



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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March 13, 2015

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to exercise renewal options and enter into amendments to existing agreements with the vendors listed in the table below to provide access to preventive and reparative oral health treatment for individuals participating in the statewide community and school based oral health program, by increasing the price limitation by \$771,894, from \$771,894 to \$1,543,788, and by extending the completion date from June 30, 2015 to June 30, 2017, effective July 1, 2015 or date of Governor and Executive Council approval, whichever is later. Governor and Executive Council approved the original agreements on June 19, 2013 (Item #93) and July 10, 2013 (Item #48). 44.7% Federal Funds, 55.3% General Funds.

Summary of contracted amounts by vendor:

Vendor	Location	SFY 2014-2017 Total Amount
Catholic Medical Center	Manchester	\$142,400
Coos County Family Health Services, Inc.	Berlin	\$388,000
Easter Seals New Hampshire	Manchester	\$142,400
Families First of the Greater Seacoast	Portsmouth	\$205,336
Goodwin Community Health	Somersworth	\$189,792
Health First Family Care Center	Franklin	\$95,792
Lamprey Health Care, Inc.	Newmarket	\$96,394
Monadnock Community Hospital	Peterborough	\$95,792
Speare Memorial Hospital	Plymouth	\$91,482
Tri-County Community Action Program, Inc.	Berlin	\$96,400
TOTAL:		\$1,543,788

Funds are anticipated to be available in State Fiscal Years 2016 and 2017, upon the availability and continued appropriation of funds in the future operating budget, with authority to adjust encumbrances between State Fiscal Years through the Budget Office, without further approval from Governor and Executive Council, if needed and justified.

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

Funds in these agreements will be used to continue to provide a statewide program of community and school based oral health services to low income and uninsured children and adults who do not have regular access to oral health care. Services provided include oral health education, oral health assessments, screenings or exams, prophylaxis (cleanings), dental sealants, and assistance in connecting individuals with local oral health professionals for needed treatment to repair decayed teeth.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. This program is designed to reduce the incidence of decay and tooth loss, and to increase the number of individuals receiving oral health care, through two distinct approaches: community based settings wherein children of all ages and adults 19 years and older access these services; and school based settings wherein second and third grade students additionally receive oral health educational presentations.

Should Governor and Executive Council not authorize this Request, the Oral Health Program will be unable to annually serve more than 23,000 children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire who need oral health care services, and the Department's statewide efforts to reduce the rate of dental decay and tooth loss in New Hampshire for this targeted population will not occur.

These agreements are ten of a total fifteen contracts awarded as the result of a competitive bid process. The remaining five originally awarded contracts are in different stages of the amendment process; the Department anticipates submitting the remaining five agreements to the Governor and Executive Council under a separate request in June 2015. A Request for Proposals was posted on the Department of Health and Human Services' web site on January 3, 2013, and again on February 18, 2013. The Bid Summary is attached.

As referenced in the Governor and Executive Council letters that originally approved these agreements, both the Request for Proposals, Renewals Section and the original agreements contained the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council. Because each of these vendors have continually well-performed its contractual responsibilities, the Department is exercising this option.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return parental consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to access oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

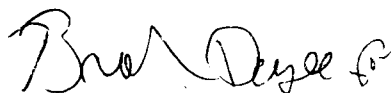
- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

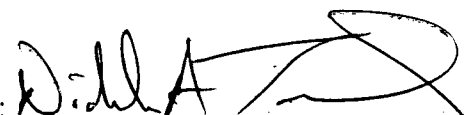
Source of Funds: 44.7% Federal Funds from the Centers for Disease Control and Prevention, Preventive Health and Health Services Block Grant, Catalog of Federal and Domestic Assistance Number, 93.758, Federal Award Identification Number (FAIN) #B01OT009037, and 55.3% General Funds.

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

Respectfully submitted,



José Thier Montero, MD, MHCDS
Director

Approved by: 
Nicholas A. Toumpas
Commissioner

FINANCIAL DETAIL ATTACHMENT SHEET

**05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH AND COMMUNITY
SERVICES, ORAH HEALTH PROGRAM
SFY 2014/2015 - 44.7% Federal Funds and 55.3% General Funds**

Catholic Medical Center (Vendor #177240-B001)			
Class/Object: 102-500731 Service Provided: Community Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$36,100	\$ 0	\$36,100
2015	\$35,100	\$ 0	\$35,100
2016	\$ 0	\$36,100	\$36,100
2017	\$ 0	\$35,100	\$35,100
Subtotal	\$71,200	\$71,200	\$142,400

Coos County Family Health Services, Inc. (Vendor #155327-B001)			
Class/Object: 102-500731 Service Provided: Community/School Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$97,000	\$ 0	\$97,000
2015	\$97,000	\$ 0	\$97,000
2016	\$ 0	\$97,000	\$97,000
2017	\$ 0	\$97,000	\$97,000
Subtotal	\$194,000	\$194,000	\$388,000

Easter Seals New Hampshire (Vendor #177204-B005)			
Class/Object: 102-500731 Service Provided: Community Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$36,100	\$ 0	\$36,100
2015	\$35,100	\$ 0	\$35,100
2016	\$ 0	\$36,100	\$36,100
2017	\$ 0	\$35,100	\$35,100
Subtotal	\$71,200	\$71,200	\$142,400

Families First of the Greater Seacoast (Vendor #166629-B001)			
Class/Object: 102-500731 Service Provided: Community Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$23,500	\$ 0	\$23,500
2015	\$23,500	\$ 0	\$23,500
2016	\$ 0	\$23,500	\$23,500
2017	\$ 0	\$23,500	\$23,500
Subtotal	\$47,000	\$47,000	\$94,000
Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
2014	\$29,299	\$ 0	\$29,299
2015	\$26,369	\$ 0	\$26,369
2016	\$ 0	\$29,299	\$29,299
2017	\$ 0	\$26,369	\$26,369
Subtotal	\$55,668	\$55,668	\$111,336

FINANCIAL DETAIL ATTACHMENT SHEET

Goodwin Community Health (Vendor #154703-B001)			
Class/Object: 102-500731 Service Provided: Community Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$23,500	\$ 0	\$23,500
2015	\$23,500	\$ 0	\$23,500
2016	\$ 0	\$23,500	\$23,500
2017	\$ 0	\$23,500	\$23,500
Subtotal	\$47,000	\$47,000	\$94,000
Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
2014	\$22,808	\$ 0	\$22,808
2015	\$25,088	\$ 0	\$25,088
2016	\$ 0	\$22,808	\$22,808
2017	\$ 0	\$25,088	\$25,088
Subtotal	\$47,896	\$47,896	\$95,792

Health First Family Care Center (Vendor #158221-B001)			
Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$22,808	\$ 0	\$22,808
2015	\$25,088	\$ 0	\$25,088
2016	\$ 0	\$22,808	\$22,808
2017	\$ 0	\$25,088	\$25,088
Subtotal	\$47,896	\$47,896	\$95,792

Lamprey Health Care, Inc. (Vendor #177677-R001)			
Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$25,367	\$ 0	\$25,367
2015	\$22,830	\$ 0	\$22,830
2016	\$ 0	\$25,367	\$25,367
2017	\$ 0	\$22,830	\$22,830
Subtotal	\$48,197	\$48,197	\$96,394

Monadnock Community Hospital (Vendor #177164-B006)			
Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$22,808	\$ 0	\$22,808
2015	\$25,088	\$ 0	\$25,088
2016	\$ 0	\$22,808	\$22,808
2017	\$ 0	\$25,088	\$25,088
Subtotal	\$47,896	\$47,896	\$95,792

FINANCIAL DETAIL ATTACHMENT SHEET

Speare Memorial Hospital (Vendor #177178-B002) Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$24,074	\$ 0	\$24,074
2015	\$21,667	\$ 0	\$21,667
2016	\$ 0	\$24,074	\$24,074
2017	\$ 0	\$21,667	\$21,667
Subtotal	\$45,741	\$45,741	\$91,482

Tri-County Community Action Program, Inc. (Vendor #177195-B011) Class/Object: 102-500731 Service Provided: School-Based Activity Code: 90072003			
State Fiscal Year	Current Budget	Increase/Decrease Amount	Revised Modified Budget
2014	\$22,952	\$ 0	\$22,952
2015	\$25,248	\$ 0	\$25,248
2016	\$ 0	\$22,952	\$22,952
2017	\$ 0	\$25,248	\$25,248
Subtotal	\$48,200	\$48,200	\$96,400
TOTAL	\$771,894	\$771,894	\$1,543,788

Program Name Oral Health Program													
Contract Purpose Access to prevention and restorative dental treatment													
RFP Score Summary (Three RFP's: 1-CB=Community-Based 2-SB= School-Based 3-NC=North Country)													
RFA/RFP CRITERIA	Max Pts	Catholic Medical Ctr-CB	Concord Hsp-CB	Coos Cnty Family Hlth Svcs-NC	Dental Hlth Works	Easter Seals NH CB	Families First of the Grtr. Seacoast-CB	Families First of the Grtr. Seacoast-SB	Goodwin Community Hlth-CB	Goodwin Community Health-SB	GNDC-CB	Hlth First-SB	Lamprey Hth-SB
Agy Capacity	30	29	29	29	30	28	29	29	30	26	30	27	27
Program Structure	50	46	46	46	45	49	48	49	46	42	49	43	40
Budget & Justification	15	13	14	14	12	14	14	12	14	12	15	14	11
Format	5	4	4	4	4	5	5	5	5	5	5	4	4
Total	100	92	93	92	92	95	95	95	94	85	99	88	82
BUDGET REQUEST													
Year 01		\$ 50,000.00	\$ 18,077.00	\$ 97,000.00	\$ 35,000.00	\$ 40,000.00	\$ 22,596.00	\$ 32,358.00	\$ 20,000.00	\$ 26,800.00	\$ 42,000.00	\$ 20,309.00	\$ 28,194.00
Year 02		\$ 50,000.00	\$ 18,077.00	\$ 97,000.00	\$ 35,000.00	\$ 40,000.00	\$ 22,596.00	\$ 32,358.00	\$ 20,000.00	\$ 26,800.00	\$ 42,000.00	\$ 20,309.00	\$ 28,194.00
TOTAL BUDGET REQUEST		\$ 100,000.00	\$ 35,154.00	\$ 194,000.00	\$ 70,000.00	\$ 80,000.00	\$ 45,192.00	\$ 64,716.00	\$ 40,000.00	\$ 53,600.00	\$ 84,000.00	\$ 40,618.00	\$ 56,388.00
BUDGET AWARDED													
Year 01		\$ 36,100.00	\$ 23,500.00	\$ 97,000.00	\$ 28,472.00	\$ 36,100.00	\$ 23,500.00	\$ 29,299.00	\$ 23,500.00	\$ 22,808.00	\$ 36,100.00	\$ 22,808.00	\$ 25,367.00
Year 02		\$ 35,100.00	\$ 23,500.00	\$ 97,000.00	\$ 25,624.00	\$ 35,100.00	\$ 23,500.00	\$ 26,369.00	\$ 23,500.00	\$ 25,088.00	\$ 35,100.00	\$ 25,088.00	\$ 22,830.00
TOTAL BUDGET AWARDED		\$ 71,200.00	\$ 47,000.00	\$ 194,000.00	\$ 54,096.00	\$ 71,200.00	\$ 47,000.00	\$ 55,668.00	\$ 47,000.00	\$ 47,896.00	\$ 71,200.00	\$ 47,896.00	\$ 48,197.00
RFP Reviewers													
Name	Job Title	Dept. Agency											
Sarah Finne	Dentist Supervisor	Greater Derry Children's Dental Health Network											
Fran McLaughlin	WIC Nutrition Consultant	Division of Public Health Services											
Shannon Mills	VP for Professional Relations	Northeast Delta Dental											
Patricia Tilley	Bureau Chief (Acting)	Division of Public Health Services											
Heather Brown	Network Representative	Northeast Delta Dental											
Tracey Tarr	Administrator	Bureau of Elderly & Adult Services											
Deb Nelson	Administrator	Head Start State Collation Office											
Stacey Plourde	Chair	NH Board of Dental Examiners											
Gail Brown	Policy Director	NH Oral Health Coalition											
Alisa Druzba	Administrator	Division of Public Health Services											
Connie George	Faculty	NHTI											
Bev McGuire	Former Clinical Quality Mgr	Assurance Manager DPHS											
Becky Bukowski	Administrator	Division of Public Health Services											
Jim Williamson	Executive Director	NH Dental Society											

