5.0%
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of	50%	10.0%

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Table A - Risk Analysis Assessment Ratios Matrix						
Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				the total risk assessment value.		
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Exhibit B

Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates per Half Hour of Service	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38	\$180,655
Title IIIB	In Home Care Services	\$8.38	\$7,475
Title IIIB	In Home Health Aide Level of Care Services	\$12.50	\$65,000
Title IIIB	In Home Nursing Level of Care Services	\$24.50	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385



Exhibit B

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.

9. Form Submission:

Prior to submittal of an invoice for the following Title III funded services: In Home Care and In Home Health Aide Level of Care the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.

10. Invoice Submission:

- 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.



Exhibit B

- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

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- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. **Fiscal Records:** books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. **Statistical Records:** Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to

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subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

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Exhibit C-1

REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$5,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

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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.

Contractor Name: VNHC of Carroll CO.

5-22-14
Date

Sandra Ruka
Name: SANDRA RUKA
Title: Exec. Director



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: VNHC&H of Carroll CO.

5-22-14
Date

Sandra Ruka
Name: SANDRA RUKA
Title: Exec. Director



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



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 (11)(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: VNHC & H of Carroll CO.

5-22-14
Date

Sharon Rukh
Name: SHARON RUKH
Title: Exec Dir.



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name: VNHC of Carroll CO.

5-22-14
Date

Sandra Rukh
Name: SANDRA RUKH
Title: Exec. Dir.



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: VNHC & H of Carroll CO.

5-22-14
Date

Sandra B. Dunn
Name: SANDRA DUNN
Title: Exec Dir



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.



Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

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Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.

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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.

The State	<u>SPRUCH. SANDRA RUKA</u>
<u>[Signature]</u>	Name of the Contractor
Signature of Authorized Representative	<u>Sandra Ruka</u>
<u>Shari Rockburn</u>	Signature of Authorized Representative
Name of Authorized Representative	<u>SANDRA RUKA</u>
<u>Director</u>	Name of Authorized Representative
Title of Authorized Representative	<u>Exec Director</u>
<u>5/27/14</u>	Title of Authorized Representative
Date	<u>5-22-14</u>
	Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: VNHC of Carroll Co.

5-22-14
Date

Sandra Ruka
Name: SANDRA RUKA
Title: 5-22-14

New Hampshire Department of Health and Human Services
Exhibit J



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: 929994960
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:

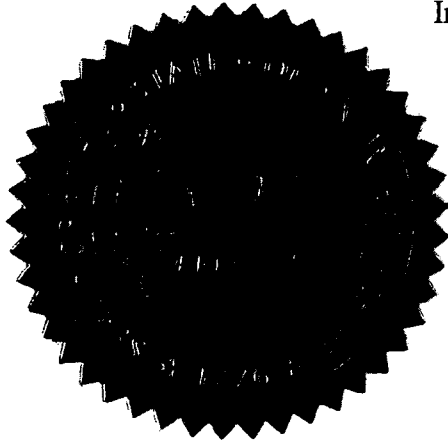
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____
Name: _____	Amount: _____

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 Visiting Nurse Home Care & Hospice of Carroll County is a New Hampshire nonprofit corporation formed November 16, 1992. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 28th day of April A.D. 2014

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE
(Corporation without Seal)

I, Joan Lanoie, do hereby certify that:
(Name of Clerk of the Corporation; cannot be contract signatory)

1. I am a duly elected Clerk of Visiting Nurse Home Care & Hospice of Carroll City
(Corporation Name)
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of the Corporation duly held on 5/13/14:
(Date)

RESOLVED: That this Corporation enter into a contract with the State of New Hampshire, acting through its Department of Health and Human Services, , for the provision of

Home Care services.

RESOLVED: That the Executive Director
(Title of Contract Signatory)

is hereby authorized on behalf of this Corporation to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 10 day of January, 2012
21 (Date Contract Signed) May 2014 (BA)
4. Sanara Ruka is the duly elected
Executive Director
(Name of Contract Signatory) (Title of Contract Signatory)

of the Corporation.

Joan Lanoie
(Signature of Clerk of the Corporation)

STATE OF NEW HAMPSHIRE

County of Carroll

The forgoing instrument was acknowledged before me this 27 day of May, 2014.

By Joan Lanoie
(Name of Clerk of the Corporation)

Beverly A. Holmes
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 10/21/14

BEVERLY A. HOLMES, Notary Public
My Commission Expires October 21, 2014

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/23/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

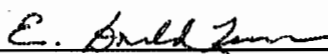
PRODUCER USI Insurance Svcs LLC PO Box 406 Portland, ME 04112-0406		CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 FAX (A/C, No): E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Philadelphia Insurance Company	
		INSURER B: Philadelphia Life Ins Company	
		INSURER C: Technology Insurance Company	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES	CERTIFICATE NUMBER:	REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR ☒ Prof \$1M/\$3M GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC			PHPK1116732	01/01/2014	01/01/2015	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 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$ COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$			BINDER10357178	05/23/2014	05/23/2015	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$ WC STATU-TORY LIMITS ☒ OTH-ER ☐
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	TWC3364789	07/01/2013	07/01/2014	E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	Property RC-Special Frm			PHPK1116732	01/01/2014	01/01/2015	\$87,500 Contents \$5,000 Deductible

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 Evidence of Workers' Compensation Coverage.

CERTIFICATE HOLDER DHHS 129 Pleasant St. Concord, NH 03301	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 



A Passion for Compassion

Our Mission

We use our passion for compassion to provide exceptional home health care enabling independent living and quality of life for our clients and their families.

VISITING NURSE HOME CARE & HOSPICE
OF CARROLL COUNTY
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

14

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BRAD BORBIDGE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
FAX 603/224-2397

Independent Auditor's Report

Board of Directors
Visiting Nurse Home Care & Hospice
of Carroll County
North Conway, New Hampshire

We have audited the accompanying financial statements of Visiting Nurse Home Care & Hospice of Carroll County, which comprise the balance sheets as of June 30, 2013 and 2012, the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

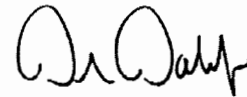
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Visiting Nurse Home Care & Hospice of Carroll County as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "A. D. Dwyer".

Concord, New Hampshire
October 4, 2013

VISITING NURSE HOME CARE & HOSPICE
OF CARROLL COUNTY

BALANCE SHEETS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$ 525,692	\$ 811,692
Patient accounts receivable, less an allowance for uncollectible accounts of \$26,222 and \$31,300 at June 30, 2013 and 2012, respectively	489,669	468,541
Other receivables	37,996	2,012
Prepaid expenses	<u>39,788</u>	<u>24,275</u>
Total Current Assets	1,093,145	1,306,520
Long-Term Investments	375,811	448,715
Assets Limited As To Use	1,121,583	834,372
Property And Equipment, Net	<u>186,460</u>	<u>38,068</u>
TOTAL ASSETS	<u><u>\$ 2,776,999</u></u>	<u><u>\$ 2,627,675</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 16,517	\$ 19,435
Accrued payroll and related expenses	230,888	226,899
Due to affiliates	-	35,122
Deferred revenue	<u>21,942</u>	<u>21,942</u>
Total Current Liabilities	269,347	303,398
Net Assets		
Unrestricted	<u>2,507,652</u>	<u>2,324,277</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,776,999</u></u>	<u><u>\$ 2,627,675</u></u>

(See accompanying notes to these financial statements)

VISITING NURSE HOME CARE & HOSPICE
OF CARROLL COUNTY
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenue		
Patient service revenue	\$ 2,736,474	\$ 2,584,702
Provision for bad debts	<u>(26,000)</u>	<u>(25,900)</u>
Net patient service revenue	2,710,474	2,558,802
Grant revenue	346,931	452,303
Other operating revenue	<u>79,612</u>	<u>162,895</u>
Total Operating Revenue	<u>3,137,017</u>	<u>3,174,000</u>
Operating Expenses		
Salaries and related expenses	2,388,849	2,513,283
Other operating expenses	703,592	643,884
Interest expense	15	-
Depreciation	<u>25,635</u>	<u>14,074</u>
Total Operating Expenses	<u>3,118,091</u>	<u>3,171,241</u>
OPERATING INCOME	<u>18,926</u>	<u>2,759</u>
Other Revenue and Gains		
Contributions	85,844	28,268
Investment income	34,050	30,149
Recognized change in fair value of investments	<u>44,555</u>	<u>18,165</u>
Total Other Revenue and Gains	<u>164,449</u>	<u>76,582</u>
EXCESS OF REVENUE OVER EXPENSES	<u><u>\$ 183,375</u></u>	<u><u>\$ 79,341</u></u>

(See accompanying notes to these financial statements)

VISITING NURSE HOME CARE & HOSPICE
OF CARROLL COUNTY
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets:		
Excess revenue over expenses and increase in unrestricted net assets	\$ 183,375	\$ 79,341
Temporarily Restricted Net Assets:		
Net assets released from restrictions for operations	<u>-</u>	<u>(4,487)</u>
CHANGE IN NET ASSETS	183,375	74,854
Net assets, beginning of year	<u>2,324,277</u>	<u>2,249,423</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,507,652</u></u>	<u><u>\$ 2,324,277</u></u>

(See accompanying notes to these financial statements)

VISITING NURSE HOME CARE & HOSPICE
OF CARROLL COUNTY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities And Gains		
Change in net assets	\$ 183,375	74,854
Depreciation	25,635	14,074
Bad debt expense	26,000	25,900
Recognized change in fair value investments	(44,555)	(18,165)
(Increase) decrease in the following assets:		
Patient accounts receivable	(47,128)	47,219
Other receivables	(35,984)	37,305
Prepaid expenses	(15,513)	(7,659)
Increase (decrease) in the following liabilities:		
Accounts payable	(2,918)	(746)
Accrued payroll and related expenses	3,989	22,219
Due (from) to affiliates	(35,122)	18,968
Deferred revenue	<u>-</u>	<u>17,117</u>
Net Cash Provided by Operating Activities	<u>57,779</u>	<u>231,086</u>
Cash Flows From Investing Activities		
Investment (purchases), net of sales	(169,752)	8,322
Capital expenditures	<u>(174,027)</u>	<u>(9,043)</u>
Net Cash Used by Investing Activities	<u>(343,779)</u>	<u>(721)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(286,000)	230,365
Cash and cash equivalents, beginning of year	<u>811,692</u>	<u>581,327</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 525,692</u></u>	<u><u>\$ 811,692</u></u>

(See accompanying notes to these financial statements)

VISITING NURSE HOME CARE & HOSPICE
OF CARROLL COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Association is a non-stock, non-profit corporation organized in New Hampshire. The Association's primary purpose is to provide home health care services to residents of surrounding communities.

The Association is an affiliate of Memorial Development Foundation, Inc., a holding corporation for various providers of health care services to residents of Conway and surrounding communities. The affiliation was accomplished by revising the bylaws so that the sole member of the Association is Memorial Development Foundation, Inc.

On June 14, 2011, the Association's board of directors voted to merge with Carroll County Health and Home Care Services, CCHHS, effective January 1, 2012. CCHHS is a related organization through common affiliation with the Memorial Development Foundation, Inc. and a public charity under Section 501(c)(3) of the Internal Revenue Code whose primary purpose is to provide home care services to clients of health and social service agencies and to the general public in surrounding communities. In accordance with generally accepted accounting principles for mergers of entities under common control, this business combination was accounted for in a manner similar to a pooling-of-interest. Under a pooling of interest, operating results are restated as if the combination occurred at the beginning of reporting period. As a result of the merger, the Association changed their name from Visiting Nurse and Hospice Care Services of Northern Carroll County to Visiting Nurse Home Care & Hospice of Carroll County. Services previously performed by CCHHS were subsequently performed by the Association.

Income Taxes

The Association is a public charity under Section 501 (c)(3) of the Internal Revenue Code. As a public charity, The Association is exempt from state and federal income taxes on income earned in accordance with its tax exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association's tax positions and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the financial statements. Management believes the Association is no longer subject to income tax examinations for years prior to 2010.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use. Short-term highly liquid investments with an original maturity of more than three months are classified as temporary investments.

Investments

Investments in equity and debt securities are reported at fair value. Investment income and the recognized change in fair value are included in the excess of revenue over expenses unless otherwise stipulated by the donor or State law.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. As such, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the balance sheets, statements of operations, and changes in net assets.

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Association analyzes its past history and identifies trends for all funding sources in the aggregate. In addition, balances in excess of 1 year are 100% reserved. Management regularly reviews data about revenue in evaluating the sufficiency of the allowance for doubtful accounts. Amounts not collected after all reasonable collection efforts have been exhausted are applied against the allowance for doubtful accounts. The Association has not changed its methodology for estimating the allowance for doubtful accounts during the years ended June 30, 2013 and 2012.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

A reconciliation of the allowance for doubtful accounts follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 31,300	\$ 32,085
Provision	26,000	25,900
Write-offs	<u>(31,078)</u>	<u>(26,685)</u>
Balance, end of year	<u>\$ 26,222</u>	<u>\$ 31,300</u>

Assets Limited As To Use

Assets limited as to use consist of board designated assets for long-term investment.

Property and Equipment

Property and equipment are carried at cost. Maintenance, repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Depreciation is computed on the straight-line method and is provided over the estimated useful life of each class of depreciable asset.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Association has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Association in perpetuity. The Association had no temporarily or permanently restricted net assets at June 30, 2013 and 2012.

Patient Service Revenue

Standard charges for services to all patients are recorded as revenue when services are rendered. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

Excess of Revenue Over Expenses

The statements of operations reflect the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice are permanent transfers of assets to and from affiliates for other than goods and services and contributions of long-lived assets (including assets acquired using contributions which, by donor restriction were to be used for the purposes of acquiring such assets).

Recently Issued Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*. The update requires certain health care entities to present the bad debt expense associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than as an operating expense. Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, including qualitative and quantitative information about changes in the allowance for doubtful accounts. The amendment is effective for fiscal years beginning on or after December 15, 2011, with early adoption permitted. The Association adopted the amendment as of July 1, 2012 and retrospectively applied the amendment for the year ended June 30, 2012.

NOTE 2 INVESTMENTS AND ASSETS LIMITED AS TO USE

Investments and assets limited as to use are stated at fair value and consisted of the following at June 30, 2013 and 2012.

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 344,803	\$ 348,151
Marketable equity securities		
Industrials	44,770	27,664
Telecommunications	25,162	21,087
Consumer staples	29,194	21,699
Energy	30,635	22,341
Financial	42,213	32,544
Healthcare	30,488	22,340
Information technology	18,885	13,353
Utilities	-	10,022
Mutual funds		
Equity	427,934	349,558
Fixed income	<u>503,310</u>	<u>414,328</u>
 Total Investments	 <u>\$ 1,497,394</u>	 <u>\$ 1,283,087</u>
 Investments	 \$ 375,811	 \$ 448,715
Assets designated by the governing board for long-term investments	 <u>1,121,583</u>	 <u>834,372</u>
 Total Investments	 <u>\$ 1,497,394</u>	 <u>\$ 1,283,087</u>

Cash and cash equivalents included in investments and assets limited as to use are excluded from cash and cash equivalents for cash flow purposes.

Financial accounting standards established a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 inputs - quoted prices traded daily in active markets.
- Level 2 inputs - other than quoted prices for active markets that are traded less frequently than daily.
- Level 3 inputs - unobservable inputs.

An investment's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The fair market value of the Association's investments is based on level 1 inputs.

NOTE 3 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment at June 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 451,872	\$ 277,844
Less, accumulated depreciation	<u>265,412</u>	<u>239,776</u>
Property and Equipment, Net	<u>\$ 186,460</u>	<u>\$ 38,068</u>

NOTE 4 PATIENT SERVICE REVENUE

Patient service revenue provided for the years ended June 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Medicare	\$ 1,949,310	\$ 1,752,473
Medicaid	331,114	348,991
Other third-party payers and private pay	<u>456,050</u>	<u>483,238</u>
Total	<u>\$ 2,736,474</u>	<u>\$ 2,584,702</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in patient service revenues in the year that such amounts become known.

The Association provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Association does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

NOTE 4 NET PATIENT SERVICE REVENUE (CONTINUED)

The Association estimates the costs associated with providing charity care by calculating the ratio of cost to gross charges for care to private pay patients, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care.

The Association is able to provide these services with a component of funds received through local community support and state grants. Local community support consists of contributions, United Way, and municipal appropriations.

NOTE 5 FUNCTIONAL EXPENSES

The Association provides various services to residents within its geographic location. Expenses related to providing these services for the year ended June 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 2,573,312	\$ 2,694,772
Administrative and general	<u>544,780</u>	<u>476,469</u>
Total	<u>\$ 3,118,092</u>	<u>\$ 3,171,241</u>

NOTE 6 CONCENTRATION OF RISK

The Association has cash deposits in a major financial institution in excess of \$250,000 which exceed federal depository insurance limits. The financial institution has a strong credit rating and management believes the credit risk related to these deposits is minimal.

The Association grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements. At June 30, 2013, Medicare and Medicaid represented 54% and 22%, respectively, of gross accounts receivable. No other individual payer source exceeded 10% of the gross accounts receivable balance.

NOTE 7 RELATED PARTY TRANSACTIONS

The Association has contracts with related parties for various purchased services and employee benefits. Services and benefits purchased approximated the cost of the related party. The amounts due to related parties and reflected as accounts payable were \$0 and \$35,122 at June 30, 2013 and 2012, respectively.

NOTE 8 MALPRACTICE INSURANCE

The Association insures its medical malpractice risks on a claims-made basis. There were no known malpractice claims outstanding at June 30, 2013, which in the opinion of management, will be settled for amounts in excess of insurance coverage; nor are there any unasserted claims or incidents which require loss accrual. The Association intends to renew coverage on a claims-made basis and anticipates that such coverage will be available.

NOTE 9 SUBSEQUENT EVENTS

For financial reporting purposes, subsequent events have been evaluated by management through October 4, 2013, which is the date the financial statements were available to be issued.

**Visiting Nurse Home Care & Hospice of Carroll County
Board of Directors
2014**

2012-2014

Jeffrey Smith, President

2013-2014

Joan Lanoie, 1st Vice-President/Treasurer

2012-2014

George Fredette, 2nd Vice-President/Secretary

2012-2015

Virginia "Ginger" Bailey

2012-2015

Ann Bartlett

2014-2016

Joyce Brothers

2012-2015

Myles Crowe

2014-2016

Stefanie "Stefi" Reed Hastings

2014-2016

William Martin

2012-2015

Elaine Millen

2013-2016

Gail Paine

2012-2014

Susan Ruka

Scott McKinnon, Ex-Officio

Updated 1/7/14

Sandra L. Ruka

PROFESSIONAL INFORMATION

Registered Nurse State of NH # 024267-21
1978 to present

EXPERIENCE

<u>Date</u>	<u>Title</u>	<u>Employer</u>
2008-present	Executive Director	Visiting Nurse Home Care & Hospice of Carroll County (formerly Visiting Nurse and Hospice Care Services of Northern Carroll County name change post merger with Carroll County Health and Home Care services)
2002-2008	Hospice Administrator Quality Improvement Clinical Director	Visiting Nurse and Hospice Care Services of Northern Carroll County
1999-2002	Patient Advocate	The Memorial Hospital North Conway, NH
1998-2002	Case Manager / Department Head	The Memorial Hospital North Conway, NH
1996-1997	Clinical Instructor Certified Nursing Assistant Program	College for Lifelong Learning Conway, NH
1991-1998	Staff RN –Clinical Nurse III Maternity Department 230 deliveries/yearly	The Memorial Hospital North Conway, NH
1989-1991	Staff RN-Emergency Department 1800 visits yearly Staff RN- Maternity Department	The Memorial Hospital North Conway, NH

1988-1989	Clinical Manager Emergency Department 10 staff members	The Memorial Hospital North Conway, NH
1986-1988	Staff RN- Emergency Department	The Memorial Hospital North Conway, NH
1981-1986	Night Supervisor	The Memorial Hospital North, Conway, NH
1979-1981	Assistant Head Nurse 29 bed Medical Surgical Unit	The New England Baptist Hospital Boston, MA
1978-1981	Staff Nurse 29 bed Medical Surgical Unit	The New England Baptist Hospital Boston, MA

EDUCATION

<u>Date</u>	<u>Educational Institution</u>	<u>Program</u>
2000-2003	University of New Hampshire	MS in Nursing
1998-2001	University of New Hampshire	BS in Nursing
1996 – 1997	College for Life Long Learning	Liberal Arts Courses
1975 – 1978	New England Baptist Hospital School of Nursing	Diploma in Nursing
1975 – 1978	Pine Manor College	Associate of Science

PROFESSIONAL MEMBERSHIPS

Member Board of Directors Home Care Association of New Hampshire
 Chair Education Committee Home Care Association of New Hampshire
 Member of NH Home Care Association's Legislative Action Committee
 Member of NH Home Care Associations Dual Eligible's Committee
 President Board of Managers-Rural Home Care Network
 Board of Managers White Mountain Community Health Council
 Agency membership Home Care Association of New Hampshire
 Agency membership Visiting Nurse Association of America

HONORS

Visiting Nurse and Hospice Care Services of Northern Carroll County recipient of the Bob Morrell Community Service Award 2009

Sigma Theta Tau International Nursing Honor Society

Recipient The Memorial Hospital Scholarship, 1998, North Conway, NH.

Recipient The Memorial Hospital Volunteers Scholarship, 1998, North Conway, NH

PUBLICATIONS

Ongoing bi-weekly newspaper articles "Home Health Matters" highlighting current issues and trends in home health and health care industry

Nov. 2003 poster presentation on Long Term Care Nurse Role in End of Life decision Making (Master's thesis) at Gerontological Society of America Annual Symposium

PRESENTATIONS

Monthly community meetings to present available community services

Formal presentations to local community groups regarding community services and supports

May 2012 and Nov. 2007 Panel member presentation on Hospice Care and End of Life Care

June 2007 Role of LNA in Hospice Care to Carroll County Home and Health Care

June 2005 Presented seminar on End of Life Care for University of New Hampshire Continuing Education

Multiple community presentations on home and hospice care

Appearances on local access cable television and radio discussing hospice care and home care

PROFESSIONAL ACCOMPLISHMENTS

Provided oversight and direction to the successful merger of Visiting Nurse and Hospice Care Services of Northern Carroll County and Carroll County Health and Home Care

Services. This merger affords the agency the opportunity to provide integrated community based services to the residents of Carroll County.

Charles R Hanlon, CPA

Career Goal: Financial Professional

Dedicated CPA with over twenty-eight years of experience developing and implementing financial systems, strategies, processes and controls that significantly improve financial performance. Skilled in establishing accounting functions, systems and best practices; cost-reduction, automation, and tax and reimbursement strategies. Computer skills include proficiency in MS products such as Excel, Access & Word. Other applications include Peachtree, QuickBooks, Lotus 1-2-3 and Crystal.

Education

Certified Public Accountant, State of Massachusetts, 1983

MERRIMACK COLLEGE — ANDOVER, MA

Bachelor of Science in Accounting, 5/1980

Experience

VISITING NURSE HOME CARE AND HOSPICE OF CARROLL COUNTY

Finance Advisor, 8/2011 to Present

Assist the Agency in developing and maintaining financial systems to assure accurate and timely financial results.

Key results:

- Assist in merging the financial operation of a Home Care organization into the Visiting Nurse agency.
- Assist in developing a budget for the new entity and subsequent periods.
- Expedite the month closing process with timely reporting to the Finance Committee
- Assist the agency in financial reporting.

THE MEMORIAL HOSPITAL — NORTH CONWAY, NH

Controller, 11/1983 to 1/2011, Interim, 11/2011 to 7/2012

Reimbursement Advisor, 1/2011 to 1/2013

Direct responsibility for all accounting functions for a Critical Access Hospital with approximately \$100m in gross revenue. Supervise 3 staff accountants and managed the Billing and Collections department (18 FTE's). Directed the financial analysis, financial audits, G/L, A/R, A/P, Budgeting, Rate Structure, Tax, and Reimbursement functions of the Hospital and for-profit subsidiaries. Managed the external financial relationships (e.g., auditors, regulatory, banks).

Key results:

- Built a finely tuned accounting department, generating unqualified audits for 27 years.
- Obtained an Investment Grade rating from both Fitch Ratings & Moody's investor leading to the successful \$20m financing with no credit enhancements.
- Managed a Billings and Collection department that consistently maintained Days in Accounts Receivable less than 45 days.

SPRAGUE, CAIN & CULLEN (PC) — CHELMSFORD, MA

Senior Accountant, 8/1980 to 11/1983

Duties included the performance of audits, reviews and compilations. Supervision of staff personnel during various engagements. Other services provided were tax preparation, financial planning and projections.

Key results:

- Created an Audit work plan to be used as the basis for all audit engagements.

Volunteerism

Jen's Friends Cancer Foundation – Non-profit with a mission of supporting persons with cancer and their families.

Eastern Slope Ski Club – Non-profit that operates an after school ski program for elementary school children at various ski areas throughout the Mount Washington Valley (past Treasurer)

MWV Chapter of the American Red Cross (past Treasurer)

KAREN ROYER

Experience:

2006-Present Carroll County Home and Health Care, Chocorua, NH (2006-2011)
Visiting Nurse, Home Care & Hospice of Carroll County, NH (2012-2013 merged name)

Long Term Care Financial Manager (2012-present)

Manage Long Term Care accounts receivables, client and state billings, authorizations, and tracking. Complete state contract reporting requirements, agency LTC internal tracking & reporting. Assist with Agency Financials, Manage Service Link Financial data. Back up for Payroll. Prepare LTC data and reports for audits, RFP's, and funding requests.

Financial Manager (2008-2011)

Responsible for Accounts Receivable, Accounts Payable, Payroll, Billing, Agency reporting, State Contract Reporting, Financials, Funding requests, State Contract Requirements, Audits, Bank Accounts.

Administrative Financial Assistant (2006-2008)

Responsible for Medicaid HCBC billing, maintaining and auditing of all charts, processing data and reports, creating and implementing internal processes streamlining the organizational flow and reducing costs. Maintain logs, tracking,

1998-2004 Measured Progress, Dover, New Hampshire
(Assessment Testing)

Data Processor

Lead Data Processor primarily responsible for the planning, development, implementation, and maintenance of large-scale databases. Coordinated and managed data processing functions to ensure accurate quality production. Assume leadership role identifying opportunities for process improvement, detailing, documenting, and implementing solutions resulting in cost savings. Trained and provided supervision to temporary and regular subordinate personnel.

1989-1998 Northeast Health Care Quality Foundation, Dover, New Hampshire
(Peer Review Organization for Medicare and Medicaid)

Information System Coordinator (1995-1998)

Analyze the information needs of all departments to coordinate, plan, develop, implement and maintain automated processes insuring accurate, quality production and reporting while reducing efforts and costs.

KAREN ROYER

Data Operations Assistant (1992-1995)

Maintained system data files for processing and analyzing claims ensuring accurate reporting to state and federal agencies.

Data Clerk (1989-1992)

Data entry and verification.

Education:

- NH Technical College, 1999-2000, Computer Technology
- McKintosh College, Dover NH, 1979-1981, Accounting
- Office Management, 1987 NH Job Training

Beverly A Holmes

Education: Saint Joseph's College Standish, Maine
Master of Health Services Administration 1998

Trinity College of Vermont Burlington, Vermont
Bachelor of Social Work 1981

Healthcare

Experience: Visiting Nurse Home Care and Hospice of Carroll County
North Conway, NH August 2010 – present
Long Term Program Coordinator / Human Resource Manager

Oversight of Long Term Care Division of services
Responsible for all Human Resource functions

Memorial Hospital
North Conway, NH May 1990 – June 2010
Vice President of Human Resources

Senior Management position reporting directly to the CEO
Responsible for all HR functions

Education

Experience: Saint Joseph's College, Standish, Maine
Adjunct Faculty 2002 – 2006

New Hampshire Community Technical College, Berlin, NH
Adjunct Faculty 2002 – 2004

University System of New Hampshire, Durham, NH
Adjunct Faculty 2002 – 2003

Community

Service: School to Career Committee, member and past chairperson
Health Science and Technology Advisory Board, member
Mt Washington Valley Housing Coalition, member

References: Available upon request

Heather Tower

Experience:

Visiting Nurse Home Care & Hospice

North Conway, NH

Long Term Scheduler and Community Outreach Representative June 2011 - present

- Intake of Long Term Care Clients
- Schedule the LNA to go into the house of Long term and Skilled clients
- Provide community info for our clients
-

ServiceLink Resource Center

Chocorua, NH

Medicare Specialist- Caregiver Specialist August 2006-June 2011

- Provide Medicare education to New Medicare Beneficiaries
- Assist Medicare beneficiaries with Part D Plans, Supplemental, and appeals.
- Provide Caregiver's with resources in the community to assist them in receiving respite.

Lakes Region Community Resource Council

Laconia, NH

Day Program Manager June 2003-August 2006

- Directly supervised a day program for adults with developmental disabilities. Managed the activities of 30 staff and 50 clients.
- Participated in Person Centered Planning for Clients coming out of the High School into the community.
- Participated in service agreement Meetings using Person Centered Planning
- Assisted in the establishment of the clients annual goals and created a strategy to leverage appropriate staff to help clients meet those goals
- Met monthly with each staff member to review performance and measure staff's progress against annual goals and objectives.
-

Winnisquam Regional School District

Tilton, NH

Paraprofessional August 2002-August 2003

- Provide one to one assistance to a 3rd Grader with Down's Syndrome
- Participated in the planning and implementing of daily lessons and exercises.

MountainView Montessori

Intervale, NH

Montessori Preschool/Kindergarten Teacher August 1995- June 2002

- Managed and Maintained Preschool/Kindergarten Classroom
- Provided education using a Montessori Curriculum.

- Conducted regular student/parent orientation and parent workshops
- Performed routine parent/teacher conferences and student progress reports.
- Worked with special needs students including students with learning disabilities, sensory integration dysfunction and children needing a behavior modification plan.
- Participated in the development and implementation of IEP's (individual Education Plan)
- Supervised an assistant in the classroom, trained her to use the materials and give lessons and to work with the parents.

EDUCATION

1996-1997 American Montessori Certification, North East Institution.

1988-1989 Early Childhood Certification, Tidewater Community College 12 EC Credits

1984-1988 Kennett High School.

Specialized Education Programs

6/1/2012 M.O.D.E.L. Care- How to Truly Embrace A Patient Centered Approach

6/1/2012 The VA Pension & Aid and Attendance Benefit and How it Helps Seniors Stay At Home.

5/17-5/22/2012 Better Choices, Better Health Leadership Training *Certification

1/11 – 1/12/2011 Care Transitions Intervention Coach Training Program

5/27, 28 June 3,4,5,& 7 2010 Methods, Models & Tools UNH Institute on Disability

5/14/2010 Powerful Tools for Caregivers * Certification

10/22/2009 Medicare Update Training (6 hours)

5/5/2009 Long Term Care Veterans Forum

4/16/2009 Alzheimer's Inside & Out A Practicum for Professionals Working with Families

4/17/2009 Medicaid 101 – DHHS

10/7/2008 Accessing Patient Capacity to Make Healthcare Decisions

1/9/08 Transitions Loss, Grief and End of Life Challenges

10/24/2007 Making Choice Real: How Do We Get There From Here?