Program Name Oral Health Program
 Contract Purpose Access to prevention and restorative dental treatment
 RFP Score Summ (Three RFP's: 1-CB=Community-Based 2-SB= School-Based 3-NC=North Country)

RFA/RFP CRITERIA	Max Pts	Manchester Hlth Dept	Monadnock Hsp-SB	Spare Mem Hsp-SB	Sullivan Cty-SB	Sullivan Cty-CB	SAU 40 Milford SB	Tri-County CAP-SB
Agy Capacity	30	29	29	29	25	20	25	28
Program Structure	50	48	46	47	43	40	37	46
Budget & Justification	15	14	13	13	10	10	13	11
Format	5	5	5	5	4	3	4	4
Total	100	95	92	94	82	72	79	89

BUDGET REQUEST	Year 01	\$ 85,263.00	\$ 18,077.00	\$ 32,000.00	\$ 40,000.00	\$ 50,000.00	\$ 21,000.00	\$ 40,272.00
	Year 02	\$ 88,085.00	\$ 18,077.00	\$ 32,000.00	\$ 40,000.00	\$ 50,000.00	\$ 21,000.00	\$ 40,272.00
TOTAL BUDGET REQUEST		\$ 173,348.00	\$ 36,154.00	\$ 64,000.00	\$ 80,000.00	\$ 100,000.00	\$ 42,000.00	\$ 80,544.00
BUDGET AWARDED								
	Year 01	\$ 22,808.00	\$ 22,808.00	\$ 24,074.00	\$ 22,808.00	\$ -	\$ -	\$ 22,952.00
	Year 02	\$ 25,088.00	\$ 25,088.00	\$ 21,667.00	\$ 25,088.00	\$ -	\$ -	\$ 25,248.00
TOTAL BUDGET AWARDED		\$ 47,896.00	\$ 47,896.00	\$ 45,741.00	\$ 47,896.00	\$ -	\$ -	\$ 48,200.00



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Catholic Medical Center - Poisson Dental Facility (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 88 McGregor Street, Suite 305, Manchester, NH 03102.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 10, 2013, (Item #48), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$142,400
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1



New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services

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

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

4/15/15
Date

State of New Hampshire
Department of Health and Human Services
[Signature]
Brook Dupee
Bureau Chief

3/26/15
Date

Catholic Medical Center - Poisson Dental Facility
[Signature]
NAME Joseph Pepe, MD
TITLE President + CEO

Acknowledgement:

State of NH, County of Hillsborough on 3/26/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace
Dorothy C. Welsh
Notary Public



pm/cos

Contractor Initials: [Signature]
Date: 3/26/15

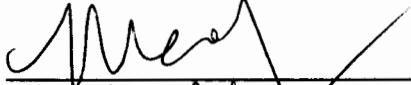
New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

OFFICE OF THE ATTORNEY GENERAL

4/22/15
Date


Name: Megan A. Pope
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Exhibit A Amendment #1

Scope of Services

The Contractor shall provide community-based oral health services as specified herein:

1. General Provisions

1.1. The contractor shall use one of the following models to provide the following services:

- 1.1.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.1.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

1.2. Eligibility and Income Determination

- 1.2.1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. Relevant Policies and Guidelines

The community-based oral health program shall:

- 1.3.1. Require no fee for any Medicaid client.
- 1.3.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.3.3. Become a Medicaid provider for qualified clients.
- 1.3.4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
- 1.3.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.3.6. Resources shall be directed to evidence-based interventions.
- 1.3.7. Explore and secure future funding sources.

1.4. Numbers Served

Oral screening services are to be provided to a minimum of 1,100 individuals throughout each year of the contract term.

JP
3/24/15



Exhibit A Amendment #1

1.5. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.5.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.5.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.5.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.5.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.5.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.6. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.6.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.6.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.6.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.7. Publications Funded Under Contract

- 1.7.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.7.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.7.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

JP
3/24/15



Exhibit A Amendment #1

1.8. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The community-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program that includes dental sealants and Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Hygienist for students and adults through a school-based or community-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children and adults without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this

[Signature]
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Exhibit A Amendment #1

scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

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Exhibit A Amendment #1

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

3.4.1. Community-Based Performance Measures:

- A minimum of 500 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 500 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

[Signature]
3/26/15



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$36,100 in SFY 2016 and \$35,100 in SFY 2017 for oral health initiatives, for a total amount of \$71,200.
 - b. Funding is available as follows:
 - \$31,826 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$39,374 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

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7/2/15

Exhibit B-1 Amendment #1

Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Catholic Medical Center

Statewide Community and School Based Oral
Budget Request for: Health Services

Budget Period: 7/1/15 - 6/30/16

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 34,100.00	\$ -	\$ 34,100.00	
2. Employee Benefits	\$ -	\$ -	\$ -	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ 2,000.00	\$ -	\$ 2,000.00	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 36,100.00	\$ -	\$ 36,100.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Amendment #1 Budget

Contractor Initials: _____

Date: _____

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3/26/15

Exhibit B-1 Amendment #1

Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Catholic Medical Center

Statewide Community and School Based Oral

Budget Request for: Health Services

(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 33,100.00	\$ -	\$ 33,100.00	
2. Employee Benefits	\$ -	\$ -	\$ -	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ 2,000.00	\$ -	\$ 2,000.00	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 35,100.00	\$ -	\$ 35,100.00	

Indirect As A Percent of Direct

0.0%

NH DHHS

Exhibit B-1 Amendment #1 Budget

Contractor Initials:

Date: 3/26/15



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;

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



- 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]
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New Hampshire Department of Health and Human Services
Exhibit C Amendment #1



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

[Signature]
3/24/15

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



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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

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3/24/15



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. **Renewal:**

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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3/26/15



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

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

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

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

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

Exhibit G- Amendment #1

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

Contractor Initials


3/26/15

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



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

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

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

3/26/15
Date

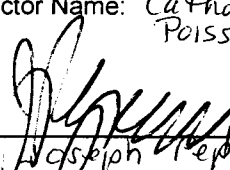
Contractor Name: Catholic Medical Center
Poisson Dental Facility

Name: Joseph Pepe MD
Title: President & CEO

Exhibit G- Amendment #1

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

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

pm/cos

Page 2 of 2

Contractor Initials

Date

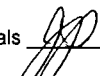

3/26/15



Exhibit I - Amendment #1

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]
3/26/15



Exhibit I Amendment #1

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

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

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



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

[Signature]
3/26/15



Exhibit I Amendment #1

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

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

[Signature]
3/26/15



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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


3/26/15



Exhibit I Amendment #1

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

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

NH DHHS
The State

[Signature]
Signature of Authorized Representative

Bret Dupa
Name of Authorized Representative

Bret Dupa
Title of Authorized Representative

4/15/15
Date

Catholic Medical Center - Poisson Dental Facility
Name of the Contractor

[Signature]
Signature of Authorized Representative

Joseph Pepe MD
Name of Authorized Representative

President + CEO
Title of Authorized Representative

3/26/15
Date

pm/cas

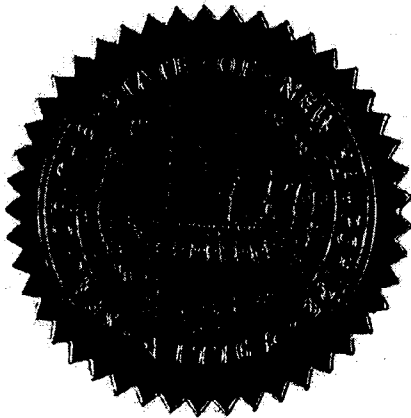
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3/26/15

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 CATHOLIC MEDICAL CENTER is a New Hampshire nonprofit corporation formed November 7, 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 March A.D. 2015

A handwritten signature in dark ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Maria C. Mongan, Officer and Vice President, of Catholic Medical Center, do hereby certify that:

1. I am the duly elected Vice President of Catholic Medical Center, a non profit corporation;
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 26, 2015;

RESOLVED: That this corporation may enter into any and all contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, acting through its Department of Health and Human Services, Division of Public Health Services.

RESOLVED: That the President & CEO is hereby authorized on behalf of this corporation to enter into 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. Joseph Pepe, MD is the duly elected President & CEO of the corporation.

3. The foregoing resolutions have not been amended or revoked and remain in full force and effect as of March 26, 2015;

IN WITNESS WHEREOF, I have hereunto set my hand as the Vice President of the corporation
this 26th day of March, 2015.

Maria C. Mongan
Maria C. Mongan, Vice President

STATE OF NEW HAMPSHIRE
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 26th day of March, 2015, by John G. Cronin, Esq..