10/11/2007 Medicare Update Training SHIP

4/3, 10 & 24 2007 Medicare Training (24 hours) State Health Insurance Assistance Program – *SHIP Certification

1/3/2007 Whose Decision Is It Anyway

9/2005-6/2006 Professional Development Leadership Training Series

4/11/2006 Person Centered Training

2/2006 Leadership and Person Centered Living by, Michael Kendrick – 5 days

4/22/2005 Aging and Elderly

4/22/2005 Dual Diagnosis

4/18-4/2005 Social Role Valorization

3/9-3/10/2005 Gentle Teaching

4/9/2004 Accessing and Engaging Communities

CONTRACTOR NAME
Visiting Nurse Home Care & Hospice of Carroll County
Key Personnel

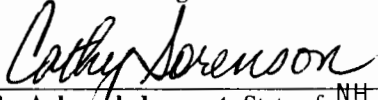
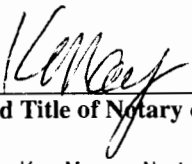
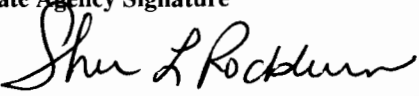
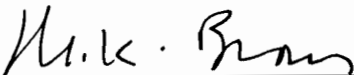
Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Sandra Ruka MS RN	Executive Director	\$83,335.00	5.25%	4375.00

Subject: In Home Care Services, In Home Health Aide Level of Care , In Home Nursing Level of Care Services, and Adult Day Program Services

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord NH 03301	
1.3 Contractor Name VNA at HCS, Inc.		1.4 Contractor Address 312 Marlboro Street Keene, NH 03431	
1.5 Contractor Phone Number 603-352-2253	1.6 Account Number See Exhibit B	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$1,008,761.
1.9 Contracting Officer for State Agency Mary Maggioncalda		1.10 State Agency Telephone Number 603-271-9096	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Cathy Sorenson, President/CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Cheshire</u> On <u>5/21/14</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal]  KIMBERLY K. MAY, Notary Public My Commission Expires January 27, 2015			
1.13.2 Name and Title of Notary or Justice of the Peace Kimberly K. May, Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Sheri Rockburn Director	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  On: <u>5/28/14</u>			
1.18 Approval by the Governor and Executive Council By: _____ On: _____			

2. EMPLOYMENT OF CONTRACTOR/SERVICES TO BE PERFORMED. The State of New Hampshire, acting through the agency identified in block 1.1 ("State"), engages contractor identified in block 1.3 ("Contractor") to perform, and the Contractor shall perform, the work or sale of goods, or both, identified and more particularly described in the attached EXHIBIT A which is incorporated herein by reference ("Services").

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall not become effective until the date the Governor and Executive Council approve this Agreement ("Effective Date").

3.2 If the Contractor commences the Services prior to the Effective Date, all Services performed by the Contractor prior to the Effective Date shall be performed at the sole risk of the Contractor, and in the event that this Agreement does not become effective, the State shall have no liability to the Contractor, including without limitation, any obligation to pay the Contractor for any costs incurred or Services performed. Contractor must complete all Services by the Completion Date specified in block 1.7.

4. CONDITIONAL NATURE OF AGREEMENT.

Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including, without limitation, the continuance of payments hereunder, are contingent upon the availability and continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available appropriated funds. In the event of a reduction or termination of appropriated funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination. The State shall not be required to transfer funds from any other account to the Account identified in block 1.6 in the event funds in that Account are reduced or unavailable.

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

5.1 The contract price, method of payment, and terms of payment are identified and more particularly described in EXHIBIT B which is incorporated herein by reference.

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

5.3 The State reserves the right to offset from any amounts otherwise payable to the Contractor under this Agreement those liquidated amounts required or permitted by N.H. RSA 80:7 through RSA 80:7-c or any other provision of law.

5.4 Notwithstanding any provision in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made hereunder, exceed the Price Limitation set forth in block 1.8.

6. COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS/ EQUAL EMPLOYMENT OPPORTUNITY.

6.1 In connection with the performance of the Services, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal opportunity laws. In addition, the Contractor shall comply with all applicable copyright laws.

6.2 During the term of this Agreement, the Contractor shall not discriminate against employees or applicants for employment because of race, color, religion, creed, age, sex, handicap, sexual orientation, or national origin and will take affirmative action to prevent such discrimination.

6.3 If this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all the provisions of Executive Order No. 11246 ("Equal Employment Opportunity"), as supplemented by the regulations of the United States Department of Labor (41 C.F.R. Part 60), and with any rules, regulations and guidelines as the State of New Hampshire or the United States issue to implement these regulations. The Contractor further agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

7.1 The Contractor shall at its own expense provide all personnel necessary to perform the Services. The Contractor warrants that all personnel engaged in the Services shall be qualified to perform the Services, and shall be properly licensed and otherwise authorized to do so under all applicable laws.

7.2 Unless otherwise authorized in writing, during the term of this Agreement, and for a period of six (6) months after the Completion Date in block 1.7, the Contractor shall not hire, and shall not permit any subcontractor or other person, firm or corporation with whom it is engaged in a combined effort to perform the Services to hire, any person who is a State employee or official, who is materially involved in the procurement, administration or performance of this Agreement. This provision shall survive termination of this Agreement.

7.3 The Contracting Officer specified in block 1.9, or his or her successor, shall be the State's representative. In the event of any dispute concerning the interpretation of this Agreement, the Contracting Officer's decision shall be final for the State.

8. EVENT OF DEFAULT/REMEDIES.

8.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder ("Event of Default"):

8.1.1 failure to perform the Services satisfactorily or on schedule;

8.1.2 failure to submit any report required hereunder; and/or

8.1.3 failure to perform any other covenant, term or condition of this Agreement.

8.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

8.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination;

8.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract price which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor;

8.2.3 set off against any other obligations the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and/or

8.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

9. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

9.1 As used in this Agreement, the word "data" shall mean all information and things developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 All data and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason.

9.3 Confidentiality of data shall be governed by N.H. RSA chapter 91-A or other existing law. Disclosure of data requires prior written approval of the State.

10. TERMINATION. In the event of an early termination of this Agreement for any reason other than the completion of the Services, the Contractor shall deliver to the Contracting Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Services performed, and the contract price earned, to and including the date of termination. The form, subject matter, content, and number of copies of the Termination

Report shall be identical to those of any Final Report described in the attached EXHIBIT A.

11. CONTRACTOR'S RELATION TO THE STATE. In the performance of this Agreement the Contractor is in all respects an independent contractor, and is neither an agent nor an employee of the State. Neither the Contractor nor any of its officers, employees, agents or members shall have authority to bind the State or receive any benefits, workers' compensation or other emoluments provided by the State to its employees.

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the N.H. Department of Administrative Services. None of the Services shall be subcontracted by the Contractor without the prior written consent of the State.

13. INDEMNIFICATION. The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

14.1 The Contractor shall, at its sole expense, obtain and maintain in force, and shall require any subcontractor or assignee to obtain and maintain in force, the following insurance:

14.1.1 comprehensive general liability insurance against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$2,000,000 per occurrence; and

14.1.2 fire and extended coverage insurance covering all property subject to subparagraph 9.2 herein, in an amount not less than 80% of the whole replacement value of the property.

14.2 The policies described in subparagraph 14.1 herein shall be on policy forms and endorsements approved for use in the State of New Hampshire by the N.H. Department of Insurance, and issued by insurers licensed in the State of New Hampshire.

14.3 The Contractor shall furnish to the Contracting Officer identified in block 1.9, or his or her successor, a certificate(s) of insurance for all insurance required under this Agreement. Contractor shall also furnish to the Contracting Officer identified in block 1.9, or his or her successor, certificate(s) of insurance for all renewal(s) of insurance required under this Agreement no later than fifteen (15) days prior to the expiration date of each of the insurance policies. The certificate(s) of insurance and any renewals thereof shall be attached and are incorporated herein by reference. Each

certificate(s) of insurance shall contain a clause requiring the insurer to endeavor to provide the Contracting Officer identified in block 1.9, or his or her successor, no less than ten (10) days prior written notice of cancellation or modification of the policy.

15. WORKERS' COMPENSATION.

15.1 By signing this agreement, the Contractor agrees, certifies and warrants that the Contractor is in compliance with or exempt from, the requirements of N.H. RSA chapter 281-A ("Workers' Compensation").

15.2 To the extent the Contractor is subject to the requirements of N.H. RSA chapter 281-A, Contractor shall maintain, and require any subcontractor or assignee to secure and maintain, payment of Workers' Compensation in connection with activities which the person proposes to undertake pursuant to this Agreement. Contractor shall furnish the Contracting Officer identified in block 1.9, or his or her successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event of Default, or any subsequent Event of Default. No express failure to enforce any Event of Default shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other Event of Default on the part of the Contractor.

17. NOTICE. Any notice by a party hereto to the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses given in blocks 1.2 and 1.4, herein.

18. AMENDMENT. This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Executive Council of the State of New Hampshire.

19. CONSTRUCTION OF AGREEMENT AND TERMS.

This Agreement shall be construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party.

20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

21. HEADINGS. The headings throughout the Agreement are for reference purposes only, and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

22. SPECIAL PROVISIONS. Additional provisions set forth in the attached EXHIBIT C are incorporated herein by reference.

23. SEVERABILITY. In the event any of the provisions of this Agreement are held by a court of competent jurisdiction to be contrary to any state or federal law, the remaining provisions of this Agreement will remain in full force and effect.

24. ENTIRE AGREEMENT. This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.



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Scope of Services

1. Purpose:

The contractor shall provide services in this contract to assist eligible people to live as independently as possible in safety and with dignity.

- 1.1. The services in this contract are intended for individuals who are not already receiving the same or similar services through one of DHHS' Medicaid Waiver Programs, who are eligible for other NH Medicaid services or who are receiving the same or similar services through the Veterans' Administration.

2. Contract Period:

The commencement date of this contract shall be effective July 1, 2014 or the date of G& C approval, whichever is later. The completion of this contract shall be June 30, 2015.

3. Population:

Services are for individuals who reside in independent living settings and who meet the eligibility criteria as follows:

3.1. Title III

Individuals who are age 60 and older and with the most economic or social needs as described in:

- Older Americans Act as amended, Section 305,(a)(2)(E) and
- Title III Older Americans Act Services: Title IIB- Supportive Services, Title IIIC1 and C2 – Nutrition Program Policies, and Title IIID- Disease Prevention and Health Promotion Services, NH Administrative Rule He-E 502.

3.2. Title XX 42 USC §1397 et seq.

Individuals who are age 60 and older or ages 18-59 who have a chronic illness or disability, and a maximum monthly income of \$1,194 for calendar year 2014 as described in:

- Title The Social Services Block Grant (Title XX), NH Administrative Rule He-E 501.

4. Geographic Area to be served:

The Contractor shall provide and ensure delivery of the services listed in Paragraph 5 below to all eligible persons in the towns/cities listed in paragraph 4.1 below. Nothing in this Agreement shall be construed to limit the ability of the Contractor to provide said services to other eligible persons located in a town/city not listed in paragraph 4.1 when the Department requests the contractor to do so or when the contractor receives approval by the Department.

- 4.1. In Home Care Services, and In Home Health Aide Level of Care Services: Cheshire Co. – All Cities and Towns. Hillsborough Co. Towns of Antrim, Bennington, Deering, Greenfield, Greenville, Hancock, Hillsborough, Lyndeborough, Mason, New Ipswich, New Boston, Peterborough, Sharon, Temple & Wilton. Sullivan Co. Towns of Acworth, Charlestown & Langdon.

- 4.2. The Contractor shall provide Adult Day Program Services at the locations, hours, and days identified as:

VNA at HCS, Inc.
312 Marlboro Street
Keene, NH.

Monday through Friday from 8:00 am to 5:00 pm.



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5. Services Provided in this Agreement

	Services			
	In Home Care Services	In Home Health Aide Level of Care Services	In Home Nursing Level of Care Services	Adult Day Program Services
Program:				
Title III	x	x	na	x
Title XX	x	na	na	x

An "x" denotes that the Contractor shall provide that service to eligible individuals in accordance with all applicable laws, rules, regulations and terms and conditions of this Agreement.

6. Service descriptions

6.1. In Home Care Services:

6.1.1. In Home Care Services include assistance to individuals with core household tasks, or assistance to individuals with personal care activities that do not involve hands on care, or a combination of both.

6.1.2. The Contractor shall assure that services are:

6.1.2.1. Provided by individuals employed and supervised by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rules He-P 809 or He-P 822 as applicable.

6.1.2.2. Support and assist the individual with personal care activities that do not providing hands-on service.

6.1.3. The Contractor shall provide core household maintenance tasks to support the safety and well-being of individuals in their homes. They include but not limited to the following:

6.1.3.1. Light housekeeping tasks:

- 6.1.3.1.1. Washing dishes;
- 6.1.3.1.2. Dusting;
- 6.1.3.1.3. Vacuuming;
- 6.1.3.1.4. Sweeping;
- 6.1.3.1.5. Wet-mopping floors;
- 6.1.3.1.6. Cleaning kitchen and bathroom fixtures; and
- 6.1.3.1.7. Emptying wastebaskets.

6.1.4. Meal planning and preparation, which shall include cooking and serving and storing food for breakfast, lunch, dinner, and snacks;

6.1.5. Laundry, which shall include washing, drying, mending and putting away the client's clothing, and ironing clothing when necessary;

6.1.6. Maintaining a safe home environment,

6.1.7. Rearranging lightweight furniture,

6.1.8. Shopping for groceries and other errands. Shopping, which shall include buying, with funds provided by the client, groceries, clothing or other items for the client, and which shall require the contractor staff member to provide receipts to the client after each shopping transaction;

6.1.9. Errands, which shall include, but not be limited to, going to the pharmacy, the post office, or the library on behalf of the client.

6.1.10. Providing and encouraging socialization for individuals

6.1.11. Assistance with personal care shall include the following activities:

6.1.11.1. bathing, grooming, and shampooing, which shall include gathering and handing to the client materials related to bathing, hair care, skin care, and brushing teeth, as well as running the water, and shampooing, provided that there is no medical, nursing or therapeutic contraindication;



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- 6.1.11.2. dressing, which shall include helping the client to put on or remove clothes, shoes and stockings, provided that there are no medical, nursing or therapeutic contraindications;
 - 6.1.11.3. toileting and toileting assistance, which shall include helping the client while he/she is in the bathroom to reach products related to elimination and hygiene care;
 - 6.1.11.4. taking his/her medication(s) and Reminding the client about the timing and dosage of his/her medicines, as stated on the prescription bottle;
 - 6.1.11.5. Placing the medicine container within reach; and/or
 - 6.1.11.6. Opening the container
 - 6.1.11.7. eating which shall include arranging place settings and food in a way that makes them accessible to the client, cutting up or mashing food for easier management, filling the client's fork or spoon, encouraging the client to eat, and/or feeding the client, as long as there is no medical, nursing or therapeutic contraindication;
 - 6.1.11.8. assisting with ambulation, which shall include accompanying the client as he/she moves from one stationary point to another, removing obstacles from his/her path, opening doors, handling the client his/her cane or walker, or bring a wheelchair to the client.
 - 6.1.12. In Home Care Services staff shall develop a person-centered plan for services in accordance with NH Administrative Rule He-E 501.21.
 - 6.1.13. In Home Care Services staff will evaluate the individual's safety and well-being and initiate referrals to other services when necessary to better meet the individual's needs.
 - 6.1.14. In Home Care Services staff shall work with the Adult Protective Services Social Workers on behalf of individuals who have open protective services cases, including regularly scheduled meetings arranged by APS staff discuss the client's functional status and any recommendations for changes in service provision.
 - 6.2. In Home Health Aide Level of Care Services:
 - 6.2.1. The Contractor shall provide Home Health Aide Services as follows:
 - 6.2.1.1. by individuals employed by a home health care provider licensed in accordance with RSA 151:2, and NH Administrative Rule He-P 809,
 - 6.2.1.2. receiving referrals from an individual's health care provider(s),
 - 6.2.1.3. performing evaluations of individuals' medical needs,
 - 6.2.1.4. developing service plans and incorporating this information into the individuals' person-centered plans of care, and
 - 6.2.1.5. providing hands-on assistance with personal care needs and Activities of Daily Living such as eating, self-administration of medication, and completion of household tasks.
 - 6.2.1.6. accompanying an individual being transported to/from his/her home when the individual's medical condition(s) necessitates the assistance of a licensed provider.
 - 6.2.1.7. Home health aide services shall not be covered when they are already being provided at an adult day program or at a residential care facility, or if the individual is eligible for home health aide services through the Medicare program following a hospital stay.
 - 6.3. In Home Nursing Level of Care Services.
 - 6.3.1. The Contractor shall provide nursing services in an individual's home by a home health care provider licensed in accordance with RSA 151:2 and NH Administrative Rule He-P 809.
 - 6.3.2. Nursing services shall be covered when provided by a licensed practical nurse (LPN) or registered nurse (RN) working within the scope of services allowed under the Nurse Practice Act, RSA 326-B.
 - 6.3.3. The following nursing services shall be covered based on the individual's need:



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- 6.3.3.1. Receiving referrals;
- 6.3.3.2. Evaluation of the individual's needs;
- 6.3.3.3. Developing a nursing care plan and incorporating this information into the individual's person-centered plan; and
- 6.3.3.4. Providing nursing services in accordance with the individual's person-centered plan as described in NH Administrative Rule He-E 502.17 and ordered by his or her physician.
- 6.3.4. Contract agencies shall coordinate nursing services to ensure that there is no duplicate provision of services.
- 6.3.5. LPN and registered nursing services shall not be covered when provided for the purpose of nursing oversight of authorized LNA services.
- 6.4. Adult Day Program Services: Adult Day Services means a program that provides one or more of the following services for fewer than 12 hours a day to participants 18 years of age and older, based on an individual's needs:
 - 6.4.1. Supervision in a protected environment;
 - 6.4.2. The following services, as described in the NH Administrative Rule He-P 818.15:
 - 6.4.2.1. Personal care services;
 - 6.4.2.2. Health and safety services;
 - 6.4.2.3. Dietary services;
 - 6.4.2.4. Nursing services;
 - 6.4.2.5. Social services; and
 - 6.4.2.6. Recreational activities;
 - 6.4.3. Monitoring of the individual's condition, and counseling, as appropriate, on nutrition, hygiene or other related matters; and
 - 6.4.4. Referrals, as appropriate, to other services and resources that could assist the individual, including any necessary follow up.
 - 6.4.5. Assistance and support to caregiving families.
 - 6.4.6. Contract agencies providing adult day program services shall develop a person-centered plan for each individual in accordance with the NH Administrative Rule He-E 501.21.
 - 6.4.7. The contractor shall be licensed in accordance with RSA 151:2 (f) and as governed by NH Administrative Rule He-P 818. In addition, contractors shall provide the specific services in accordance with NH Administrative Rules governing Adult Day Program Services He-E 501 and He-E 502; administered by the Bureau of Elderly and Adult Services.

7. Service Compliance Requirements

7.1. Access to Services

- 7.1.1. Individuals access the services described in this contract through one of two ways. They may apply directly for services to the contractor or be referred to the contractor by the Adult Protective Services Program as a result of a substantiated report of neglect, abuse, or exploitation.
 - 7.1.1.1. Client directly applies for or requests services: The Contractor shall determine eligibility for these services in accordance with the rules and requirements of the Title III and Title XX Programs. The contractor shall determine the eligibility of the individual and, provide written notice of eligibility within 45 days from the date eligibility was determined, indicate what services are to be provided and their frequency, and indicate the beginning and end dates for the individual's period of eligibility.
 - 7.1.1.2. Client referred by Adult Protective Services (APS): In the event that an individual has been referred to a Contractor by APS, the Contractor shall not take an application, determine or redetermine the individual's eligibility, or issue eligibility notifications, in accordance with the NH Administrative Rules He-E 501 and 502.



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Upon completion of the APS investigation, the contractor shall complete client applications, eligibility, authorizations, assessments, and person centered provision services in accordance with Section 7.2 through 7.5 of this Exhibit A.

7.2. Client Application/Request for Services

The Contractor shall complete an intake and application for services, in accordance with the NH Administrative Rules He-E 500. . Title XX In Home Care Services contractors shall use DHHS' Form 3000 Application to determine eligibility. Title III In Home Care Services, In Home Health Aide Level of Services and In Home Nursing Level of Services Contractors shall review clients' requests for services and determine eligibility.

7.3. Client Eligibility

7.3.1. The Contractor shall determine eligibility for services and shall be in compliance with the New Hampshire Administrative Rule 500 regarding eligibility determination, notice of eligibility and the individual's period of eligibility as applicable.

7.3.2. Eligibility determination

The Contractor shall submit its policies and procedures for client eligibility determination for services to DHHS for review and approval, within 30 days of the start of each State Fiscal Year.

7.3.2.1. If the client is determined to not be eligible for service(s), the notice shall include:

- 1) The reason(s) for the denial;
- 2) A statement regarding the right of the individual or his or her authorized representative to request an informal resolution or appeal of the eligibility determination decision.
- 3) Contact information for requesting an appeal.

7.3.3. Redetermination of Service Eligibility.

The Contractor shall submit its policies and procedures for client eligibility redetermination for services to DHHS for review and approval, within 30 days of start of each State Fiscal Year.

7.3.4. Termination of Services.

Services shall be terminated when:

- 1) The individual or his or her authorized representative requests that the services be terminated;
- 2) The individual no longer meets the eligibility requirements for services;
- 3) Funding by the State for the service(s) is no longer available;
- 4) The individual did not reapply for services as required by program rules;
- 5) The individual has been admitted to a nursing home or residential care facility; or
- 6) The individual is deceased.

7.3.5. Service Authorizations for Eligible Clients.

Once the client has been determined eligible to receive services, the contractor shall obtain a service authorization from DHHS in order to be reimbursed from this contract for allowable costs in providing services to that client.

7.3.5.1. With the exception of In Home Nursing Level of Care Services, The Contractor shall submit a completed Form 3502 "Contract Service Authorization-New Authorization" for each client who has been determined eligible to receive services. More than one service may be included on a Form 3502. The completed Form 3502 shall be submitted to:

Bureau of Data Management
129 Pleasant Street
Concord, NH 03301



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7.4. Client Assessments

The contractor shall assess the individual's needs and develop written service plans, keep written progress notes; and monitor and adjust service plans to meet the individual's needs in accordance with the Title III and Title rules.

7.5. Person centered provision of services

The Contractor agrees to incorporate into its agency's functions, policies, staff-client interactions and in the provision of all services in this Agreement the following Guiding Principles for Person-Centered Planning Philosophy:

- 7.5.1. Individuals and families are invited, welcomed, and supported as full participants in service planning and decision-making.
 - 7.5.1.1. Individual's wishes, values, and beliefs are considered and respected.
 - 7.5.1.2. Individual is listened to; needs and concerns are addressed.
 - 7.5.1.3. Individual receives the information he/she needs to make informed decisions.
- 7.5.2. Planning is responsive to the individual. His or her preferences drive the planning process, though the decision making process may need to be accelerated to respond to emergencies.
- 7.5.3. Services are designed, scheduled, and delivered to best meet the needs and preferences of the individual.
- 7.5.4. The system is committed to excellence and quality improvement:
- 7.5.5. Individual rights are affirmed and protected.
- 7.5.6. Individuals are protected from exploitation, abuse, and neglect.
- 7.5.7. The service system is accessible, responsive, and accountable to the individual.
- 7.5.8. Person-centered planning may be incorporated into existing service plans or documents already being used by the contractor.

7.6. Staffing

The Contractor agrees to adhere to the following staffing requirements:

- 7.6.1. Provide sufficient staff to perform all tasks specified in this Agreement. The Contractor shall maintain a level of staffing necessary to perform and carry out all of the functions, requirements, roles, and duties in a timely fashion for the number of clients and geographic area as identified in this Agreement.
- 7.6.2. The Contractor shall verify and document that all staff and volunteers have appropriate training, education, experience, and orientation to fulfill the responsibilities of their respective positions. This includes keeping up-to-date personnel and training records and documentation of all individuals requiring licenses and/or certifications. The Contractor shall develop a Staffing Contingency Plan and shall submit its written Staffing Contingency Plan to DHHS within thirty days of approval of the Contract Agreement. The plan shall include but not be limited to:
- 7.6.3. The process for replacement of personnel in the event of loss of key personnel or other personnel during the period of this Agreement;
- 7.6.4. A description of how additional staff resources will be allocated to support this Agreement in the event of inability to meet any performance standard;
- 7.6.5. A description of time frames necessary for obtaining staff replacements;
- 7.6.6. An explanation of the Contractor's capabilities to provide, in a timely manner, staff replacements/additions with comparable experience; and
- 7.6.7. The method of bringing staff replacements/additions up-to-date regarding this Agreement.



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7.7. Service Delivery Verification

The following are the performance measure reporting requirements for each service identified in Section 1.

1) Eligibility:

- a) The number of applications/service requests and
 - i) The number and percent of applicants found eligible for each service; and
 - ii) The number and percent of applicants found ineligible for each service.The contractor will indicate the reasons applicants were found ineligible and what quality improvement activity(ies) is/are to be initiated to address concerns about eligibility.

2) Quality and Appropriateness:

- a) Plans of Care: the number and percent of individuals' plans of care where the plans contain evidence of person-centered planning;
 - i) The number and percent of individuals who have experienced a safety-related incident or accident which occurs during times of face-to-face contact with the client(s); The number and percent of individuals for whom a report to Adult Protective Services was made.
 - b) Experience: The number and percent of individuals surveyed (via telephone, mail, e-mail, or face-to-face) who report their experiences with their services and providers have been satisfactory or better.
 - c) The contractor will indicate the reasons why:
 - i) For home delivered meals, applicants' plans of care did not include evidence of person-centered planning;
 - ii) Applicants experienced safety-related incidents which occurs during times of face-to-face contact with the client(s);
 - iii) Applicants were referred to Adult Protective Services; and
 - iv) The number and percent of individuals surveyed who reported their experiences with their services and providers were not satisfactory or better.
 - d) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about the quality and appropriateness of care.
- 3) The Contractor must survey a sample of participants for each contracted service and provide their survey methodology, in writing, to the Bureau of Elderly and Adult Services (BEAS).
- 4) Service Delivery
- a) The number of open cases at the end of each reporting period, and
 - i) The number and percent of days individuals did not receive a planned service(s) due to the service(s) not being available due to inadequate staffing or other related provider issue or due to lack of transportation, etc.
 - b) The Contractor will indicate the reasons applicants did not receive their planned services.
 - c) The Contractor will describe the quality improvement activity(ies) to be initiated to address identified concerns about service delivery.

7.8. Reporting Requirements:

Contractors shall complete quarterly reports which will be a pre-defined electronic form supplied by DHHS. The report must be submitted by the 15th of the month following the quarter end. The data will include, but not be limited to the following:

- Expenses by program service provided. Service is defined as In Home Care, Home Health Aide and Nursing Services, and Adult Day Program Services
- Revenue, by program service provided, by funding source;
- Actual Units served, by program service provided, by funding source;
- Number of unduplicated clients served, by service provided, by funding source;



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- Number of Title III and Title XX clients served with non-BEAS funds;
- Unmet need/waiting list; and,
- Lengths of time clients are on a waiting list.

In addition, the Contractor shall complete the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services Form and the Adult Day Program Services Form two (2) times per year. These forms will be due January 31, 2015 and July 31, 2015. The form will be a pre-defined electronic form supplied by DHHS. The data will include, but not be limited to the following:

For the In Home Care, In Home Health Aide Level of Care and In Home Nursing Level of Care Services:

- The number of half hour units served by client and by city or town.

For Adult Day Program Services:

- The number of hours served by client and by the city or town where the client comes from to attend the Adult Day Program.

7.9. Client Fees and Donations

7.9.1. Title III Services

Except as provided in paragraph 7.9.3, NH Administrative Rule He-E 502.12 allows Title III contractors to ask individuals receiving services for a voluntary donation towards the cost of the service and provides guidance for requesting donations. The donation is to be purely voluntary, and no one can be refused services if they are unable or unwilling to donate.

The Contractor is required to report the total amount of collected donations on the quarterly report sent to BEAS Finance.

7.9.2. Title XX Services

The Contractor may charge fees to individuals receiving Title XX services provided that the Contractor establishes a sliding fee schedule and provides this information to individuals seeking services. The Contractor shall comply with the NH Administrative Rule He-E 501 when establishing and charging fees to individuals. In addition, the Contractor is required to report on the total amount of fees/income received for Title XX Services on the quarterly report sent to BEAS Finance.

7.9.2.1. The Contractor providing Title XX services may charge fees to clients referred by APS staff for whom reports of abuse, neglect, self-neglect and/or exploitation have not been founded. The Contractor is required to include the total amount of fees/income received for Title XX services, referred by APS staff, with the total amount of fees/income reported for Title XX Services, listed above, on the quarterly report sent to BEAS Finance.

7.9.3. Adult Protective Services

Under RSA 161-F: 42 e seq. BEAS provides protective services to incapacitated adults to prevent and/or ameliorate neglect, abuse or exploitation. When BEAS determines that an individual needs protective services as described in the Adult Protection Program NH Administrative Rules He-E 700, the Contractor agrees that the payment received from BEAS for the specified services is payment in full for those services, and the provider agrees to refrain from making any attempt to secure additional reimbursement of any type from the individual for those services. The Contractor shall make a good faith effort to assure the provision of some level of services to those persons in need of protective services.



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- 7.9.3.2. Agencies providing Title III and/or Title XX services may not charge fees or ask donations from clients referred by the DHHS Adult Protective Services (APS) Program as long as these individuals remain active recipients of adult protective services as verified by Adult Protective Services staff.

7.10. Adult Protective Services

The Contractor will report suspected abuse, neglect, self-neglect, and/or exploitation of incapacitated adults as required by RSA 161-F: 46 of the Adult Protection law.

The Contractor shall make a good faith effort to assure the provision of some level of services to those persons who the Department refers to the contracted agency and identifies the client in need of protective services.

The Contractor shall follow the plan of care established by the APS social worker.

The contractor is expected to inform the referring APS staff of any changes in the individual's situation or other concerns, and the APS staffs are expected to inform the contractor of any information that may affect service provision.

7.11. E-Studio Electronic Information System

The Contractor shall be required to use BEAS' E-Studio electronic information system. E-Studio is BEAS' primary vehicle for uploading important information concerning time-sensitive announcements, policy releases, administrative rule adoptions, and other critical information. Contractor shall identify all of the key personnel who need to have E-Studio accounts to ensure that information from BEAS can be shared with the necessary agency staff. There is no cost to the contractor for BEAS to create an E-Studio account and no limit on the number of staff an agency identifies to have access to E-Studio. Contractor shall ensure that their E-Studio account(s) are kept current and that BEAS is notified when a staff member is no longer working in the program so his/her account can be terminated.

7.12. Criminal Background and Adult Protective Service Registry Checks

The contractor's staff members or volunteers who will be interacting with or providing hands-on care to individuals receiving services are required to complete a BEAS State Registry check before the staff member or volunteer begins providing services. In addition, all agency staff must undergo a NH Criminal Records Background check.

- 7.12.1. Contractor shall conduct a New Hampshire criminal background check if a potential applicant for employment or volunteer, funded under this contract, may have client contact.
- 7.12.2. Contractors which are licensed, certified or funded by the DHHS shall meet the requirements of RSA 161-F: 49, which requires the submission of the name of a prospective employee who may have client contact, for review against the State Adult Protective Service Registry.

7.13. Grievance and Appeals

The Contractor must maintain a system for tracking, resolving, and reporting client complaints regarding its services, processes, procedures, and staff. The Contractor shall have grievance system in place that includes a grievance process and any grievances filed are to be available to DHHS upon request. At a minimum the process shall include the following:

- a) Client name,
- b) type of service,
- c) date of written grievance,
- d) nature/subject of the grievance,



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- e) who in the agency reconsiders agency decisions,
- f) what are the issues that can be addressed in the grievance process, and how consumers are informed of their right to appeal or file grievances.