Dorothy C. Welsh, Notary Public
My Commission Expires: May 8, 2019



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/01/2014

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 MARSH USA, INC. 99 HIGH STREET BOSTON, MA 02110 Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377 715651-GAUWP-14-15	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: INSURER(S) AFFORDING COVERAGE INSURER A: Pro Select Insurance Company INSURER B: N/A INSURER C: N/A INSURER D: Safety National Casualty Corp. INSURER E: INSURER F:	FAX (A/C, No): NAIC # N/A N/A 15105

COVERAGES**CERTIFICATE NUMBER:**

NYC-006971355-01

REVISION NUMBER: 6

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			2-22596GL	07/01/2014	07/01/2015	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 \$ 3,000,000
	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) \$
	UMBRELLA LIAB EXCESS LIAB ☐ OCCUR ☐ CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
D	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	SP 4051216 *SIR \$450,000	07/01/2014	07/01/2015	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
A	PROFESSIONAL LIABILITY			2-22596	07/01/2014	07/01/2015	PER CLAIM 1,000,000 AGGREGATE 3,000,000

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

CERTIFICATE HOLDER**CANCELLATION**STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
29 HAZEN DRIVE
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
of Marsh USA Inc.

Susan Molloy

Susan Molloy

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Catholic Medical Center

Mission Statement of Catholic Medical Center:

The heart of Catholic Medical Center is to provide health, healing, and hope in a manner that offers innovative high quality services, compassion, and respect for the human dignity of every individual who seeks or needs our care as part of Christ's healing ministry through the Catholic Church.

**Catholic Medical Center
and Subsidiary**

**Audited Consolidated Financial Statements
and Other Information**

*Years Ended June 30, 2014 and 2013
With Independent Auditors' Report*

**CATHOLIC MEDICAL CENTER
AND SUBSIDIARY**

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AND OTHER INFORMATION**

Years Ended June 30, 2014 and 2013

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BAKER NEWMAN NOYES

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Catholic Medical Center and Subsidiary

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Catholic Medical Center and Subsidiary, which comprise the consolidated balance sheet as of June 30, 2014, and the related consolidated 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 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 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 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.

Board of Trustees
Catholic Medical Center and Subsidiary

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Catholic Medical Center and Subsidiary as of June 30, 2014, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Prior Auditors

The consolidated financial statements of Catholic Medical Center and Subsidiary as of and for the year ended June 30, 2013, were audited by other auditors whose report dated October 30, 2013 expressed an unmodified opinion on those statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2014 on our consideration of Catholic Medical Center and Subsidiary'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 Catholic Medical Center and Subsidiary's internal control over financial reporting and compliance.

Manchester, New Hampshire
September 24, 2014

Baker, Nauman & Noyes

Limited Liability Company

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS

June 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 49,502,444	\$ 79,629,091
Short-term investments	26,173,541	1,035,035
Accounts receivable from patients, less allowances of \$21,454,883 in 2014 and \$20,755,178 in 2013	29,270,115	26,183,203
Inventories	2,010,411	1,906,945
Amounts due from affiliates	1,060	1,121
Other current assets	<u>4,059,472</u>	<u>3,412,225</u>
Total current assets	111,017,043	112,167,620
Property, plant and equipment, net	72,977,392	72,365,670
Other assets:		
Notes receivable, less allowance of \$800,000 in 2014 and 2013	72,648	147,577
Unamortized debt issuance costs	810,003	892,253
Intangible assets and other	<u>8,024,989</u>	<u>7,390,524</u>
	8,907,640	8,430,354
Assets whose use is limited:		
Pension and insurance obligations	14,246,337	12,688,351
Board designated and donor restricted investments	91,473,836	78,816,899
Held by trustee under revenue bond agreements	<u>6,080,586</u>	<u>4,979,061</u>
	<u>111,800,759</u>	<u>96,484,311</u>
Total assets	<u>\$304,702,834</u>	<u>\$289,447,955</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 15,145,165	\$ 15,318,627
Accrued salaries, wages and related accounts	14,188,183	12,623,741
Amounts payable to third-party payors	10,125,881	11,345,115
Amounts due to affiliates	1,311,372	2,390,126
Current portion of long-term debt	<u>3,351,633</u>	<u>2,076,787</u>
Total current liabilities	44,122,234	43,754,396
Accrued pension and other liabilities, less current portion	68,664,176	77,542,026
Long-term debt, less current portion	<u>66,269,681</u>	<u>69,554,170</u>
Total liabilities	179,056,091	190,850,592
Commitments and contingencies (note 14)		
Net assets:		
Unrestricted	116,956,183	91,123,519
Temporarily restricted	528,802	191,861
Permanently restricted	<u>8,161,758</u>	<u>7,281,983</u>
Total net assets	125,646,743	98,597,363
Total liabilities and net assets	<u>\$304,702,834</u>	<u>\$289,447,955</u>

See accompanying notes.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF OPERATIONS

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Net patient service revenues, net of contractual allowances and discounts	\$323,608,207	\$312,030,757
Provision for doubtful accounts	<u>(23,778,708)</u>	<u>(26,957,932)</u>
Net patient service revenues less provision for doubtful accounts	299,829,499	285,072,825
Other revenue	9,202,827	7,339,925
Disproportionate share funding	<u>3,136,409</u>	<u>—</u>
Total revenues	312,168,735	292,412,750
Expenses:		
Salaries, wages and fringe benefits	151,040,530	140,475,793
Supplies and other	108,712,500	101,919,246
New Hampshire Medicaid enhancement tax	13,865,109	9,759,737
Depreciation and amortization	10,312,228	10,655,743
Interest	<u>3,306,829</u>	<u>3,122,464</u>
Total expenses	<u>287,237,196</u>	<u>265,932,983</u>
Income from operations	24,931,539	26,479,767
Nonoperating gains (losses):		
Investment income	1,477,062	2,553,756
Net realized gains on sale of investments	5,242,633	1,052,954
(Loss) gain on sale of property and equipment	(43,175)	7,150
Loss on extinguishment of debt	<u>—</u>	<u>(713,452)</u>
Total nonoperating gains, net	<u>6,676,520</u>	<u>2,900,408</u>
Excess of revenues and gains over expenses	31,608,059	29,380,175
Unrealized appreciation on investments	6,901,638	6,018,132
Assets released from restriction used for capital	142,525	3,500
Pension-related changes other than net periodic pension cost	(1,696,942)	13,754,116
Net assets transferred to affiliates	<u>(11,122,616)</u>	<u>(11,840,500)</u>
Increase in unrestricted net assets	25,832,664	37,315,423
Unrestricted net assets at beginning of year	<u>91,123,519</u>	<u>53,808,096</u>
Unrestricted net assets at end of year	<u>\$116,956,183</u>	<u>\$ 91,123,519</u>

See accompanying notes.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Years Ended June 30, 2014 and 2013

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total Net Assets
Balances at June 30, 2012	\$ 53,808,096	\$ 353,996	\$6,693,072	\$ 60,855,164
Excess of revenues and gains over expenses	29,380,175	—	—	29,380,175
Investment income	—	1,407	279	1,686
Changes in interest in perpetual trust	—	—	466,556	466,556
Restricted contributions	—	72,536	—	72,536
Unrealized appreciation on investments	6,018,132	—	122,076	6,140,208
Net assets transferred to affiliates	(11,840,500)	—	—	(11,840,500)
Assets released from restriction used for operations	—	(232,578)	—	(232,578)
Assets released from restriction used for capital	3,500	(3,500)	—	—
Pension-related changes other than net periodic pension cost	<u>13,754,116</u>	<u>—</u>	<u>—</u>	<u>13,754,116</u>
	<u>37,315,423</u>	<u>(162,135)</u>	<u>588,911</u>	<u>37,742,199</u>
Balances at June 30, 2013	91,123,519	191,861	7,281,983	98,597,363
Excess of revenues and gains over expenses	31,608,059	—	—	31,608,059
Investment income	—	1,083	3,346	4,429
Changes in interest in perpetual trust	—	—	740,821	740,821
Restricted contributions	—	500,599	—	500,599
Unrealized appreciation on investments	6,901,638	—	135,608	7,037,246
Net assets transferred to affiliates	(11,122,616)	—	—	(11,122,616)
Assets released from restriction used for operations	—	(22,216)	—	(22,216)
Assets released from restriction used for capital	142,525	(142,525)	—	—
Pension-related changes other than net periodic pension cost	<u>(1,696,942)</u>	<u>—</u>	<u>—</u>	<u>(1,696,942)</u>
	<u>25,832,664</u>	<u>336,941</u>	<u>879,775</u>	<u>27,049,380</u>
Balances at June 30, 2014	<u>\$116,956,183</u>	<u>\$ 528,802</u>	<u>\$8,161,758</u>	<u>\$125,646,743</u>

See accompanying notes.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating activities:		
Increase in net assets	\$ 27,049,380	\$ 37,742,199
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,312,228	10,434,687
Pension-related changes other than net periodic pension cost	1,696,942	(17,740,405)
Net assets transferred to affiliates	11,122,616	11,840,500
Restricted gifts and investment income	(505,028)	(74,222)
Net realized gains on sales of investments	(5,242,633)	(1,052,954)
Increase in interest in perpetual trust	(740,821)	(466,556)
Unrealized appreciation on investments	(7,037,246)	(6,140,206)
Change in fair value of interest rate swap	(136,466)	1,820,295
Loss (gain) on sale of property and equipment	43,175	(7,150)
Cash premium received upon issuance of bonds	—	2,974,382
Bond discount/premium amortization	(306,808)	—
Changes in operating assets and liabilities:		
Accounts receivable, net	(3,086,912)	4,562,368
Inventories	(103,466)	(612,997)
Other current assets	(647,247)	57,640
Amounts due from/to affiliates	(1,078,693)	2,847,672
Other assets	(699,194)	8,672,954
Accounts payable and accrued expenses	(173,462)	1,179,785
Accrued salaries, wages and related accounts	1,564,442	(707,158)
Amounts payable to third-party payors	(1,219,234)	2,425,111
Accrued pension and other liabilities	<u>(8,138,339)</u>	<u>(18,088,252)</u>
Net cash provided by operating activities	22,673,234	39,667,693
Investing activities:		
Purchases of property, plant and equipment	(10,393,653)	(6,927,400)
Proceeds from disposal of assets	—	7,150
Payments received from notes receivable	74,929	71,282
Net change in assets held by trustee under revenue bond agreements	(1,101,525)	188,955
Proceeds from sales of investments	38,286,989	23,517,637
Purchases of investments	<u>(64,619,718)</u>	<u>(24,827,427)</u>
Net cash used by investing activities	(37,752,978)	(7,969,803)
Financing activities:		
Payments on long-term debt	(1,415,000)	(30,840,956)
Proceeds from issuance of long-term debt, net of financing costs	—	35,004,339
Settlement of interest rate swap	(2,327,000)	—
Repayment of note payable	—	(6,000,000)
Payments on capital leases	(687,315)	(661,786)
Restricted gifts and investment income	505,028	74,222
Net assets transferred to affiliates	<u>(11,122,616)</u>	<u>(11,840,500)</u>
Net cash used by financing activities	<u>(15,046,903)</u>	<u>(14,264,681)</u>
(Decrease) increase in cash and cash equivalents	(30,126,647)	17,433,209

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
(Decrease) increase in cash and cash equivalents	\$ (30,126,647)	\$ 17,433,209
Cash and cash equivalents at beginning of year	<u>79,629,091</u>	<u>62,195,882</u>
Cash and cash equivalents at end of year	\$ <u>49,502,444</u>	\$ <u>79,629,091</u>
Noncash investing and financing activities:		
Assets acquired under capital lease agreement	\$ <u>399,480</u>	\$ <u>—</u>

See accompanying notes.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

1. Organization

The consolidated financial statements for Catholic Medical Center and Subsidiary include the accounts of Catholic Medical Center (the Medical Center), a voluntary not-for-profit acute care hospital based in Manchester, New Hampshire, and its subsidiary, CMC Associates. During 2005, control of CMC Associates was transferred to the Medical Center. Subsequent to year end, CMC Associates was formally dissolved and all assets and liabilities were transferred to the Medical Center. The Medical Center, which primarily serves residents of New Hampshire and northern Massachusetts, is controlled by CMC Healthcare System, Inc. (the System), a not-for-profit corporation which functions as the parent company and sole member of the Medical Center.

2. Significant Accounting Policies

Basis of Presentation

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

Principles of Consolidation

The consolidated financial statements include the accounts of the Medical Center and CMC Associates. Significant intercompany accounts 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 (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 as of the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The primary estimates relate to collectibility of receivables from patients and third-party payors, amounts payable to third-party payors, accrued compensation and benefits, conditional asset retirement obligations, and self-insurance reserves.

Income Taxes

The Medical Center and CMC Associates are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Medical Center's tax positions and concluded the Medical Center has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to the consolidated financial statements. With few exceptions, the Medical Center is no longer subject to income tax examination by the U.S. federal or state tax authorities for years before 2011.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Performance Indicator

Excess of revenues and gains over expenses is comprised of operating revenues and expenses and nonoperating gains and losses. For purposes of display, transactions deemed by management to be ongoing, major or central to the provision of health care services are reported as operating revenue and expenses. Peripheral or incidental transactions are reported as nonoperating gains or losses, which include realized gains and losses on the sales of securities and property and equipment, unrestricted investment income, and debt extinguishment losses.

Charity Care and Community Benefits

The Medical Center has a formal charity care policy under which patient care is provided to patients who meet certain criteria without charge or at amounts less than its established rates. The Medical Center does not pursue collection of amounts determined to qualify as charity care; therefore, they are not reported as revenues. The Medical Center rendered charity care in accordance with this policy, which, at established charges, amounted to \$38,395,611 and \$29,024,262 for the years ended June 30, 2014 and 2013, respectively.

The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to charity patients. The ratio of cost to charges is calculated based on the Medical Center's total expenses divided by gross patient service revenue. Of the Medical Center's \$287 million and \$266 million total expenses reported in 2014 and 2013, respectively, an estimated \$12.6 million and \$9.4 million, respectively, arose from providing services to charity patients.

The Medical Center provides community service programs, without charge, such as the Medication Assistance Program, Community Education and Wellness, Patient Transport, and the Parish Nurse Program. The costs of providing these programs amounted to \$789,719 and \$934,075 for the years ended June 30, 2014 and 2013, respectively.

Concentration of Credit Risk

Financial instruments which subject the Medical Center to credit risk consist primarily of cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Medical Center's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. The Medical Center's accounts receivable are primarily due from third-party payors and amounts are presented net of expected contractual allowances and uncollectible amounts. The Medical Center's investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the SSGA S&P 500 Tobacco Free Fund as of June 30, 2014.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include certificates of deposit with maturities of three months or less when purchased and investments in overnight deposits at various banks. Cash and cash equivalents exclude amounts whose use is limited by board designation and amounts held by trustees under revenue bond and other agreements. The Medical Center maintains approximately \$44,000,000 and \$74,000,000 at June 30, 2014 and 2013, respectively, of its cash and cash equivalent accounts with a single institution. The Medical Center has not experienced any losses associated with deposits at this institution.

Included in cash and cash equivalents is an amount held in escrow by the Royal Bank of Canada Capital Markets (RBCCM) in the amount of \$3,370,000 at June 30, 2013. These funds were on deposit with RBCCM as a condition of the Medical Center's 2005 swap agreement. As discussed in Note 5, the 2005 swap agreement was terminated during 2014 and, therefore, these funds are no longer restricted at June 30, 2014.

Net Patient Service Revenues and Accounts Receivable

The Medical Center has agreements with third-party payors that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, per diem payments and fee schedules. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the consolidated financial statements in the year in which they occur.

The Medical Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Medical Center provides a discount approximately equal to that of its largest private insurance payors.

The provision for doubtful accounts is based upon management's assessment of historical and expected net collections considering historical business and economic conditions, trends in health care coverage, and other collection indicators. The Medical Center records a provision for doubtful accounts in the period services are provided related to self-pay patients, including both uninsured patients and patients with deductible and copayment balances due for which third-party coverage exists for a portion of their balance.

Periodically throughout the year, management assesses the adequacy of the allowance for doubtful accounts based upon historical write-off experience. The results of this review are then used to make any modifications to the provision for doubtful accounts to establish an appropriate allowance for doubtful accounts. The decrease in the provision for doubtful accounts in 2014 is driven primarily by revisions to the Medical Center's charity care policy eligibility. Accounts receivable are written off after collection efforts have been followed in accordance with internal policies.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Inventories

Inventories of supplies are stated at the lower of cost (determined by the first-in, first-out method) or market.

Property, Plant and Equipment

Property, plant and equipment is stated at cost at time of purchase or fair value at the time of donation, less accumulated depreciation. The Medical Center's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the lives of the related assets. The provisions for depreciation and amortization have been determined using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives, which range from 2 to 40 years. Assets which have been purchased but not yet placed in service are included in construction in progress and no depreciation expense is recorded.

Conditional Asset Retirement Obligations

The Medical Center recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, in accordance with the Accounting Standards for *Accounting for Asset Retirement Obligations* (ASC 410-20). When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the consolidated statement of operations.

As of June 30, 2014 and 2013, \$1,101,617 and \$1,074,604, respectively, of conditional asset retirement obligations are included within accrued pension and other liabilities in the accompanying consolidated balance sheets.

Goodwill

The Medical Center reviews its goodwill and other long-lived assets annually to determine whether the carrying amount of such assets is impaired. Upon determination that an impairment has occurred, these assets are reduced to fair value. There were no impairments recorded for the years ended June 30, 2014 and 2013.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Retirement Benefits

The Catholic Medical Center Pension Plan (the Plan) provides retirement benefits for certain employees of the Medical Center and certain employees of an affiliated organization who have attained age twenty-one and work at least 1,000 hours per year. The Plan consists of a benefit accrued to July 1, 1985, plus 2% of plan year earnings (to legislative maximums) per year. The Medical Center's funding policy is to contribute amounts to the Plan sufficient to meet minimum funding requirements set forth in the Employee Retirement Income Security Act of 1974, plus such additional amounts as may be determined to be appropriate from time to time. The Plan is intended to constitute a plan described in Section 414(k) of the Code, under which benefits derived from employer contributions are based on the separate account balances of participants in addition to the defined benefits under the Plan.

Effective January 1, 2008 the Medical Center decided to close participation in the Plan to new participants. As of January 1, 2008, current participants continued to participate in the Plan while new employees receive a higher matching contribution to the tax-sheltered annuity benefit program discussed below.

During 2011, the Board of Trustees voted to freeze the accrual of benefits under the Plan effective December 31, 2011.

The Medical Center also maintains tax-sheltered annuity benefit programs in which it matches one half of employee contributions up to either 2% or 3% of their annual salary, depending on date of hire. The Medical Center made matching contributions under the program of \$4,759,527 and \$4,550,407 for the years ended June 30, 2014 and 2013, respectively.

During 2007, the Medical Center created a nonqualified deferred compensation plan covering certain employees under Section 457(b) of the Code. Under the plan, a participant may elect to defer a portion of their compensation to be held until payment in the future to the participant or his or her beneficiary. Consistent with the requirements of the Code, all amounts of deferred compensation, including but not limited to any investments held and all income attributable to such amounts, property, and rights will remain subject to the claims of the Medical Center's creditors, without being restricted to the payment of deferred compensation, until payment is made to the participant or their beneficiary. No contributions were made by the Medical Center for the years ended June 30, 2014 and 2013.

The Medical Center also provides a noncontributory supplemental executive retirement plan covering certain former executives of the Medical Center, as defined. The Medical Center's policy is to accrue costs under this plan using the "Projected Unit Credit Actuarial Cost Method" and to amortize past service costs over a fifteen year period. Benefits under this plan are based on the participant's final average salary, social security benefit, retirement income plan benefit, and total years of service. Certain investments have been designated for payment of benefits under this plan and are included in assets whose use is limited—pension and insurance obligations.

During 2007, the Medical Center created a supplemental executive retirement plan covering certain executives of the Medical Center. The Medical Center recorded compensation expense of \$60,000 and \$200,000 for the years ended June 30, 2014 and 2013, respectively, related to this plan.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Employee Fringe Benefits

The Medical Center has an "earned time" plan. Under this plan, each qualifying employee "earns" hours of paid leave for each pay period worked. These hours of paid leave may be used for vacations, holidays, or illness. Hours earned but not used are vested with the employee and are paid to the employee upon termination. The Medical Center expenses the cost of these benefits as they are earned by the employees.

Debt Issuance Costs/Original Issue Discount or Premium

The debt issuance costs incurred to obtain financing for the Medical Center's construction and renovation programs and refinancing of prior bonds and the original issue discount or premium are amortized using the straight-line method over the repayment period of the bonds. This approximates the effective interest method. The original issue discount or premium is presented as a component of bonds payable.

Assets Whose Use is Limited or Restricted

Assets whose use is limited or restricted include assets held by trustees under indenture agreements, pension and insurance obligations, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Classification of Net Assets

Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of donated assets. Temporarily restricted net assets are those whose use by the Medical Center has been limited by donors to a specific time period or purpose. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as either net assets released from restrictions used for operations (for noncapital-related items and included in other revenue) or as net assets released from restrictions used for capital (for capital-related items).