7.14. Privacy and Security of Client Information

DHHS is the designated owner of all data and shall approve all access to that data. The Contractor shall not have ownership of State data at any time. The Contractor shall be in compliance with privacy policies established by governmental agencies or by state or federal law. Privacy policy statements may be developed and amended from time to time by the State and will be appropriately displayed on the State portal. The Contractor shall provide sufficient security to protect the State and DHHS data in network, transit, storage and cache. In the event of breach, the contractor shall notify the Department within one day from the date of breach.

7.15. Culturally and Linguistically Appropriate Standards of Care

The Contractor shall ensure equal access to quality services under this contract by providing culturally and linguistically appropriate services according to the following guidelines:

- Assess the ethnic/cultural needs, resources and assets of their community.
- Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment or to those with disabilities.
- When feasible and appropriate, provide clients of minimal English skills with interpretation services.
- Offer clients a forum through which they have the opportunity to provide feedback to the Contractor regarding cultural and linguistic issues that may require a response.
- When feasible and appropriate, identify communication access needs for clients who may be deaf or hard of hearing, and/or have vision or speech impairment and develop an individual communication plan for clients to receive services.

7.16. Wait Lists

7.16.1. All services covered by this contract shall be provided to the extent that funds, staff and/or resources for this purpose are available. The contract agency shall maintain a wait list in accordance with the NH Administrative Rules He-E 501 and 502 when funding or resources are not available to provide the requested services. A wait list includes at a minimum:

- a) Each contract agency shall include the following information on its wait list:
 - i) The individual's full name and date of birth;
 - ii) The name of the service being requested;
 - iii) The date upon which the individual applied for services which shall be the date the application was received by the contract agency or BEAS;
 - iv) The target date of implementing the services based on the communication between the individual and the BEAS/contract agency;
 - v) The date upon which the individual's name was placed on the wait list shall be the date of the notice of decision in which the individual was determined eligible for Title XX services;
 - vi) The individual's assigned priority on the wait list, determined in accordance with (b) below;
 - vii) A brief description of the individual's circumstances and the services he or she needs.
- b) The contract agency shall prioritize each individual's standing on the list by determining the individual's urgency of need in the following order:



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- i) Individual is in an institutional setting or is at risk of being admitted to or discharged from an institutional setting;
- ii) Declining mental or physical health of the caregiver;
- iii) Declining mental or physical health of the individual;
- iv) Individual has no respite services while living with a caregiver; and
- v) Length of time on the wait list.
- vi) When 2 or more individuals on the wait list have been assigned the same service priority, the individual served first will be the one with the earliest application date.
- vii) Individuals with adult protective needs in accordance with RSA 161-F: 42-57 shall be exempt from the wait list.
- c) When an individual is placed on the wait list, the contract agency shall notify the individual in writing.
- d) The wait list must be maintained during the contract period and available to BEAS upon request.

7.17. Notice of Failure to meet Service Obligations

- 1) In the event that the Contractor for any reason is unable to meet any service obligations prior to the completion date, the Contractor shall give at least a ninety (90) day prior written notice addressed to the Bureau Director, Bureau of Elderly and Adult Services, of such inability to meet service obligations
 - (a) Examples of failure to meet service obligations may include, but not limited to: scope of services may include, but are not limited to:
 - (i) Reducing hours of operation
 - (ii) Changing a geographic service area
 - (iii) Closing or opening a site
- 2) The written notification shall include the following:
 - a) The reasons for the inability to deliver services;
 - b) How service recipients and the community will be impacted if the contractor is unable to provide services;
 - c) How service recipients and the community will be notified; and
 - d) The Contractor's plan to transition clients into other services or refer the clients to other agencies.
- 3) The Contractor shall maintain a plan that addresses the present and future needs of clients receiving services in the event that:
 - a) Service(s) are terminated or planned to be terminated prior to the termination date of the contract;
 - b) The contract is terminated or is planned to be terminated prior to the termination date of the contract by the Contractor or the State;
 - c) The Contractor terminates a services or services for any reason;
 - d) The Contractor cannot carry out all or a portion of the services terms or conditions outlined in the contract or sub-contracts.

7.18. Transition Process

The Contractor shall have a transition process for clients in the event that they maybe transitioned between DHHS contracted providers and shall submit their written transition process to DHHS within thirty days of approval of the Contract Agreement. The process shall ensure

- a) Uninterrupted delivery of services for clients;
- b) A method of notifying clients and/or the community about the transition. A staff member shall be available to address questions about the transition.

7.19. Compliance with Laws and Regulations



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Services and Administration of the program services shall be provided in accordance with the applicable federal and state laws, Title III and Title XX rules, policies and regulations adopted by the Department of Health and Human Services currently in effect, and as they may be adopted or amended during the contract period.

7.20. Contract Monitoring

The Contractor shall:

- 7.20.1. Ensure the Department has access sufficient for monitoring of contract compliance requirements as identified in OMB Circular A-133.
- 7.20.2. Ensure the Department is provided with access that includes but is not limited to:
 - a) Data
 - b) Financial records
 - c) Scheduled access to Contractor work sites/locations/work spaces and associated facilities.
 - d) Unannounced access to Contractor work sites/locations/work spaces and associated facilities.
 - e) Scheduled phone access to Contractor principals and staff
 - f) Timely unscheduled phone response by Contractor principals and staff.

7.21. Financial Integrity Maintenance

- 7.21.1. Financial Reporting Requirements: In addition to the requirement for Contractor to provide annual audited financial statements, the Contractor agrees to provide quarterly to the State, within thirty (30) days from the last day of the quarter, interim Balance Sheet and Profit and Loss Statements for the Contractor to including separate statements for related parties. All statements must be certified by an officer of the reporting entity.
- 7.21.2. Corrective Action and or Termination: If after review of the contractor submitted information, and based on the following risk assessment, the State at its sole discretion, the State may:
 1. Require a corrective action plan for identified deficiencies, or
 2. Terminate the contract for reasons of risk to continued operation, services, or deliverables as required by the terms of the contract.
- 7.21.3. Absence of Risk Conditional Termination: This section does not negate any rights the State may have relative to the contract.
- 7.21.4. Risk Assessment Process:

The State will analyze financial information provided by Contractor. Such analysis will include calculation of the ratios set forth in Table A. The weighted average of the ratios is used to calculate a risk score as follows:

 - Low Risk 70% and Above
 - Moderate Risk From 26% to 69%
 - High Risk 25% and Below
- 7.21.5. Weighted Average: The process for the scoring is
 1. Calculate the individual ratio for the Contractor
 2. Divide Contractor ratio by the benchmark to determine percentage above or below benchmark
 3. Multiply Contractor percentage by "Percentage Weight of Risk Score"
 4. Add the scores for the ratios as determined for each ratio in Steps 1 to 3.
- 7.21.6. The State will provide, upon request, the Risk calculations for the Contractor.



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Liquidity	Current Ratio	This ratio compares the Current Assets with the Current Liabilities.	CURRENT ASSETS / CURRENT LIABILITIES	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a ratio, and represents 15% of the total risk assessment value.	1.0:1	10.0%
Liquidity	Days Expense in Working Capital	This ratio calculates the number of day's expense that the working capital can support.	(CURRENT ASSETS - CURRENT LIAB) / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures the Liquidity of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed in "number of days" and represents 15% of the total risk assessment value.	30	10.0%
Liquidity	Days of Revenue In Accounts Receivable	This ratio calculates the number of days of revenue that are in accounts receivable.	(ACCOUNTS RECEIVABLE) / (REVENUE/365)	This ratio measures the performance of the accounts receivable function and the timeliness of revenue collection. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in days.	30	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Operating Results	Return on Equity	This ratio is a representation of the increase or decrease in net assets from the prior year.	INCREASE IN NET ASSETS / NET ASSETS	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%
Operating Results	Operation Income to Revenue	This ratio compares the current year's operating income with the current year's revenue.	OPERATING INCOME / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	3%	10.0%
Operating Results	Cash Flow % of Revenue	This ratio calculates the company's cash flow as a percentage of revenue.	(INCREASE IN NET ASSETS + DEPRECIATION) / REVENUE	This ratio measures the Operating Results of an organization. A ratio equal to or higher than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	2%	10.0%
Leverage	Debt to Equity	This ratio compares total debt to equity.	(TOTAL ASSETS - NET ASSETS)/NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is	0.7:1	5.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
				expressed as a ratio and represents 5% of the total risk assessment value.		
Leverage	Long Term Debt to Equity	This ratio compares long term debt to equity.	LONG TERM DEBT / NET ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 5% of the total risk assessment value.	100%	5.0%
Leverage	Debt Ratio	This ratio compares total debt to total assets.	(TOTAL ASSETS - NET ASSETS)/TOTAL ASSETS	This ratio measures Leverage (Relative Debt Level). A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	50%	10.0%
Reserves	Cash Flow to Total Debt	This ratio compares cash flow to total debt.	(OP. SURPLUS + DEPRECIATION) / (TOTAL ASSETS - NET ASSETS)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed as a percentage and represents 10% of the total risk assessment value.	5%	10.0%



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Table A - Risk Analysis Assessment Ratios Matrix

Category	Name of Ratio	Description	How it is Calculated	What the Ratio Measures	Benchmark	Percentage of Total Risk Assessment
Reserves	Days Expense in Available Net Assets	This ratio calculates the number of day's expense that the net assets of the company can support.	NET ASSETS / ((REVENUE - OPERATING INCOME - DEPRECIATION)/365)	This ratio measures Reserves. A ratio equal to or lower than the benchmark is considered favorable. The benchmark is expressed in "number of days" and this represents 10% of the total risk assessment value.	90	10.0%
						100.0%

7.22. Agreement Elements

The Agreement between the parties shall consist of the following: General Provisions (P-37), Exhibit A Scope of Services, Exhibit B Purchase of Services, Exhibit C Special Provisions, Exhibit C-1 Additional Special Provisions, Exhibit D Certification Regarding Drug-Free Workplace, Exhibit E Certification Regarding Lobbying, Exhibit F Certification Regarding Debarment, Suspension and Other Responsibility Matters, Exhibit G Certification Regarding the American's With Disabilities Act Compliance, Exhibit H Certification Regarding Environmental Tobacco Smoke, Exhibit I Health Insurance Portability and Accountability Act Business Associate Agreement, Exhibit J Certification Regarding The Federal Funding Accountability and Transparency Act Compliance. In the event of any conflict or contradiction between or among the Agreement documents, the documents shall control in the above order of precedence.



Method and Conditions Precedent to Payment

1. The State shall pay the Contractor an amount not to exceed the Price Limitation, block 1.8, of the General Provisions (P-37) of this Agreement for the services provided by the Contractor pursuant to Exhibit A, Scope of Services and for the period beginning July 1, 2014 or the date of G&C approval, whichever is later. The completion date of this contract shall be June 30, 2015, block 1.7 of the P-37.
2. Service(s) provided in this Agreement: The Contractor shall be reimbursed for providing and delivering the services listed in Exhibit A, Paragraph 5. The following terms and conditions detailed below in this Exhibit B shall apply to all services unless expressly stated otherwise.
3. Payment for contracted services will be made up to the Total Maximum Dollar Amount Allowed by Funding source and at the reimbursement rates identified in Table A:

Table A			
Funding Source	Service	Rates	Total Maximum Dollar Amount Allowed by Funding Source
Title XX	In Home Care Services	\$8.38 per ½ Hour	\$859,387
Title IIIB	In Home Care Services	\$8.38 per ½ Hour	\$13,274
Title XX	Adult Day Program Services	\$7.25 per Hour	\$73,950
Title III	Adult Day Program Services	\$7.25 per Hour	\$60,175
Title IIIB	In Home Health Aide Level of Care Services	\$12.50 per ½ Hour	\$1,975
Title IIIB	In Home Nursing Level of Care Services	\$24.50 per ½ Hour	N/A

4. The General provisions (P-37) Section 1.6 Account Numbers for funding under this contract including identification of the funding source (name of Grantor and Catalog of Federal Domestic Assistance (CFDA) number) are as follows:

Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
In Home Care, In Home Health Aide Level of Care, In Home Nursing Level of Care Services, and Adult Day Program Services	Special Programs for the Aging- Title IIIB	ACL	93.044	05-95-48-481010-78720000-540-500382
In Home Care	Social Services Block Grant- Title XX	U.S. Dept. of Health & Human Services	93.667	05-95-48-481010-92550000-543-500385

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Service	Funding Name	Funding Source	CFDA #	State of NH Account Number
Adult Day Program Services	Social Services Block Grant- Title XX	U.S. Dept of Health & Human Services	93.667	05-95-48-481010-92550000-566-500918

5. Notwithstanding paragraph 18 of the P-37, an amendment limited to the terms of paragraph #3 Table A above to transfer dollar amounts from one service to another, within the price limitation, can be made by written agreement of both parties and may be made without obtaining approval of Governor and Executive Council.
6. The Contractor shall comply with the necessary steps established by the Department for making payments to vendors using Electronic Funds Transfer (EFT).
7. The DHHS may require certain payments returned to the State of New Hampshire if: 1) the final reconciliation of the payments made by BEAS under this agreement show that the payments exceeded the actual units served; 2) services are not being provided in accordance with the requirements and scope of services in Exhibit A; and 3) Should BEAS choose to execute the right to terminate the contract agreement as stated in Exhibit C-1 Additional Special Provisions.
8. Review of the State Disallowance of Costs: At any time during the performance of the Services, and upon receipt of required reports, or Contractor Site Review Reports, the State may review all units served to clients incurred by the Contractor and all payments made to date. Upon such review the State shall disallow any units served to clients incurred that are not determined to be allowable or are determined to be served to ineligible clients and shall, by written notice specifying the disallowed costs, inform the Contractor of any such disallowance. If the State disallows costs for which payment has not yet been made, it shall refuse to pay such costs.
9. Form Submission:
Prior to submittal of an invoice for the following Title III funded services: In Home Care, In Home Health Aide Level of Care and Adult Day Program Services the Contractor will complete Form # 3502 (Contract Service Authorization Form), in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed.

Prior to submittal of an invoice for Title XX In Home Care and Adult Day Program Services the Contractor will complete Forms #3000 (Application/Reapplication for Social Services) and #3502 (Contract Service Authorization Form) in accordance with procedures and instructions established by the Bureau of Elderly and Adult Services for each client for whom reimbursement will be claimed. Redetermination of client eligibility will be performed through the use of Forms #3000 and #3502 every twelve months thereafter.
10. Invoice Submission:
 - 10.1. Title III Services the Contractor shall complete and submit a signed CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE for actual services during the

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- month specified. The CONTRACT SERVICE NON CLIENT SPECIFIC INVOICE is the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.2. Title XX Services- The Contractor shall complete and submit a signed CONTRACT SERVICE CLIENT SPECIFIC INVOICE for actual services during the month specified for the client identified on the Bureau of Elderly and Adult Services generated and preprinted invoice provided to the contractor on a monthly basis by the NH Department of Health and Human Services, Data Management Unit.
- 10.3. A signed cover letter identifying the name of the agency, the type of service and the dates of service may be submitted in lieu of individually signed client specific invoices.
- 10.4. Contract Service Authorization Form (#3502) and Invoices shall be sent to:
NH Department of Health and Human Services
Data Management Unit
129 Pleasant St, P.O. Box 2000
Concord, NH 03301
- 10.5. Contractor will have forty-five (45) days from the end of the contract period to submit final invoices to the Department for payment. Any adjustments made to a prior invoice, during these forty-five (45) days, will need to be accompanied by supporting documentation.
- 10.6. The DHHS will reimburse from one funding source only, i.e. Title XX or Title IIIB for a single unit of service. Contractors must not submit invoices for a single unit of service to more than one funding source.
- 10.7. The Contractor shall submit to DHHS the subcontractor's budget for review and approval. The Contractor shall submit to DHHS copies of their subcontractor's invoices for actual units served to clients that support the requests for reimbursement, upon DHHS request.



SPECIAL PROVISIONS

Contractors Obligations: The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:

1. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
2. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
3. **Documentation:** In addition to the determination forms required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
4. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
5. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
6. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
7. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractors costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party fundors for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party fundors, the Department may elect to:
 - 7.1. Renegotiate the rates for payment hereunder, in which event new rates shall be established;
 - 7.2. Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;



- 7.3. Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

8. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:
- 8.1. Fiscal Records: books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
- 8.2. Statistical Records: Statistical, enrollment, attendance or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
- 8.3. Medical Records: Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.
9. **Audit:** Contractor shall submit an annual audit to the Department within 60 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.
- 9.1. Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2. Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.
10. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directly connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.



Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to



subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:

- 16.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 16.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 16.3. Monitor the subcontractor's performance on an ongoing basis
- 16.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 16.5. DHHS shall, at its discretion, review and approve all subcontracts.

If the Contractor identifies deficiencies or areas for improvement are identified, the Contractor shall take corrective action.

DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

FINANCIAL MANAGEMENT GUIDELINES: Shall mean that section of the Contractor Manual which is entitled "Financial Management Guidelines" and which contains the regulations governing the financial activities of contractor agencies which have contracted with the State of NH to receive funds.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Wherever federal or state laws, regulations, rules, orders, and policies, etc. are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc. as they may be amended or revised from the time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

New Hampshire Department of Health and Human Services
In Home Care Services, In Home Health Aide Level of Care Services,
In Home Nursing Level of Services, and Adult Day Program Services
Exhibit C-1



REVISIONS TO GENERAL PROVISIONS

1. Subparagraph 4 of the General Provisions of this contract, Conditional Nature of Agreement, is replaced as follows:
4. **CONDITIONAL NATURE OF AGREEMENT.**
Notwithstanding any provision of this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments, in whole or in part, under this Agreement are contingent upon continued appropriation or availability of funds, including any subsequent changes to the appropriation or availability of funds affected by any state or federal legislative or executive action that reduces, eliminates, or otherwise modifies the appropriation or availability of funding for this Agreement and the Scope of Services provided in Exhibit A, Scope of Services, in whole or in part. In no event shall the State be liable for any payments hereunder in excess of appropriated or available funds. In the event of a reduction, termination or modification of appropriated or available funds, the State shall have the right to withhold payment until such funds become available, if ever. The State shall have the right to reduce, terminate or modify services under this Agreement immediately upon giving the Contractor notice of such reduction, termination or modification. The State shall not be required to transfer funds from any other source or account into the Account(s) identified in block 1.6 of the General Provisions, Account Number, or any other account, in the event funds are reduced or unavailable.
2. Subparagraph 10 of the General Provisions of this contract, Termination, is amended by adding the following language:
10.1 The State may terminate the Agreement at any time for any reason, at the sole discretion of the State, 30 days after giving the Contractor written notice that the State is exercising its option to terminate the Agreement.
10.2 In the event of early termination, the Contractor shall, within 15 days of notice of early termination, develop and submit to the State a Transition Plan for services under the Agreement, including but not limited to, identifying the present and future needs of clients receiving services under the Agreement and establishes a process to meet those needs.
10.3 The Contractor shall fully cooperate with the State and shall promptly provide detailed information to support the Transition Plan including, but not limited to, any information or data requested by the State related to the termination of the Agreement and Transition Plan and shall provide ongoing communication and revisions of the Transition Plan to the State as requested.
10.4 In the event that services under the Agreement, including but not limited to clients receiving services under the Agreement are transitioned to having services delivered by another entity including contracted providers or the State, the Contractor shall provide a process for uninterrupted delivery of services in the Transition Plan.
10.5 The Contractor shall establish a method of notifying clients and other affected individuals about the transition. The Contractor shall include the proposed communications in its Transition Plan submitted to the State as described above.
3. **Contract Extension:** The Department reserves the right to extend the completion date of the contract for up to two years to be exercised by mutual agreements by the parties, upon availability of funding, acceptable performance of the Statement of Work, and subsequent approval by the Governor and Executive Council.
4. **CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS:**
4.1 This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.

**New Hampshire Department of Health and Human Services
In Home Care Services, In Home Health Aide Level of Care Services,
In Home Nursing Level of Services, and Adult Day Program Services**



Exhibit C-1

- 4.2 The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- 4.3 The Contractor shall insert the substance of this clause, including this paragraph (4.3), in all subcontracts over the simplified acquisition threshold.
5. Subparagraph 9 Audit of Exhibit C Special Provisions of this contract is deleted and replaced with the following subparagraph:
9. Audit: Contractor shall submit an annual audit to the Department within 120 days after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Account Office (GAO standards) as the pertain to financial compliance audits.
- 9.1 Audit and Review: During the term of this Contract and the period for retention hereunder, the Department, the Unites States Department of Health and Humans Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.
- 9.2 Audit Liabilities: In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such and exception.
6. Subparagraph 14.1.1 of the General Provisions of this contract is deleted and is replaced with the following subparagraph:
- 14.1.1 comprehensive general liability against all claims of bodily injury, death or property damage, in amounts of not less than \$250,000 per claim and \$1,000,000 per occurrence and excess/umbrella liability coverage in the amount of \$1,000,000 per occurrence; and



CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

**US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS**

This certification is required by the regulations implementing Sections 5151-5160 of the Drug-Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.). The January 31, 1989 regulations were amended and published as Part II of the May 25, 1990 Federal Register (pages 21681-21691), and require certification by grantees (and by inference, sub-grantees and sub-contractors), prior to award, that they will maintain a drug-free workplace. Section 3017.630(c) of the regulation provides that a grantee (and by inference, sub-grantees and sub-contractors) that is a State may elect to make one certification to the Department in each federal fiscal year in lieu of certificates for each grant during the federal fiscal year covered by the certification. The certificate set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. False certification or violation of the certification shall be grounds for suspension of payments, suspension or termination of grants, or government wide suspension or debarment. Contractors using this form should send it to:

Commissioner
NH Department of Health and Human Services
129 Pleasant Street,
Concord, NH 03301-6505

1. The grantee certifies that it will or will continue to provide a drug-free workplace by:
 - 1.1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - 1.2. Establishing an ongoing drug-free awareness program to inform employees about
 - 1.2.1. The dangers of drug abuse in the workplace;
 - 1.2.2. The grantee's policy of maintaining a drug-free workplace;
 - 1.2.3. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - 1.2.4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - 1.3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
 - 1.4. Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will
 - 1.4.1. Abide by the terms of the statement; and
 - 1.4.2. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - 1.5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 1.4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer on whose grant activity the convicted employee was working, unless the Federal agency

New Hampshire Department of Health and Human Services
Exhibit D



- has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 1.6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 1.4.2, with respect to any employee who is so convicted
 - 1.6.1. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 1.6.2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
 - 1.7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1.1, 1.2, 1.3, 1.4, 1.5, and 1.6.
2. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant.

Place of Performance (street address, city, county, state, zip code) (list each location)

312 Marlboro Street	45 Main Street	Arborway
Keene, NH 03431	Peterborough, NH 03458	Charlestown, NH 03603

Check ☐ if there are workplaces on file that are not identified here.

Contractor Name: VNA at HCS

5/21/2014

Date

Cathy Sorenson
Name: Cathy Sorenson
Title: President/CEO



CERTIFICATION REGARDING LOBBYING

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Section 319 of Public Law 101-121, Government wide Guidance for New Restrictions on Lobbying, and 31 U.S.C. 1352, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

US DEPARTMENT OF HEALTH AND HUMAN SERVICES - CONTRACTORS
US DEPARTMENT OF EDUCATION - CONTRACTORS
US DEPARTMENT OF AGRICULTURE - CONTRACTORS

Programs (indicate applicable program covered):

- *Temporary Assistance to Needy Families under Title IV-A
- *Child Support Enforcement Program under Title IV-D
- *Social Services Block Grant Program under Title XX
- *Medicaid Program under Title XIX
- *Community Services Block Grant under Title VI
- *Child Care Development Block Grant under Title IV

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor).
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement (and by specific mention sub-grantee or sub-contractor), the undersigned shall complete and submit Standard Form LLL, (Disclosure Form to Report Lobbying, in accordance with its instructions, attached and identified as Standard Exhibit E-1.)
3. The undersigned shall require that the language of this certification be included in the award document for sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Contractor Name: WA at HCS

5/21/2014
Date


Name: Cathy Sorenson
Title: President/CEO



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION
AND OTHER RESPONSIBILITY MATTERS**

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of Executive Office of the President, Executive Order 12549 and 45 CFR Part 76 regarding Debarment, Suspension, and Other Responsibility Matters, and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal (contract), the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. If necessary, the prospective participant shall submit an explanation of why it cannot provide the certification. The certification or explanation will be considered in connection with the NH Department of Health and Human Services' (DHHS) determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when DHHS determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, DHHS may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the DHHS agency to whom this proposal (contract) is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549: 45 CFR Part 76. See the attached definitions.
6. The prospective primary participant agrees by submitting this proposal (contract) that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by DHHS.
7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions," provided by DHHS, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or involuntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and



information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, DHHS may terminate this transaction for cause or default.

PRIMARY COVERED TRANSACTIONS

11. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:
 - 11.1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - 11.2. have not within a three-year period preceding this proposal (contract) been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or a contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - 11.3. are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (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: VNA at HCS

5/21/2014
Date


Name: Cathy Sorenson
Title: Resident/CEO



CERTIFICATION REGARDING
THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

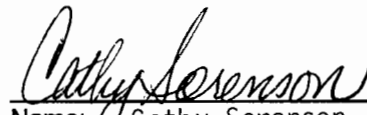
The Contractor identified in Section 1.3 of the General Provisions agrees by signature of the Contractor's representative as identified in Sections 1.11 and 1.12 of the General Provisions, to execute the following certification:

1. By signing and submitting this proposal (contract) the Contractor agrees to make reasonable efforts to comply with all applicable provisions of the Americans with Disabilities Act of 1990.

Contractor Name: VNA at HCS

5/21/2014

Date


Name: Cathy Sorenson
Title: President/CEO



CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

Public Law 103-227, Part C - Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law does not apply to children's services provided in private residences, facilities funded solely by Medicare or Medicaid funds, and portions of facilities used for inpatient drug or alcohol treatment. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 per day and/or the imposition of an administrative compliance order on the responsible entity.

The 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: VNA at HCS

5/21/2014
Date


Name: Cathy Sorenson
Title: President/CEO



Exhibit I

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

The Contractor identified in Section 1.3 of the General Provisions of the Agreement agrees to comply with the Health Insurance Portability and Accountability Act, Public Law 104-191 and with the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160 and 164 applicable to business associates. As defined herein, "Business Associate" shall mean the Contractor and subcontractors and agents of the Contractor that receive, use or have access to protected health information under this Agreement and "Covered Entity" shall mean the State of New Hampshire, Department of Health and Human Services.

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164 and amendments thereto.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

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Exhibit I

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.103.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

(3) Business Associate Use and Disclosure of Protected Health Information.

- a. Business Associate shall not use, disclose, maintain or transmit Protected Health Information (PHI) except as reasonably necessary to provide the services outlined under Exhibit A of the Agreement. Further, Business Associate, including but not limited to all its directors, officers, employees and agents, shall not use, disclose, maintain or transmit PHI in any manner that would constitute a violation of the Privacy and Security Rule.
- b. Business Associate may use or disclose PHI:
 - I. For the proper management and administration of the Business Associate;
 - II. As required by law, pursuant to the terms set forth in paragraph d. below; or
 - III. For data aggregation purposes for the health care operations of Covered Entity.
- c. To the extent Business Associate is permitted under the Agreement to disclose PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) reasonable assurances from the third party that such PHI will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and (ii) an agreement from such third party to notify Business Associate, in accordance with the HIPAA Privacy, Security, and Breach Notification Rules of any breaches of the confidentiality of the PHI, to the extent it has obtained knowledge of such breach.
- d. The Business Associate shall not, unless such disclosure is reasonably necessary to provide services under Exhibit A of the Agreement, disclose any PHI in response to a request for disclosure on the basis that it is required by law, without first notifying Covered Entity so that Covered Entity has an opportunity to object to the disclosure and to seek appropriate relief. If Covered Entity objects to such disclosure, the Business



Exhibit I

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (I). The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI



Exhibit I

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business

CP



Exhibit I

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

_____ The State <u>Shari Rockburn</u> Signature of Authorized Representative <u>Shari Rockburn</u> Name of Authorized Representative <u>Director</u> Title of Authorized Representative <u>5/27/14</u> Date	VNA at HCS _____ Name of the Contractor <u>Cathy Sorenson</u> Signature of Authorized Representative <u>Cathy Sorenson</u> Name of Authorized Representative _____ President/CEO _____ Title of Authorized Representative <u>5/21/2014</u> Date



**CERTIFICATION REGARDING THE FEDERAL FUNDING ACCOUNTABILITY AND TRANSPARENCY
ACT (FFATA) COMPLIANCE**

The Federal Funding Accountability and Transparency Act (FFATA) requires prime awardees of individual Federal grants equal to or greater than \$25,000 and awarded on or after October 1, 2010, to report on data related to executive compensation and associated first-tier sub-grants of \$25,000 or more. If the initial award is below \$25,000 but subsequent grant modifications result in a total award equal to or over \$25,000, the award is subject to the FFATA reporting requirements, as of the date of the award.

In accordance with 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), the Department of Health and Human Services (DHHS) must report the following information for any subaward or contract award subject to the FFATA reporting requirements:

1. Name of entity
2. Amount of award
3. Funding agency
4. NAICS code for contracts / CFDA program number for grants
5. Program source
6. Award title descriptive of the purpose of the funding action
7. Location of the entity
8. Principle place of performance
9. Unique identifier of the entity (DUNS #)
10. Total compensation and names of the top five executives if:
 - 10.1. More than 80% of annual gross revenues are from the Federal government, and those revenues are greater than \$25M annually and
 - 10.2. Compensation information is not already available through reporting to the SEC.

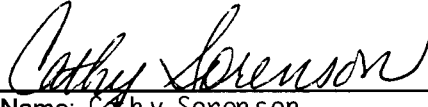
Prime grant recipients must submit FFATA required data by the end of the month, plus 30 days, in which the award or award amendment is made.

The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees to have the Contractor's representative, as identified in Sections 1.11 and 1.12 of the General Provisions execute the following Certification:

The below named Contractor agrees to provide needed information as outlined above to the NH Department of Health and Human Services and to comply with all applicable provisions of the Federal Financial Accountability and Transparency Act.

Contractor Name: VNA at HCS

5/21/2014
Date


Name: Cathy Sorenson
Title: President/CEO

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: 78987421
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?

XX 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: _____

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 VNA AT HCS, INC. is a New Hampshire nonprofit corporation formed November 18, 1981. I further certify that it is in good standing as far as this office is concerned, having filed the return(s) and paid the fees required by law.



In TESTIMONY WHEREOF, I hereto
set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 24th day of April A.D. 2014

A handwritten signature in cursive script, reading "William M. Gardner".

William M. Gardner
Secretary of State

VNA at HCS, Inc.

ABSTRACT OF CORPORATE MINUTES

The following is a true abstract from an electronic vote of the Board of Directors of VNA at HCS, Inc. on May 20, 2014 at which a quorum was polled:

"On motion duly made and seconded, it was voted to authorize the President/CEO, to accept grants and awards and enter into contracts, and contract amendments from time to time with the New Hampshire Department of Health and Human Services, Bureau of Elderly and Adult Services, to sign and otherwise fully execute such acceptances and contracts, and contract amendments or modifications thereto, and any related documents requested by the Bureau of Elderly and Adult Services; this authorization to continue until revoked by vote of this governing board."

I certify the foregoing vote is still in effect and has not been revoked, rescinded or modified.

I further certify that Cathy Sorenson is the duly elected President/CEO of this corporation and is still qualified and serving in such capacity.

May 21, 2014
Date

Betsy Cotter
Betsy Cotter
VNA at HCS Board Vice Chairperson

STATE OF NEW HAMPSHIRE

COUNTY OF CHESHIRE

On May 21, 2014, before the undersigned officer personally appeared the person identified in the foregoing certificate, known to me (or satisfactorily proven) to be the Vice Chairperson of the corporation identified in the foregoing certificate, and acknowledged that she executed the foregoing certificate.