Permanently restricted net assets have been restricted by donors to be maintained by the Medical Center in perpetuity. Income earned on permanently restricted net assets, to the extent not restricted by the donor, including net unrealized appreciation on investments, is included in the consolidated statement of operations as unrestricted resources or as a change in temporarily restricted net assets in accordance with donor-intended purposes or applicable law.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying consolidated financial statements.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Investments and Investment Income

Investments are carried at fair value in the accompanying consolidated financial statements. See Note 8 for further discussion regarding fair value measurements. Realized gains or losses on the sale of investment securities are determined by the specific identification method and are recorded on the settlement date. Unrealized gains and losses on investments are excluded from the excess of revenues and gains over expenses unless the investments are classified as trading securities or losses are considered other-than-temporary. Interest and dividend income on unrestricted investments, unrestricted investment income on permanently restricted investments and unrestricted net realized gains/losses are reported as nonoperating gains.

During the year ended June 30, 2013, the Medical Center reported realized losses of \$1,433 relating to declines in fair value of investments that were determined by management to be other than temporary. No such losses were reported during the year ended June 30, 2014.

Derivative Instruments

Derivatives are recognized as either assets or liabilities in the consolidated balance sheet at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivatives are recognized either in the excess of revenues and gains over expenses or net assets, depending on whether the derivative is speculative or being used to hedge changes in fair value or cash flows.

Beneficial Interest in Perpetual Trust

The Medical Center is the beneficiary of trust funds administered by trustees or other third parties. Trusts wherein the Medical Center has the irrevocable right to receive the income earned on the trust assets in perpetuity are recorded as permanently restricted net assets at the fair value of the trust at the date of receipt. Income distributions from the trusts are reported as investment income that increase unrestricted net assets, unless restricted by the donor. Annual changes in the fair value of the trusts are recorded as increases or decreases to permanently restricted net assets.

Investment Policies

The Medical Center's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Temporarily restricted funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is designed to maximize total return while preserving the capital values of the funds, protecting the funds from inflation and providing liquidity as needed. The objective is to provide a real rate of return that meets inflation, plus 4% to 5%, over a long-term time horizon.

The Medical Center targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

Spending Policy for Appropriation of Assets for Expenditure

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Medical Center 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.

Spending policies may be adopted by the Medical Center, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Medical Center currently has a policy allowing interest and dividend income earned on investments to be used for operations with the goal of keeping principal, including its appreciation, intact.

Federal Grant Revenue and Expenditures

Revenues and expenses under federal grant programs are recognized as the related expenditure is incurred.

Malpractice Loss Contingencies

The Medical Center has a claims-made basis policy for its malpractice insurance coverage. A claims-made basis policy provides specific coverage for claims reported during the policy term. The Medical Center has established a reserve to cover professional liability exposure, which may not be covered by insurance. The possibility exists, as a normal risk of doing business, that malpractice claims in excess of insurance coverage may be asserted against the Medical Center. In the event a loss contingency should occur, the Medical Center would give it appropriate recognition in its consolidated financial statements in conformity with accounting standards. The Medical Center expects to be able to obtain renewal or other coverage in future periods.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

2. Significant Accounting Policies (Continued)

In accordance with Accounting Standards Update (ASU) No. 2010-24, "*Health Care Entities*" (Topic 954): *Presentation of Insurance Claims and Related Insurance Recoveries* (ASU 2010-24), at June 30, 2014 and 2013, the Medical Center recorded a liability of \$11,447,463 and \$11,198,692, respectively, related to estimated professional liability losses covered under this policy. At June 30, 2014 and 2013, the Medical Center also recorded a receivable of \$7,435,463 and \$7,013,692, respectively, related to estimated recoveries under insurance coverage for recoveries of the potential losses. These amounts are included in accrued pension and other liabilities, and intangible assets and other, respectively, on the consolidated balance sheets.

Workers' Compensation

The Medical Center maintains workers' compensation insurance under a self-insured plan. The plan offers, among other provisions, certain specific and aggregate stop-loss coverage to protect the Medical Center against excessive losses. The Medical Center has employed independent actuaries to estimate the ultimate costs, if any, of the settlement of such claims. Accrued workers' compensation losses of \$2,854,873 and \$2,568,117 at June 30, 2014 and 2013, respectively, have been discounted at 1.25% and, in management's opinion, provide an adequate reserve for loss contingencies. At June 30, 2014, \$1,281,770 and \$1,573,103 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. At June 30, 2013, \$1,166,689 and \$1,401,428 is recorded within accounts payable and accrued expenses and accrued pension and other liabilities, respectively, in the accompanying consolidated balance sheets. A trustee held fund has been established as a reserve under the plan.

Health Insurance

The Medical Center has a self-funded health insurance plan. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Medical Center is insured above a stop-loss amount of \$325,000 on individual claims. Estimated unpaid claims, and those claims incurred but not reported at June 30, 2014 and 2013 of \$1,376,638 and \$1,367,289, respectively, are reflected in the accompanying consolidated balance sheets within accounts payable and accrued expenses.

Advertising Costs

The Medical Center expenses advertising costs as incurred, and such costs totaled approximately \$1,092,000 and \$969,000 for the years ended June 30, 2014 and 2013, respectively.

Subsequent Events

Management of the Medical Center evaluated events occurring between the end of its fiscal year and September 24, 2014, the date the consolidated financial statements were available to be issued.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
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3. Net Patient Service Revenue

The following summarizes net patient service revenue for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Gross patient service revenue	\$876,940,388	\$821,358,777
Less contractual allowances	553,332,181	509,328,020
Less provision for doubtful accounts	<u>23,778,708</u>	<u>26,957,932</u>
Net patient service revenue	<u>\$299,829,499</u>	<u>\$285,072,825</u>

The Medical Center maintains contracts with the Social Security Administration ("Medicare") and the State of New Hampshire Department of Health and Human Services ("Medicaid"). The Medical Center is paid a prospectively determined fixed price for each Medicare and Medicaid inpatient acute care service depending on the type of illness or the patient's diagnosis related group classification. Capital costs and certain Medicare and Medicaid outpatient services are also reimbursed on a prospectively determined fixed price. The Medical Center receives payment for other Medicaid outpatient services on a reasonable cost basis which are settled with retroactive adjustments upon completion and audit of related cost finding reports.

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 percentage of net patient service revenues earned from the Medicare and Medicaid programs was 36% and 4%, respectively, in 2014 and 39% and 2%, respectively, in 2013.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Medical Center believes that it is in compliance with all applicable laws and regulations; 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 Medical Center also maintains contracts with certain commercial carriers, health maintenance organizations, preferred provider organizations and state and federal agencies. The basis for payment under these agreements includes prospectively determined rates per discharge and per day, discounts from established charges and fee screens. The Medical Center does not currently hold reimbursement contracts which contain financial risk components.

The approximate percentages of patient service revenues, net of contractual allowances and discounts and provision for doubtful accounts for the years ended June 30, 2014 and 2013 from third-party payors and uninsured patients are as follows:

	<u>Third-Party Payors</u>	<u>Uninsured Patients</u>	<u>Total All Payors</u>
2014			
Patient service revenue, net of contractual allowance and discounts	99.1%	0.9%	100.0%
2013			
Patient service revenue, net of contractual allowance and discounts	98.5%	1.5%	100.0%

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
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June 30, 2014 and 2013

3. Net Patient Service Revenue (Continued)

An estimated breakdown of patient service revenues, net of contractual allowances and discounts and provision for doubtful accounts recognized in 2014 from major payor sources, is as follows:

	Gross Patient Service Revenues	Contractual Allowances and Discounts	Provision for Doubtful Accounts	Net Patient Service Revenues Less Provision for Doubtful Accounts
Private payors (includes coinsurance and deductibles)	\$ 325,406,225	\$139,577,341	\$ 6,368,264	\$ 179,460,620
Medicaid	59,490,036	47,375,535	1,831,319	10,283,182
Medicare	433,809,400	324,843,806	1,602,657	107,362,937
Self-pay	<u>58,234,727</u>	<u>41,535,499</u>	<u>13,976,468</u>	<u>2,722,760</u>
	<u>\$ 876,940,388</u>	<u>\$553,332,181</u>	<u>\$23,778,708</u>	<u>\$ 299,829,499</u>

The Medical Center recognizes changes in accounting estimates for net patient service revenue and third-party payor settlements as new events occur or as additional information is obtained. For the years ended June 30, 2014 and 2013, favorable adjustments recorded for changes to prior year estimates were approximately \$349,000 and \$303,000, respectively.

Under the State of New Hampshire's (the State) tax code, the State imposes a Medicaid enhancement tax equal to 5.5% of net patient service revenues. The amount of tax incurred by the Medical Center for 2014 and 2013 was \$13,865,109 and \$9,759,737, respectively. Disproportionate share (DSH) funding payments from the State are recorded in operating revenues and amounted to \$3,136,409 in 2014. There were no DSH funding payments received from the State in 2013.

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. The Medical Center filed certain meaningful use attestations with CMS. Revenue totaling \$2,348,944 associated with these meaningful use attestations is recorded as other revenue for the year ended June 30, 2014.

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4. Property, Plant and Equipment

The major categories of property, plant and equipment at June 30 are as follows:

	<u>Useful Lives</u>	<u>2014</u>	<u>2013</u>
Land and land improvements	2-40 years	\$ 1,233,490	\$ 1,233,490
Buildings and improvements	2-40 years	75,519,929	75,493,384
Fixed equipment	3-25 years	41,496,770	41,320,996
Movable equipment	3-25 years	101,721,815	93,076,588
Construction in progress		<u>4,321,603</u>	<u>2,590,255</u>
		224,293,607	213,714,713
Less accumulated depreciation and amortization		<u>151,316,215</u>	<u>141,349,043</u>
Net property, plant and equipment		<u>\$ 72,977,392</u>	<u>\$ 72,365,670</u>

Depreciation expense amounted to \$10,138,236 and \$10,543,580 for the years ended June 30, 2014 and 2013, respectively.

The cost of equipment under capital leases was \$4,783,240 and \$4,383,760 at June 30, 2014 and 2013, respectively. Accumulated amortization of the leased equipment at June 30, 2014 and 2013 was \$2,854,542 and \$2,137,622, respectively. Amortization of assets under capital leases is included in depreciation and amortization expense.

5. Long-Term Debt and Note Payable

Long-term debt at June 30 consists of the following:

	<u>2014</u>	<u>2013</u>
New Hampshire Health and Education Facilities Authority (the Authority) Revenue Bonds:		
Series 2006 bonds with interest ranging from 4.875% to 5.00% per year and principal payable in annual installments ranging from \$405,000 to \$2,680,000 through July 2036	\$30,835,000	\$31,225,000
Series 2012 bonds with interest ranging from 4.00% to 5.00% per year and principal payable in annual installments ranging from \$1,125,000 to \$2,755,000 through July 2032	<u>34,250,000</u> 65,085,000	<u>35,275,000</u> 66,500,000
Capitalized lease obligations	2,098,213	2,386,048
Unamortized original issue premiums/discounts	<u>2,438,101</u>	<u>2,744,909</u>
	69,621,314	71,630,957
Less current portion	<u>(3,351,633)</u>	<u>(2,076,787)</u>
	<u>\$66,269,681</u>	<u>\$69,554,170</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

5. Long-Term Debt and Note Payable (Continued)

In May 2006, the Medical Center, in connection with the Authority, issued \$32,910,000 of tax-exempt fixed rate revenue bonds (Series 2006). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant for the year ending June 30, 2014. The proceeds of the Series 2006 bond issue were used to advance refund \$9,010,000 of Series 2002A bonds, to provide funding for renovating additional space and equipment at the Medical Center, and to provide a portion of the funding for the construction of a parking garage.

In December 2012, the Medical Center, in connection with the Authority, issued \$35,275,000 of tax exempt fixed rate revenue bonds (Series 2012). Under the terms of the loan agreements, the Medical Center has granted the Authority a first collateralized interest in all gross receipts and a mortgage lien on existing and future property, plant and equipment. The Medical Center is required to maintain a minimum debt service coverage ratio of 1.20. The Medical Center was in compliance with this covenant for the year ending June 30, 2014. The proceeds of the Series 2012 bond issue were used to advance refund the remaining 2002A bonds, advance refund certain 2002B bonds and pay off a short term CAN note. In addition, a \$3.0 million construction fund was established to fund routine capital purchases made in fiscal year 2013.

The Medical Center has an agreement with the Authority, which provides for the establishment of various funds, the use of which is generally restricted to the payment of debt. These funds are administered by a trustee, and income earned on certain of these funds is similarly restricted. One of the funds held by the trustee is the debt service reserve fund. This fund may be used should the Medical Center fail to meet principal and interest payments. The reserve fund requirement is the lesser of 10% of the original principal amount less original issue discount of bonds, the maximum amount of principal and interest due in any one future year, or 125% of the average annual debt service. Any amounts in excess of the requirements of the fund may be transferred at the direction of the Medical Center.

Interest paid by the Medical Center totaled \$3,328,823 and \$3,122,464 for the years ended June 30, 2014 and 2013, respectively.

Aggregate principal payments due on the revenue bonds and capital lease obligations for each of the five years ending June 30 and thereafter are as follows:

2015	\$ 3,351,633
2016	3,418,499
2017	3,273,801
2018	3,004,896
2019	3,094,384
Thereafter	<u>51,040,000</u>
	<u>\$67,183,213</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

5. Long-Term Debt and Note Payable (Continued)

The scheduled principal maturities represent annual payments as required under long-term debt repayment schedules.

The fair value of the Medical Center's long-term debt is estimated using discounted cash flow analysis, based on the Medical Center's current incremental borrowing rate for similar types of borrowing arrangements. The fair value of the Medical Center's long-term debt, excluding capitalized lease obligations, was \$66,417,070 and \$66,621,268 at June 30, 2014 and 2013, respectively.

Pursuant to a Guaranty Agreement dated as of January 1, 1994 by and between Optima Health, Inc. (Optima) and the trustee for Hillcrest Terrace's (Hillcrest) Series 1994 bond issue, later transferred from Optima to the Medical Center, the Medical Center has guaranteed to fund, up to a maximum cumulative amount of \$1,900,000, any deficiencies in Hillcrest's Debt Service Reserve Fund (the Reserve Fund) to the extent that the Reserve Fund value, as defined, is less than \$800,000. The Medical Center has made cumulative payments of \$251,564 as of June 30, 2014 and 2013 under this guarantee. The Medical Center has recorded a liability for the remaining \$1,648,436 within accrued pension and other liabilities in the accompanying consolidated balance sheets as of June 30, 2014 and 2013 based upon management's estimate of future obligations.

Derivatives

The Medical Center uses derivative financial instruments principally to manage interest rate risk. During 2005, the Medical Center entered into an interest rate swap agreement to replace an existing agreement signed in 2003. This agreement involved the exchange of fixed rate payments by the Medical Center for variable rate payments from the counterparty without the exchange of the underlying notional amounts. The notional amount for this agreement was \$15,000,000 and the agreement was to expire in November 2024. Under the provisions of this agreement, interest was paid to the counterparty, by the Medical Center, at 67% of USD-LIBOR-BBA through the remainder of the term. On June 11, 2014, the 2005 swap agreement was terminated. The Medical Center paid \$2,354,300 to settle this swap agreement, which included a swap payoff amount of \$2,327,000 along with certain termination fees.

The fair value of this derivative amounted to a liability of \$2,463,466 as of June 30, 2013, which amount was included within accrued pension and other liabilities in the accompanying consolidated balance sheets. The changes in the fair value of the derivative of \$136,466 and \$1,288,350 have been included within nonoperating investment income for the years ended June 30, 2014 and 2013, respectively.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

6. Notes Receivable

During February 1994, Hillcrest, together with the Authority, restructured \$26,000,000 of special obligation revenue bonds (Series 1990). The bondholder consented to an amendment of the Series 1990 bond indenture, which permitted the redemption of the Series 1990 bonds at a price of 85% of the par value thereof, or \$22,100,000. The redemption was accomplished partially with the issuance of \$18,950,000 of Series 1994 revenue bonds to the Authority. The Authority then loaned, under a Loan Agreement and Mortgage, the proceeds thereof to Hillcrest, which proceeds, after payment of certain issuance expenses and accrued interest on the Series 1990 bonds, were used to pay a portion of the redemption price of the Series 1990 bonds. In addition, certain funds deposited into the Series 1990 Reserve Fund were paid to Fidelity Health Alliance, Inc. (the Medical Center's former parent company and one of the organizations which formed Optima and hereinafter referred to as Optima) to repay earlier advances. Optima then loaned \$2,581,528 to Hillcrest pursuant to a subordinated loan agreement. Hillcrest owed Optima \$400,856, which was converted from a current obligation to a long-term obligation and included in the subordinated loan agreement resulting in a total of \$2,982,384 owed to Optima. In conjunction with the disaffiliation from Optima effective July 1, 2000, the subordinated loan became payable to the Medical Center. Hillcrest used a portion of the subordinated loan to pay a portion of the redemption price of the Series 1990 bonds. Also, upon redemption of the Series 1990 bonds, \$1,500,000 from the Series 1990 Reserve Fund was transferred to the Series 1994 Reserve Fund and the remaining amount, \$1,074,000, of the Series 1990 Reserve Fund was used to pay a portion of the redemption price of the Series 1990 bonds. The subordinated loan is subordinated in all respects to the Series 1994 revenue bonds. During 2004, the subordinated loan was restructured by the Medical Center. The principal was reduced. The new note bears interest at a stated rate of 5% per annum. The balance receivable from Hillcrest is \$947,577 and \$1,018,859 at June 30, 2014 and 2013, respectively. As of August 31, 2008, Hillcrest defaulted on their debt covenants. As a result, the Medical Center has reserved \$800,000 at June 30, 2014 and 2013 against the note receivable in the event of default. As of June 30, 2014 all payments are current.

7. Operating Leases

The Medical Center has various noncancelable agreements to lease various pieces of medical equipment. The Medical Center also has noncancelable leases for office space. The Medical Center has also assumed lease obligations for physician practices that became provider based. Certain real estate leases are with related parties. Total rent expense paid to related parties for the years ended June 30, 2014 and 2013 was \$1,189,433 and \$1,162,445, respectively. Rental expense under all leases for the years ended June 30, 2014 and 2013 was \$5,296,928 and \$6,239,430, respectively.

Estimated future minimum lease payments under noncancelable operating leases are as follows:

2015	\$ 3,641,099
2016	2,840,619
2017	2,636,282
2018	2,581,271
2019	1,852,452
Thereafter	<u>8,907,607</u>
	<u>\$22,459,330</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

8. Investments and Assets Whose Use is Limited

Investments and assets whose use is limited, are comprised of the following at June 30:

	<u>2014</u>		<u>2013</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Cash and cash equivalents	\$ 6,904,821	\$ 6,904,821	\$ 5,759,649	\$ 5,759,649
U.S. federated treasury obligations	6,080,585	6,080,585	4,979,061	4,979,061
Marketable equity securities	31,492,795	25,952,651	21,741,518	18,021,612
Fixed income securities	40,665,955	40,352,584	10,744,033	10,675,990
Private investment funds	<u>52,830,144</u>	<u>34,865,098</u>	<u>54,295,084</u>	<u>41,301,718</u>
	<u>\$137,974,300</u>	<u>\$114,155,739</u>	<u>\$97,519,345</u>	<u>\$80,738,030</u>

Unrestricted investment income is summarized as follows:

	<u>2014</u>	<u>2013</u>
Nonoperating investment income	\$ 1,477,062	\$2,553,702
Realized gains on sales of investments, net	5,242,633	1,052,954
Change in unrealized appreciation on investments	<u>6,901,638</u>	<u>6,018,132</u>
	<u>\$13,621,333</u>	<u>\$9,624,788</u>

Fair value is defined as the price that would be received to sell 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. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by the Medical Center for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

8. Investments and Assets Whose Use is Limited (Continued)

Assets and liabilities measured at fair value are based on one or more of three valuation techniques. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

For the fiscal years ended June 30, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used:

U.S. Treasury Obligations and Fixed Income Securities

The fair value is determined by using broker or dealer quotations, external pricing providers, or alternative pricing sources with reasonable levels of price transparency. The Medical Center holds fixed income mutual funds and exchange traded funds, governmental and federal agency debt instruments, municipal bonds, corporate bonds, and foreign bonds which are primarily classified as Level 1 within the fair value hierarchy.

Marketable Equity Securities

Marketable equity securities are valued based on stated market prices and at the net asset value of shares held by the Medical Center at year end, which generally results in classification as Level 1 within the fair value hierarchy.

Private Investment Funds

The Medical Center invests in private investment funds that consist primarily of limited partnership interests in investment funds, which, in turn, invest in diversified portfolios predominantly comprised of equity and fixed income securities, as well as options, futures contracts, and some other less liquid investments. Management has approved procedures pursuant to the methods in which the Medical Center values these investments, which ordinarily will be the amount equal to the pro-rata interest in the net assets of the limited partnership, as such value is supplied by, or on behalf of, each investment manager from time to time, usually monthly and/or quarterly. These investments are classified as Level 2 or 3, depending on the redemption terms.