In witness whereof I hereunto set my hand and official seal.

Julie Wolf
Julie Wolf, Notary Public

My commission expires: 2-6-18

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/02/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Svcs LLC PO Box 406 Portland, ME 04112-0406		CONTACT NAME: PHONE (A/C, No, Ext): 603 625-1100 E-MAIL ADDRESS: FAX (A/C, No):	
INSURED Home Healthcare Hospice & Community Ser PO Box 564 Keene, NH 03431		INSURER(S) AFFORDING COVERAGE	
		INSURER A : Arch Insurance Company	
		INSURER B :	
		INSURER C :	
		INSURER D :	
		INSURER E :	
		NAIC # 11150	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC			NCPKG0206602	01/04/2014	01/04/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$20,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☒ SCHEDULED AUTOS ☒ NON-OWNED AUTOS			NCAUT0206602	01/04/2014	01/04/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$0			NCFXS0206601	01/04/2014	01/04/2015	EACH OCCURRENCE \$1,000,000 AGGREGATE \$3,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATU-TORY LIMITS ☐ OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

VNA at HCS

This Certificate is issued for insured operations usual to home health and hospice activities

CERTIFICATE HOLDER

CANCELLATION

DHHS
 Contracts and Procurement Unit
 129 Pleasant Street
 Concord, NH 03301

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

E. [Signature]

© 1988-2010 ACORD CORPORATION. All rights reserved.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/2/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kennebunk Savings Insurance 50 Portland Road PO Box 770 Kennebunk ME 04043		CONTACT NAME: Nancy Wallace PHONE (A/C, No. Ext.): (207) 985-2941 FAX (A/C, No.): (207) 985-3122 E-MAIL ADDRESS: nancy.wallace@kennebunksavings.com	
INSURED Home Healthcare Hospice & Community Svcs VNA at HSC PO Box 564 312 Marlboro St Keene NH 03431		INSURER(S) AFFORDING COVERAGE INSURER A Atlantic Charter Insurance INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES

CERTIFICATE NUMBER CL138502318

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY ☐ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PROJECT ☐ LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) ☐ Y/N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		WCA00539800	7/1/2013	7/1/2014	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

This Certificate of Insurance is issued as a matter of information only and confers no rights upon the holder and does not amend, extend or alter the coverage afforded by policies designated on the Certificate.

CERTIFICATE HOLDER**CANCELLATION**

DHHS Contracts and Procurement Unit 129 Pleasant Street Concord, NH 03301	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 Danny Edgecomb/DE

VALUES AND MISSION STATEMENT

Because we value:

- ▶ **The worth and dignity of all people and their right to privacy**
- ▶ **The right of people to make informed choices**
- ▶ **A creative, holistic approach to individuals' and families' needs**
- ▶ **Health and wellness throughout life**
- ▶ **Access to health care and support services to encourage maximum independence**
- ▶ **A commitment by all staff to acquire and share knowledge through education and research**
- ▶ **Continuous self and agency improvement to meet the changing needs of individuals and our communities**
- ▶ **Collaboration with other providers**

Our mission is:

To provide services which enable people to function throughout life at their optimal level of health, well-being and independence, according to their personal beliefs and choices.

Adopted by Board: September 4, 1997

Reaffirmed by Board: September 6, 2012

VNA AT HCS, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

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BRAD BORBIDGE, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
TELEFAX 603/224-2397

Independent Auditor's Report

Board of Directors
VNA at HCS, Inc.
Keene, New Hampshire

We have audited the accompanying financial statements of VNA at HCS, Inc., which comprise the balance sheets as of June 30, 2013 and 2012, the related statements of operations, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of VNA at HCS, Inc. as of June 30, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "A. Daulton", is positioned to the right of the opinion paragraph.

Concord, New Hampshire
September 24, 2013

VNA AT HCS, INC.
BALANCE SHEETS
JUNE 30, 2013 AND 2012
ASSETS

	2013	2012
Current Assets		
Cash and cash equivalents	\$ 1,486,615	\$ 957,631
Temporary investments	38,487	33,457
Patient accounts receivable, less allowances for uncollectible accounts of \$320,768 and \$293,046 at June 30, 2013 and 2012, respectively	2,042,500	2,000,336
Other receivables	597,672	391,605
Prepaid expenses	24,382	27,611
Due from affiliates	4,918,772	5,279,069
Total Current Assets	9,108,428	8,689,709
Assets Limited As To Use	116,326	170,374
Property And Equipment, Net	249,730	362,960
TOTAL ASSETS	<u>\$ 9,474,484</u>	<u>\$ 9,223,043</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	\$ 139,740	\$ 153,457
Due to third-party payers	5,000	5,535
Accrued payroll and related expenses	727,011	651,451
Deferred revenue	687,054	566,862
Total Current Liabilities	1,558,805	1,377,305
Net Assets		
Unrestricted	7,799,353	7,675,364
Temporarily restricted	97,668	151,716
Permanently restricted	18,658	18,658
Total Net Assets	7,915,679	7,845,738
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,474,484</u>	<u>\$ 9,223,043</u>

(See accompanying notes to these financial statements)

VNA AT HCS, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenue		
Patient service revenue	\$ 15,288,208	\$ 14,904,158
Provision for bad debts	<u>(209,200)</u>	<u>(111,000)</u>
Net patient service revenue	15,079,008	14,793,158
Other operating revenue	<u>3,112,032</u>	<u>3,020,600</u>
Total Operating Revenue	<u>18,191,040</u>	<u>17,813,758</u>
Operating Expenses		
Salaries and benefits	12,075,835	11,874,598
Other operating expenses	2,911,890	3,005,816
Depreciation	335,579	348,770
Management fees	<u>2,969,389</u>	<u>2,692,832</u>
Total Operating Expenses	<u>18,292,693</u>	<u>17,922,016</u>
OPERATING LOSS	<u>(101,653)</u>	<u>(108,258)</u>
Other Revenue and Gains		
Contributions	223,334	316,391
Investment income	<u>2,308</u>	<u>3,595</u>
Total Other Revenue Gains	<u>225,642</u>	<u>319,986</u>
EXCESS OF REVENUE OVER EXPENSES	123,989	211,728
Net assets released from restriction for capital acquisitions	<u>-</u>	<u>167,175</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u>\$ 123,989</u>	<u>\$ 378,903</u>

(See accompanying notes to these financial statements)

VNA AT HCS, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	Unrestricted	Temporarily Restricted	Permanent Restricted	Total
Balance, June 30, 2011	\$ 7,296,461	\$ 16,170	\$ 18,658	\$ 7,331,289
Excess of revenue over expenses	211,728	-	-	211,728
Contributions	-	367,175	-	367,175
Investment income	-	353	-	353
Net assets released from restriction	-	(64,807)	-	(64,807)
Net assets released from restriction for capital acquisitions	167,175	(167,175)	-	-
Change in Net Assets	378,903	135,546	-	514,449
Balance, June 30, 2012	7,675,364	151,716	18,658	7,845,738
Excess of revenue over expenses	123,989	-	-	123,989
Investment income	-	398	-	398
Net assets released from restriction	-	(54,446)	-	(54,446)
Change in Net Assets	123,989	(54,048)	-	69,941
Balance, June 30, 2013	<u>\$ 7,799,353</u>	<u>\$ 97,668</u>	<u>\$ 18,658</u>	<u>\$ 7,915,679</u>

(See accompanying notes to these financial statements)

VNA AT HCS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012

	2013	2012
Cash Flows From Operating Activities		
Change in net assets	\$ 69,941	\$ 514,449
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Bad debt expense	209,200	111,000
Depreciation	335,579	348,770
(Increase) decrease in the following assets:		
Temporary investments	(5,030)	191,100
Patient accounts receivable	(251,364)	(587,270)
Other receivables	(206,067)	138,204
Prepaid expenses	3,229	916
Due from affiliate	360,297	31,650
Increase (decrease) in the following liabilities:		
Accounts payable	(13,717)	(273)
Due to third-party payers	(535)	(6,465)
Accrued payroll and related expenses	75,560	(482,921)
Deferred revenue	120,192	(198,851)
Net Cash Provided by Operating Activities	<u>697,285</u>	<u>60,309</u>
Cash Flows From Investing Activities		
Increase in assets limited as to use	54,048	(135,546)
Capital expenditures, net of dispositions	<u>(222,349)</u>	<u>(437,898)</u>
Net Cash Used by Investing Activities	<u>(168,301)</u>	<u>(573,444)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	528,984	(513,135)
Cash and cash equivalents, beginning of year	<u>957,631</u>	<u>1,470,766</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,486,615</u></u>	<u><u>\$ 957,631</u></u>

(See accompanying notes to these financial statements)

VNA AT HCS, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

VNA at HCS, Inc., "The Association", is a non-stock, non-profit corporation in New Hampshire whose primary purposes are to provide home health care and hospice services to residents residing in the City of Keene and surrounding communities. The sole member of the Association is Home Healthcare, Hospice and Community Services, Inc. The Association is exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3).

Affiliates

Home Healthcare, Hospice and Community Services, Inc., is a non-stock, non-profit corporation in New Hampshire whose primary purposes are to act as a holding company and provide management services to its affiliate. The Association is exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3).

Income Taxes

The Association is a public charity under Section 501 (c)(3) of the Internal Revenue Code. As a public charity, The Association is exempt from state and federal income taxes on income earned in accordance with its tax exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association's tax positions and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the financial statements. Management believes the Association is no longer subject to income tax examinations for years prior to 2010.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding assets limited as to use. Short-term highly liquid investments with an original maturity of more than three months are classified as temporary investments.

Assets Limited as to Use

Assets limited as to use primarily include assets that are limited as to use per donor restriction. Assets limited as to use per donor restriction include temporarily restricted assets for hospice respite services and permanently restricted endowment assets.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized. Depreciation is computed on the straight-line method and is provided over the estimated useful life of each class of depreciable asset.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Association has been limited by donors to a specific time period or purpose.

Permanently restricted net assets have been restricted by donors to be maintained by the Association in perpetuity, the income from which may or may not be limited by donors to a specific time period or purpose.

Patient Service Revenue

Standard charges for services to all patients are recorded as revenue when services are rendered. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a donor restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions. Donor-restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted contributions in the accompanying financial statements.

Excess of Revenue Over Expenses

The Statements of Operations reflect the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which, by donor restriction were to be used for the purposes of acquiring such assets).

Recently Issued Accounting Pronouncements

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-07, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts*. The update requires certain health care entities to present the bad debt expense associated with patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than as an operating expense. Additionally, those health care entities are required to provide enhanced disclosure about their policies for recognizing revenue and assessing bad debts, including qualitative and quantitative information about changes in the allowance for doubtful accounts. The amendment is effective for fiscal years beginning on or after December 15, 2011, with early adoption permitted. The Association adopted the amendment as of July 1, 2012 and retrospectively applied the amendment for the year ended June 30, 2012.

NOTE 2 ASSETS LIMITED AS TO USE

Assets limited as to use by donor restriction at June 30, 2013 and 2012, follows:

	<u>2013</u>	<u>2012</u>
Donor restricted		
Temporarily - meal sites	\$ 6,842	\$ 6,825
Temporarily - respite	9,362	9,362
Temporarily - Shea charitable gift	81,464	135,529
Permanently - income for operations	8,658	8,658
Permanently - income for hospice	<u>10,000</u>	<u>10,000</u>
Total	<u>\$ 116,326</u>	<u>\$ 170,374</u>

The composition of assets limited as to use at June 30, 2013 and 2012, follows:

	<u>2013</u>	<u>2012</u>
Cash and cash equivalents	\$ 19,362	\$ 19,362
Temporary investments	<u>96,964</u>	<u>151,012</u>
Total	<u>\$ 116,326</u>	<u>\$ 170,374</u>

Cash and cash equivalents included in assets limited as to use are not considered cash and cash equivalents for cash flow purposes.

NOTE 3 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of furniture and equipment at June 30, 2013 and 2012, follows:

	<u>2013</u>	<u>2012</u>
Furniture and equipment	\$ 1,725,801	\$ 1,701,672
Less, accumulated depreciation	<u>1,476,071</u>	<u>1,338,712</u>
Property and Equipment, Net	<u>\$ 249,730</u>	<u>\$ 362,960</u>

NOTE 4 ENDOWMENTS

There were no board designated endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Association has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies as a donor restricted endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent donor restricted endowment gifts and (c) accumulations to the donor restricted 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 is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Association
- (7) The investment policies of the Association

The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

The endowment assets consist of a balanced portfolio of cash, debt and equity securities. Investment returns earned on endowments is expended when earned unless otherwise stipulated by the donor.

NOTE 5 PATIENT SERVICE REVENUE

Patient service revenue provided for the year ended June 30, 2013 and 2012, follows:

	<u>2013</u>	<u>2012</u>
Medicare	\$ 10,395,373	\$ 9,966,493
Medicaid	1,360,043	1,412,002
Other third-party payers	1,532,608	1,598,642
Municipalities - fee for service	80,690	73,058
Private pay	<u>1,919,494</u>	<u>1,853,963</u>
Total	<u>\$ 15,288,208</u>	<u>\$ 14,904,158</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term. Differences between amounts previously estimated and amounts subsequently determined to be recoverable or payable are included in net patient service revenues in the year that such amounts become known.

The Association provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Association does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Association provided services in other health-related activities, primarily to indigent patients, at rates substantially below cost. For certain activities, services were provided without charge. The Association estimates the costs associated with providing the other health-related activities by applying Medicare cost report methodology to determine program costs less any net patient revenue generated by the program. The estimated costs incurred in these activities amounted to \$2,897,969 and \$2,796,100 for the years June 30, 2013 and 2012, respectively.

The Association is able to provide these services with a component of funds received through local community support and federal and state grants. Local community support consists of contributions received directly from the public, United Way, municipal appropriations, and investment income earned from assets limited as to use. Federal and state grants consisted of monies received from the State of New Hampshire.

NOTE 6 FUNCTIONAL EXPENSES

The Association provides various services to residents within its geographic location. Expenses related to providing these services for the years ended June 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 15,323,304	\$ 15,229,184
Administrative and general	<u>2,969,389</u>	<u>2,692,832</u>
Total	<u>\$ 18,292,693</u>	<u>\$ 17,922,016</u>

NOTE 7 RELATED PARTY TRANSACTIONS

The Association purchased services from affiliates amounting to \$2,969,389 and \$2,692,832 in management services and \$163,023 and \$163,830 in contract services for the years ended June 30, 2013 and 2012, respectively.

NOTE 8 CONCENTRATION OF RISK

The Association has cash deposits in a major financial institution in excess of \$250,000, which exceed federal depository insurance limits. The financial institution has a strong credit rating and management believes the credit risk related to these deposits is minimal.

The Association grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements. At June 30, 2013 and 2012 Medicare and Medicaid represented 63% and 12% and 68% and 5% of gross accounts receivable, respectively. No other individual payer source exceeded 10% of the gross accounts receivable balance.

NOTE 9 RETIREMENT PLAN

The Association has adopted a defined contribution plan. The retirement plan expense was \$101,674 and \$116,154 for the years ended June 30, 2013 and 2012, respectively.

NOTE 10 MALPRACTICE INSURANCE

The Association insures its medical malpractice risks on a claims made basis. There were no known malpractice claims outstanding at June 30, 2013 and 2012, which in the opinion of management, will be settled for amounts in excess of insurance coverage; nor are there any unasserted claims or incidents which require loss accrual. The Association intends to renew coverage on a claims made basis and anticipates that such coverage will be available.

NOTE 11 SUBSEQUENT EVENTS

For financial reporting purposes, subsequent events have been evaluated by management through September 24, 2013, which is the date the financial statements were available to be issued.



Comfort, care and support
when home is where you want to be . . .