Medical Center management is responsible for the fair value measurements of investments reported in the consolidated financial statements. Such amounts are generally determined using audited financial statements of the funds and/or recently settled transactions. Because of inherent uncertainty of valuation of certain private investment funds, the estimate of the fund manager or general partner may differ from actual values, and differences could be significant. Management believes that reported fair values of its private investment funds at the consolidated balance sheet dates are reasonable.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

8. Investments and Assets Whose Use is Limited (Continued)

The following fair value hierarchy tables present information about the Medical Center's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2014				
Cash and cash equivalents	\$ 6,904,821	\$ —	\$ —	\$ 6,904,821
U.S. federated treasury obligations	6,080,585	—	—	6,080,585
Marketable equity securities	31,492,795	—	—	31,492,795
Fixed income securities	40,665,955	—	—	40,665,955
Private investment funds	—	42,729,029	10,101,115	52,830,144
Total assets at fair value	<u>\$85,144,156</u>	<u>\$42,729,029</u>	<u>\$10,101,115</u>	<u>\$137,974,300</u>
2013				
Cash and cash equivalents	\$ 5,759,649	\$ —	\$ —	\$ 5,759,649
U.S. federated treasury obligations	4,979,061	—	—	4,979,061
Marketable equity securities	21,741,518	—	—	21,741,518
Fixed income securities	10,744,033	—	—	10,744,033
Private investment funds	—	42,168,226	12,126,858	54,295,084
Total assets at fair value	<u>\$43,224,261</u>	<u>\$42,168,226</u>	<u>\$12,126,858</u>	<u>\$ 97,519,345</u>
Interest rate swap	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,463,466</u>	<u>\$ 2,463,466</u>

The following tables present the assets and liabilities carried at fair value as of June 30, 2014 and 2013 that are classified within Level 3 of the fair value hierarchy. The tables reflect gains and losses for the year. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the Medical Center has classified within the Level 3 category. As a result, the unrealized gains and losses for assets and liabilities within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	<u>Private Investment Funds</u>	<u>Interest Rate Swap</u>
Balance at June 30, 2012	\$10,719,307	\$ (3,751,816)
Unrealized gains	<u>1,407,551</u>	<u>1,288,350</u>
Balance at June 30, 2013	<u>\$12,126,858</u>	<u>\$ (2,463,466)</u>
Balance at June 30, 2013	\$12,126,858	\$ (2,463,466)
Realized gains	724,352	—
Sales	(3,019,817)	—
Swap termination	—	2,327,000
Unrealized gains	<u>269,722</u>	<u>136,466</u>
Balance at June 30, 2014	<u>\$10,101,115</u>	<u>\$ —</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

8. Investments and Assets Whose Use is Limited (Continued)

There were no significant transfers between Levels 1, 2 or 3 for the year ended June 30, 2014.

In 2009, new guidance related to the Fair Value Measurement standard was issued for estimating the fair value of investments in investment companies (limited partnerships) that have a calculated value of their capital account or net asset value (NAV) in accordance with or in a manner consistent with U.S. GAAP. The Medical Center is permitted under U.S. GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the Medical Center expects to sell the investment at a value other than NAV, or if the NAV is not calculated in accordance with U.S. GAAP. The Medical Center's investments in private investment funds are recorded at fair valued based on the most current NAV.

The Medical Center performs additional procedures, including due diligence reviews on its investments in investment companies and other procedures with respect to the capital account or NAV provided, to ensure conformity with U.S. GAAP. The Medical Center has assessed factors including, but not limited to, managers' compliance with the Fair Value Measurement standard, price transparency and valuation procedures in place, the ability to redeem at NAV at the measurement date, and existence of certain redemption restrictions at the measurement date.

The guidance also requires additional disclosures to enable users of the financial statements to understand the nature and risk of the Medical Center's investments. Furthermore, investments which can be redeemed at NAV by the Medical Center on the measurement date or in the near term are classified as Level 2. Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3. In accordance with this guidance, the table below sets forth additional disclosures for investment funds valued based on net asset value to further understand the nature and risk of the investments by category as of June 30, 2014.

<u>Category</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Private investment funds – Level 2	\$42,729,029	\$ –	Daily/monthly	2-30 day notice
Private investment funds – Level 3	10,101,115	–	Quarterly/ annually	1-2 year lockup with 60-95 day notice

Investment Strategies

U.S. Federated Treasury Obligations and Fixed Income Securities

The primary purpose of these investments is to provide a highly predictable and dependable source of income, preserve capital, reduce the volatility of the total portfolio, and hedge against the risk of deflation or protracted economic contraction.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

8. Investments and Assets Whose Use is Limited (Continued)

Marketable Equity Securities

The primary purpose of equity investments is to provide appreciation of principal and growth of income with the recognition that this requires the assumption of greater market volatility and risk of loss. The total equity portion of the portfolio will be broadly diversified according to economic sector, industry, number of holdings and other characteristics, including style and capitalization. The Medical Center may employ multiple equity investment managers, each of whom may have distinct investment styles. Accordingly, while each manager's portfolio may not be fully diversified, it is expected that the combined equity portfolio will be broadly diversified.

Private Investment Funds

The primary purpose of private investment funds is to provide further portfolio diversification and to reduce overall portfolio volatility by investing in strategies that are less correlated with traditional equity and fixed income investments. Private investment funds may provide access to strategies otherwise not accessible through traditional equities and fixed income such as derivative instruments, real estate, distressed debt and private equity and debt.

Fair Value of Other Financial Instruments

Other financial instruments consist of accounts receivable, accounts payable and accrued expenses, amounts payable to third-party payors and long-term debt. The fair value of all financial instruments other than long-term debt approximates their relative book values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value. See Note 5 for disclosure of the fair value of long-term debt.

9. Retirement Benefits

A reconciliation of the changes in the Catholic Medical Center Pension Plan and the Medical Center's Supplemental Executive Retirement Plan projected benefit obligations and the fair value of assets for the years ended June 30, 2014 and 2013, and a statement of funded status of the plans as of June 30 for both years follows:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Changes in benefit obligations:				
Projected benefit obligations				
at beginning of year	\$ (201,367,482)	\$ (206,954,442)	\$ (5,136,340)	\$ (5,518,307)
Service cost	(625,000)	(425,000)	—	—
Interest cost	(9,576,309)	(9,191,398)	(197,511)	(191,289)
Benefits paid	4,551,682	4,049,093	489,771	493,738
Actuarial (loss) gain	(15,480,194)	10,544,845	(274,190)	79,518
Expenses paid	<u>654,743</u>	<u>609,420</u>	<u>—</u>	<u>—</u>
Projected benefit obligations				
at end of year	(221,842,560)	(201,367,482)	(5,118,270)	(5,136,340)

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

9. Retirement Benefits (Continued)

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Changes in plan assets:				
Fair value of plan assets				
at beginning of year	\$ 143,507,222	\$ 123,009,403	\$ —	\$ —
Actual return on plan assets	24,687,908	15,156,332	—	—
Employer contributions	10,000,000	10,000,000	489,771	493,738
Benefits paid	(4,551,682)	(4,049,093)	(489,771)	(493,738)
Expenses paid	<u>(654,743)</u>	<u>(609,420)</u>	<u>—</u>	<u>—</u>
Fair value of plan assets				
at end of year	<u>172,988,705</u>	<u>143,507,222</u>	<u>—</u>	<u>—</u>
Funded status of plan at June 30	\$ <u>(48,853,855)</u>	\$ <u>(57,860,260)</u>	\$ <u>(5,118,270)</u>	\$ <u>(5,136,340)</u>
Amounts recognized in the consolidated balance sheets consist of:				
Current liability	\$ —	\$ —	\$ (446,695)	\$ (476,623)
Noncurrent liability	<u>(48,853,855)</u>	<u>(57,860,260)</u>	<u>(4,671,575)</u>	<u>(4,659,717)</u>
Net amount recognized	\$ <u>(48,853,855)</u>	\$ <u>(57,860,260)</u>	\$ <u>(5,118,270)</u>	\$ <u>(5,136,340)</u>

The net loss for the defined benefit pension plans that will be amortized from unrestricted net assets into net periodic benefit cost over the next fiscal year is \$1,926,177.

The current portion of accrued pension costs included in the above amounts for the Medical Center amounted to \$446,695 and \$476,623 at June 30, 2014 and 2013, respectively, and has been included in accounts payable and accrued expenses.

The amounts recognized in unrestricted net assets for the years ended June 30, 2014 and 2013 consist of:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Amounts recognized in the consolidated balance sheets – total plan:				
Unrestricted net assets:				
Net loss	\$ <u>(66,012,550)</u>	\$ <u>(65,854,393)</u>	\$ <u>(2,538,078)</u>	\$ <u>(2,392,006)</u>
Net amount recognized	\$ <u>(66,012,550)</u>	\$ <u>(65,854,393)</u>	\$ <u>(2,538,078)</u>	\$ <u>(2,392,006)</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

9. Retirement Benefits (Continued)

Net periodic pension cost includes the following components for the years ended June 30, 2014 and 2013:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Service cost	\$ 625,000	\$ 425,000	\$ —	\$ —
Interest cost	9,576,309	9,191,398	197,511	191,289
Expected return on plan assets	(10,872,113)	(10,083,371)	—	—
Amortization of actuarial loss	<u>1,506,242</u>	<u>1,750,242</u>	<u>128,118</u>	<u>132,603</u>
Net periodic pension cost	<u>\$ 835,438</u>	<u>\$ 1,283,269</u>	<u>\$325,629</u>	<u>\$323,892</u>

Other changes in plan assets and benefit obligations recognized in unrestricted net assets for the years ended June 30, 2014 and 2013 consist of:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net loss (gain)	\$ 1,664,398	\$(15,617,806)	\$ 274,190	\$ (79,518)
Amortization of actuarial loss	<u>(1,506,242)</u>	<u>(1,750,242)</u>	<u>(128,118)</u>	<u>(132,603)</u>
Net amount recognized	<u>\$ 158,156</u>	<u>\$(17,368,048)</u>	<u>\$ 146,072</u>	<u>\$(212,121)</u>

The investments of the plans are comprised of the following at June 30:

	<u>Target Allo- cation Fiscal Year Ending June 30, 2014</u>	<u>Catholic Medical Center Pension Plan</u>	
		<u>2014</u>	<u>2013</u>
Marketable equity securities	70.0%	71.4%	62.5%
Fixed income securities	20.0	17.1	27.8
Other	<u>10.0</u>	<u>11.5</u>	<u>9.7</u>
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

The assumption for the long-term rate of return on plan assets has been determined by reflecting expectations regarding future rates of return for the investment portfolio, with consideration given to the distribution of investments by asset class and historical rates of return for each individual asset class.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

9. Retirement Benefits (Continued)

The weighted-average assumptions used to determine the defined benefit pension plan obligations at June 30 are as follows:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Discount rate	4.37%	4.82%	3.53%	3.96%
Rate of compensation increase	N/A	4.00	N/A	N/A

The weighted-average assumptions used to determine the defined benefit pension plan's net periodic benefit costs for the years ended June 30 are as follows:

	<u>Catholic Medical Center Pension Plan</u>		<u>Pre-1987 Supplemental Executive Retirement Plan</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Discount rate	4.82%	4.46%	3.96%	3.57%
Rate of compensation increase	N/A	4.00	N/A	N/A
Expected long-term return on plan assets	7.50	7.50	N/A	N/A

The expected employer contributions for the fiscal year ending June 30, 2015 are not expected to be significant.