**HCS/VNA at HCS, Inc.
2013-2014 Board of Directors**

Chair: Deborah J. Blanc

2009-2012

2012-2015

Jane Larmon

2012-2015

Vice-Chair: Betsy Cotter

2011-2014

John McIntosh

2013-2016

Treasurer: Joji Robertson

2102-2015

Allen Mendelson

2013-2016

Secretary: Peter Gosline

2009-2012

2012-2015

Charles Montgomery, MD

2011-2014

Janet Ackerman

2012-2015

Maureen O'Brien

2011 - 2014

Joe Baute

2006-2009

2009-2012

2012-2013

2013-2016

Brian Reilly, MD

2012-2015

**Katherine J. Snow, Director at
Large**

2008-2011

2011-2014

JoAnn Fenton

2009-2012

2012-2015

3.2.5. Resumes

Cathy J. Sorenson R.N., BSN, COS-C

EMPLOYMENT:

**Nov 2013 – Present Home Healthcare, Hospice and Community Services
(VNA at HCS, Inc.)**

President/CEO

The President/CEO is responsible to the Board of Directors for administering, directing and coordinating all activities of the agency to carry out its mission, objectives and strategic initiatives.

**Feb 2010-Present Home Healthcare, Hospice and Community Services
(VNA at HCS, Inc.)**

Director of Clinical Services

Responsible for Corporate Quality Compliance oversight; Care Coordination activities, Medical Records, Castle Center (adult day care center) and the Maternal Child Health and Home Visiting Programs, and clinical oversight of the Wellness Program.

May 2009-Feb 2010 VNA Care Network

Case Coordinator

Responsible for day to day operations of multidisciplinary visit staff. Oversight and audit of OASIS data and utilization of resources.

Caritas Home Care

Sept. 2008-Apr 2009 *Branch Manager*

Responsible for overall branch operations including management And oversight of quality, fiscal and resources relative to certified Home care.

April-Sept 2008 *Nursing Supervisor*

Responsible for leading and managing a multidisciplinary staff. Duties include joint visits, record reviews, case conferences and Visits as needed.

Mar.2007-Mar.2008 Community Health Network, Inc.

Program Manager

Manager responsible for home care staffing agency. Duties include hiring and retention of experienced home care nurses, internal and external customer service development, transformational leadership processes.

Jan.2006-Mar 2007 New England Home Care, Inc. (*subsidiary of National Home Health Corp.*)

Branch Director

Duties include management, development, quality and fiscal oversight of two branches in large Medicare Certified homecare agency. Position assigned by corporate office to assist in achieving deficiency free state survey.

Sept. 2005-Dec. 2005:SeniorBridge Elder Care

Director Client Services

Duties include oversight of clinical activities with collaborative responsibilities related to sales and marketing of integrated geriatric care model to private pay clients.

Jan.2005-Sept.2005 National Home Health Corporation

Vice President, Nursing; Chief Compliance Officer

Regional position with corporate responsibility for affiliates in NY, NJ, CT and MA. Responsibilities included implementation of quality initiatives, outcome improvement under PPS for Medicare certified branches and compliance with licensing requirements in uncertified branches. Direct report to President, CEO of corporation.

Oct.2004-Dec.2004 Community Health Network

Contract Staff Nurse

Worked at Lifeplans, Inc. as contract employee. Duties included Of nursing assessments for purposes of determining long term care Benefits of insurance beneficiaries.

Oct.2000-Oct.2004 Partners Homecare

Clinical Resource Manager:

Responsible for leadership and management of visiting staff and utilization nurse. Duties included: assuring clinical quality, implementation of clinical initiatives, performance reviews, joint visits and oversight of day to day operations to meet the clinical needs of patients. Responsible for interviewing and hiring of all staff on multidisciplinary team as well as disciplinary review.

Feb 2000-Oct.2000 Caritas Homecare

Nursing Supervisor:

Responsible for day to day operations of home care visiting staff. Included daily assignment of admissions and visits to home care staff. Home visits as needed.

June 1994-Nov.1999 Newton-Wellesley Home Health (acquired by Partners Home Care in 2000)

Visiting Nurse, Clinical Director, Team Leader:

Role was flexible over the years to meet the needs of the agency. Primary responsibility for day-to-day operations, staffing, on call, home health aide oversight, intake and assignment of referrals in a small hospital based agency. On implementation team for Continuous Quality Improvement in Agency.

Oct. 1991-June 1994 Newton Wellesley Hospital-Tanger 4

RN, Oncology Unit.

Responsible for chemotherapy infusions, blood product transfusions, central line care of oncology patients receiving treatment. Care included addressing complex psychosocial needs around potential and actual life threatening illness.

Aug 1989-July 1991 Suburban Hospital-Bethesda, Maryland

Assistant Patient Care Manager 3W.

Duties included: Staff management, quality assurance audits; biannual staff Evaluations, participation on Shared Governance Board, staff development on a 33 bed medical/surgical urology unit in a community teaching hospital.

July 1988-July 1989 Mercy/Burnham Hospitals, Champaign-Urbana, Ill.

Staff Nurse

Responsible for care of variety of patients, including neonatal, ICU, Orthopedics, Oncology and Medical Surgical units. Full-time Float nurse with primary focus on professional development and clinical competence.

July 1987-July1988 Suburban Hospital,

Nurse Clinician I.

New graduate RN on 3W as above with responsibility for pre/post operative care of urological and other medical/surgical clients. Also precepted and mentored other new graduates by year's end; participated on Quality council and Professional Development Council of Shared Governance

EDUCATION:

University of Maryland at Baltimore School of Nursing

Bachelor of Sciences, Nursing May 1987

Suffolk University-Graduate Certificate in Home Care Management-2008

CERTIFICATION:

ANA Certified Medical Surgical Nurse 1990-1995

Chemotherapy Certification, Newton-Wellesley Hospital 1992

OASIS Specialist-4/2005, 10/2008

3.2.5. Resumes

Richard J. Skeels

Education:

Clark University, Worcester, Massachusetts
Boston College, Chestnut Hill, Massachusetts

BA – Geography
MBA – Finance

Work History:

Home Healthcare, Hospice & Community Services
7/2001 – present Chief Financial Officer
5/1996 – 7/2001 Director of Finance

Keene, NH

HCRS
9/1983 – 5/1996 Director of Finance

Bellows Fall, VT

Raytheon Company
3/1981 – 9/1983 Program Analyst

Sudbury, MA

Massachusetts Department of Mental Health
9/1977 – 3/1981 Contracts Manager

Shrewsbury, MA

Milford Assistance Program
2/1975 – 8/1977 Educational Director

Milford, MA

3.2.5. Resumes

Mary A. Davis, RN

Education:

Saint Joseph's College, North Windham, ME

Lawrence memorial Hospital School of Nursing, Medford, MA

Experience:

3/2012 – Present: **VNA at HCS (Home Healthcare, Hospice & Community Services), Keene, NH**

VNA Program Director

Principal Responsibilities: Manages the daily operations of the VNA, including all clinical services and the Maternal Child Health Program. Recruits and assists in the training of program staff; evaluates the program and staff performance. Assists in the interpretation of agency services to the general public and to the referral agencies. Manages the program budget and assists in its preparation and collaboration with the CCOO. Ensures program compliance with legal, regulatory and accreditation requirements.

9/2002 – 3/2012: **Home Healthcare, Hospice & Community Services, Keene, NH**
Associate Director of VNA @ HCS

Principal Responsibilities: assists with the management supervision of the nursing and rehabilitation programs.

1/1997 – 9/2002: **Home Healthcare, Hospice & Community Services, Keene, NH**
Rehabilitation Coordinator

Principal Responsibilities: provides coordination and scheduling of therapy services provided throughout the area. This position is also responsible for regulatory compliance of the Therapy Department, to include OBQI and financial benchmarks.

10/1993 – 1/1997: **Home Healthcare, Hospice & Community Services, Keene, NH**
Staff RN

Principal Responsibilities: Provides and directs the provision of home nursing care, based on agency policy and procedures, through the competent use application of the nursing process.

12/1991 – 11/1992: **Spofford Hall, Spofford, NH**
Charge Nurse

Principal Responsibilities: Responsible for staff assignments, overseeing admissions, treatment and discharge of patients on the unit. Attended and conducted evening group therapy sessions, provided information to the day staff and head nurse at the end of shift. Communicated any changes or concerns in the patients' condition to physicians and/or psychiatrist. Responsible for managing any crisis that arose within the facility.

7/1991 – 12/1991: Spofford Hall, Spofford, NH

Staff Nurse and Relief Charge Nurse

Principal Responsibilities: The care of twelve to twenty patients with dual diagnosis. Initiated individualized care plans within twenty-four hours of admission to the unit, evaluated need for and the side effects of medication, monitored patients vital signs and laboratory test results, provided a safe environment for patients in treatment, assisted in discharge planning.

3/1991 – 7/1991: Spofford Hall, Spofford, NH

Per diem RN

Principal Responsibilities: Admitting and assessing patients, monitoring patients withdrawal, dispensing medication as ordered, planned and implemented individualized patient care plans, attended treatment team meetings.

9/1985 – 11/1990: Day One, Inc., Bar Mills, ME

Nurse Consultant

Principal Responsibilities: Provide nursing service on a part-time and on-call basis to the twelve residents of the Day One substance abuse facility; establish consultative relationships with area physicians; make referrals to health care institutions; provide nutrition counseling; establish health policies; offer classes or individual sessions on health related issues.

9/1984 – 11/1990: Maine School District #6, Buxton, ME

Substitute School Nurse

Principal Responsibilities: Provide nursing services to 1000 students within MSAD #6; respond to sick calls and accidents; administer hearing and vision tests; assist with physicals.

7/1983 – 1/1986: Childbirth Education Association, Portland, ME

Principal Responsibilities: Teach natural/prepared childbirth classes to expectant mothers and their coaches; instruct in the areas of nutrition, exercise, and prenatal care, provide pro bono classes for unwed teenagers in my home.

3.2.5. Resumes

Mary E. Lucas, RN

Experience

Home Healthcare, Hospice and Community Services, Inc

1999 – Present

Home Health Aide Supervisor - instructs and supervises clinical and hospice Home Health Aides to insure the provision of quality care, oversees and coordinates agency services and participates in the case management decision process.

Coordinator of Support Services – Instructs and supervises Home Health Aide Staff and Home and Community Based Care Licensed Nursing Assistants to insure the provision of quality care, oversee and coordinate agency services and participate in the case management decision process.

Staff Nurse – Provides and directs the provision of home care nursing based on agency policy and procedure through the competent application of the nursing process. Responsibilities included seeing 6 – 8 clients per day for a variety illnesses and injuries.

Langdon Place of Keene

1997 – 1999

RN Charge Nurse – Alzheimer's unit for 24 residents. Implementing care plans of residents with a psychiatrist on a bi-weekly basis, resident assessments, update nursing care plans.

LPN Charge Nurse – Skilled nursing care for 25 residents. Duties included medication nurse, treatment nurse, oversee duties of CAN, resident assessments, update nursing care plans.

Linda Manor Extended Care

1996 – 1997

LPN Charge Nurse - for 41 residents.

LPN – Sub-acute unit of 20 patients. Duties included medication nurse, treatment nurse, oversee duties of CAN, resident assessments.

Center for Extended Care of Amherst

1995 – 1996

LPN – Long Term Care Facility. Duties included medication nurse, treatment nurse, resident assessments, scheduling MD, podiatrists, optometrist appointments, update nursing care plans. Supervision of staff.

Heritage Hall South

1994 – 1995

LPN, Respiratory Care Unit – Duties included vent care, in-line suctioning, trachea care, medication nurse, treatment nurse, assessment of residents, supervision of CAN staff.

Education

1997-1998	Vermont Technical College Randolph Center, VT RN – Associate Degree in Nursing
1994-1995	Thompson School for Practical Nurses Brattleboro, VT Diploma in Nursing
1991-1993	Greenfield Community College Greenfield, MA Business Administration/Management

Richard D. Olmstead

PROFESSIONAL EXPERIENCE

Home Healthcare, Hospice and Community Services, Inc. (VNA at HCS)

Director of Customer Care and Program Analytics

3/2012 - Present

In addition to providing strategic and business planning, development, implementation and monitoring to all Customized Care programs, including Adult In Home Care and Homemaking, responsible for agency-wide data analysis using multiple systems.

Customized Care Business Manager

8/23/2009 – 3/2012

As part of an agency restructure, provide strategic and business planning, development, implementation and monitoring for all Customized Care programs, including Adult In Home Care and Homemaking. Also provide fee based Geriatric Care Planning services as part of a Geriatric Care Management program. Work in conjunction with the Customized Care Clinical Manager and Geriatric Care Manager to ensure quality provision of client services.

Extended Care Program Manager

9/28/02 – 8/22/2009

Provide administrative oversight for the Home Support Services and Preferred Care Programs. Direct, supervise, and provide system development to ensure quality provision of client services. Organize, plan, direct and evaluate client services to achieve long and short term goals. Ensure compliance with clinical and administrative policies and procedures, as well as regulatory and accreditation requirements. Promote atmosphere conducive to organizing and coordinating the total team of care-givers and support staff. Assist with the preparation and implementation of each program's budget.

Home Support Program Coordinator

7/01/02 - 9/27/02

Plan and develop the services provided by Adult In-Home Care, Title XX and Sliding Scale Homemaking, HCBC Homemaking, and Private Duty Homemaking. Manage programs to operate at the highest quality of service provision and within budget guidelines. Ensure compliance with all clinical and administrative policies and procedures, as well as regulatory and accreditation requirements. Assist with preparation and implementation of the program's budget.

Community Life for Seniors Project Director

2/13/01 - 6/30/02

Assure the development, implementation and evaluation of project activities; coordinate and supervise efforts of team members to meet project objectives; facilitate interagency action, communication and referral as needed; increase awareness of the target population and general public regarding the availability of the program; present or coordinate in educational programs for seniors, health care and social service staff, volunteers and the community; coordinate follow-up of client's needs and problems; and assure collection of program statistics.

4/90 - 2/01 **Phoenix Houses of New England, Keene, NH**
(Formerly Marathon House; Non-Profit Substance Abuse Treatment Facilities)

Safety and Facilities Manager

12/97 - 2/01

Supervise building, vehicle, and major equipment maintenance for thirteen facilities in four states; prepare capital budgets; create and edit safety policies to ensure compliance with state, local and national standards of the many agencies which license or certify the programs; oversee all major capital projects. Serve as Corporate Safety Officer and ADA Coordinator; assess each facility's level of ADA compliance annually; develop an annual Accessibility Plan to address deficiencies. Serve as primary Management Information Services contact for four states; work with NY office to resolve hardware and software problems; install or upgrade software; and configure new computers for the Phoenix House network.

Regional Project Coordinator

10/96 - 11/97

Supervised building, vehicle and equipment acquisition and maintenance for 5 facilities in 3 states; performed quarterly safety inspections; conducted training for clients and staff in safety and fire prevention; managed daily client work activities; directed fund raising at Dublin facility. Provided technical support for computer users; installed or upgraded hardware and software; set up and trained new users on phone and voice mail systems.

Senior Counselor of Marathon House Dublin

1/95 - 10/96

Counseled clients; facilitated client and family groups, designed and reviewed treatment plans; acted as Facility Safety Officer; directed fund raising efforts; organized daily client work activities; and oversaw building, equipment, and computer maintenance.

Counselor at Marathon House Dublin

4/90 - 12/94

Counseled adolescent and adult clients in a residential program; facilitated groups, conducted and organized family day educational programs; documented client progress and participation in program; oversaw client work activities.

4/88 to 12/89 **Infantime Insurance, Inc.**
Amherst, NH

Underwriting Manager

Managed a \$5 million branch office; supervised staff; underwrote, inspected and marketed all commercial risks; conducted staff meetings; provided regular updates on branch to corporate headquarters; worked with adjusters and clients on large claims.

Education

1992 **University of Massachusetts**
B. A. in Psychology

Amherst, MA

VNA at HCS, Inc.

Key Personnel

Name	Job Title	Salary	% Paid from this Contract	Amount Paid from this Contract
Cathy Sorenson	President/CEO	170,980	0	0
Richard Skeels	CFO	130,000	0	0