The benefits, which reflect expected future service, as appropriate, expected to be paid for the years ending June 30 are:

	<u>Catholic Medical Center Pension Plan</u>	<u>Pre-1987 Supplemental Executive Retirement Plan</u>
2015	\$ 5,820,272	\$ 444,612
2016	6,417,712	433,859
2017	7,102,486	422,265
2018	7,871,031	409,779
2019 - 2022	50,962,473	1,831,651

The Medical Center contributed \$10,000,000 and \$489,771 to the Catholic Medical Center Pension Plan and the Pre-1987 Supplemental Executive Retirement Plan, respectively, for the year ended June 30, 2014. The Medical Center plans to make any necessary contributions during the upcoming fiscal 2015 year to ensure the plans continue to be adequately funded given the current market conditions.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

9. Retirement Benefits (Continued)

The following fair value hierarchy tables present information about the financial assets of the above plans measured at fair value on a recurring basis based upon the lowest level of significant input valuation as of June 30, 2014 and 2013:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
2014				
Cash and cash equivalents	\$ 5,917,865	\$ —	\$ —	\$ 5,917,865
Marketable equity securities	41,852,880	—	—	41,852,880
Fixed income securities	27,930,067	—	—	27,930,067
Private investment funds	—	84,715,189	12,572,704	97,287,893
Total assets at fair value	<u>\$75,700,812</u>	<u>\$84,715,189</u>	<u>\$12,572,704</u>	<u>\$172,988,705</u>
2013				
Cash and cash equivalents	\$ 5,335,517	\$ —	\$ —	\$ 5,335,517
Marketable equity securities	29,604,402	—	—	29,604,402
Fixed income securities	17,868,480	—	—	17,868,480
Private investment funds	—	79,244,125	11,454,698	90,698,823
Total assets at fair value	<u>\$52,808,399</u>	<u>\$79,244,125</u>	<u>\$11,454,698</u>	<u>\$143,507,222</u>

The following table presents the assets carried at fair values at June 30, 2014 and 2013 that are classified at Level 3 of the fair value hierarchy. The table reflects gains and losses for the year, including gains and losses on assets that were transferred to Level 3 as of June 30, 2014 and 2013. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the Medical Center has classified within the Level 3 category. As a result, the unrealized gains and losses for assets within Level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	<u>Fair Value Measurement Using Significant Unobservable Inputs (Level 3)</u>	
	<u>Private Investment Funds</u>	
	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$11,454,698	\$10,099,408
Realized gains	720	—
Unrealized gains	1,136,859	1,355,290
Sales	(19,573)	—
Balance, end of year	<u>\$12,572,704</u>	<u>\$11,454,698</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

10. Related Party Transactions

During 2014 and 2013, the Medical Center made and received transfers of net assets (to) from affiliated organizations as follows:

	<u>2014</u>	<u>2013</u>
Alliance Health Services	\$ (3,550,000)	\$ (3,850,000)
Physician Practice Associates	(8,596,500)	(10,450,500)
Alliance Ambulatory Service	2,485,000	2,575,000
Alliance Resources	(1,419,116)	-
NH Medical Laboratory	<u>(42,000)</u>	<u>(115,000)</u>
	<u>\$ (11,122,616)</u>	<u>\$ (11,840,500)</u>

The Medical Center enters into various other transactions with the aforementioned related organizations as well as certain other related organizations. The net effect of these transactions was an amount due to affiliates of \$1,310,312 and \$2,389,005 at June 30, 2014 and 2013, respectively. See Note 7 for related party leasing activity.

11. Functional Expenses

The Medical Center provides general health care services to residents within its geographic location including inpatient, outpatient and emergency care. Expenses related to providing these services are as follows at June 30:

	<u>2014</u>	<u>2013</u>
Health care services	\$239,319,402	\$ 222,183,671
General and administrative	<u>47,917,794</u>	<u>43,749,300</u>
	<u>\$287,237,196</u>	<u>\$ 265,932,971</u>

12. Concentration of Credit Risk

The Medical Center 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 at June 30:

	<u>2014</u>	<u>2013</u>
Medicare	40%	40%
Medicaid	15	8
Commercial insurance and other	17	19
Patients (self pay)	14	19
Anthem Blue Cross	<u>14</u>	<u>14</u>
	<u>100%</u>	<u>100%</u>

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

13. Endowments

In July 2008, the State of New Hampshire enacted a version of UPMIFA (the Act). The new law, which had an effective date of July 1, 2008, eliminates the historical dollar threshold and establishes prudent spending guidelines that consider both the duration and preservation of the fund. As a result of this enactment, subject to the donor's intent as expressed in a gift agreement or similar document, a New Hampshire charitable organization may now spend the principal and income of an endowment fund, even from an underwater fund, after considering the factors listed in the Act.

At June 30, 2014 and 2013, the endowment net asset composition by type of fund consisted of the following:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
<u>2014</u>				
Donor-restricted funds	\$ —	\$528,802	\$8,161,758	\$ 8,690,560
Board-designated funds	<u>82,783,276</u>	<u>—</u>	<u>—</u>	<u>82,783,276</u>
Total funds	<u>\$82,783,276</u>	<u>\$528,802</u>	<u>\$8,161,758</u>	<u>\$91,473,836</u>
<u>2013</u>				
Donor-restricted funds	\$ —	\$191,861	\$7,281,983	\$ 7,473,844
Board-designated funds	<u>71,343,055</u>	<u>—</u>	<u>—</u>	<u>71,343,055</u>
Total funds	<u>\$71,343,055</u>	<u>\$191,861</u>	<u>\$7,281,983</u>	<u>\$78,816,899</u>

Changes in endowment net assets consisted of the following for the fiscal years ended June 30:

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Balance at June 30, 2012	\$64,054,092	\$ 353,996	\$6,693,072	\$71,101,160
Investment return:				
Investment income	767,221	1,407	279	768,907
Net appreciation (realized and unrealized)	<u>5,764,154</u>	<u>—</u>	<u>588,632</u>	<u>6,352,786</u>
Total investment gain	6,531,375	1,407	588,911	7,121,693
Contributions	754,088	72,536	—	826,624
Appropriation for operations	—	(232,578)	—	(232,578)
Appropriation for capital	<u>3,500</u>	<u>(3,500)</u>	<u>—</u>	<u>—</u>
Balance at June 30, 2013	71,343,055	191,861	7,281,983	78,816,899

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014 and 2013

13. Endowments (Continued)

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>
Balance at June 30, 2013	\$71,343,055	\$ 191,861	\$7,281,983	\$78,816,899
Investment return:				
Investment income	595,595	1,083	3,346	600,024
Net appreciation (realized and unrealized)	<u>10,702,101</u>	<u>—</u>	<u>876,429</u>	<u>11,578,530</u>
Total investment gain	11,297,696	1,083	879,775	12,178,554
Contributions	—	500,599	—	500,599
Appropriation for operations	—	(22,216)	—	(22,216)
Appropriation for capital	<u>142,525</u>	<u>(142,525)</u>	<u>—</u>	<u>—</u>
Balance at June 30, 2014	<u>\$82,783,276</u>	<u>\$ 528,802</u>	<u>\$8,161,758</u>	<u>\$91,473,836</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 the Medical Center to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2014 and 2013.

14. Commitments and Contingencies

Litigation

Various legal claims, generally incidental to the conduct of normal business, are pending or have been threatened against the Medical Center. The Medical Center intends to defend vigorously against these claims. While ultimate liability, if any, arising from any such claim is presently indeterminable, it is management's opinion that the ultimate resolution of these claims will not have a material adverse effect on the financial condition of the Medical Center.

Regulatory

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. Recently, government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties as well as significant repayments for patient services previously billed. Compliance with such laws and regulations are subject to government review and interpretations as well as regulatory actions unknown or unasserted at this time.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Award Number</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass-through New Hampshire			
Hospital Association:			
Hospital Preparedness Program	N/A	93.889	\$ 35,376
Pass-through City of Manchester Department of Health:			
Consolidated Health Centers	H80CS00002	93.224	562,489
Maternal and Child Health Services			
Block Grant to the States	05-95-90-902010-5190-102-500731	93.994	6,116
Patient-Centered Medical Home (PCMH) Grant	H80CS00002	93.527	14,412
Outreach Enrollment Grant	H80CS00002	93.527	80,168
Pass-through State of New Hampshire			
Dept. of Health and Human Services:			
Breast and Cervical Cancer Program	05-95-90-902010-5659-102-500731	93.283	91,329
Community-Based Oral Health Services	05-95-90-902010-4527-102-500731	93.991	16,137
Pass-through National Health Care for the Homeless Council, Inc.:			
Community Health Workers and Health Care for the Homeless	1C1CMS330981	93.610	<u>46,812</u>
Total expenditures of federal awards			<u>\$852,839</u>

See notes to this schedule.

CATHOLIC MEDICAL CENTER AND SUBSIDIARY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2014

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes the federal grant activity of Catholic Medical Center and Subsidiary (the Medical Center) for the year ending June 30, 2014, and is presented on the accrual basis of accounting. The Schedule includes all applicable federal grants for the Medical Center. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Since the Schedule presents only a selected portion of the operations of the Medical Center, it is not intended to and does not present the financial position, results of operations, changes in net assets or cash flows of the Medical Center.

For purposes of the Schedule, federal awards include all grants, contract and similar agreements entered into directly between the Medical Center and agencies and departments of the federal government and all subawards to the Medical Center by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

2. **Summary of Significant Accounting Policies**

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, as applicable. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include only direct costs, as the Medical Center did not negotiate any indirect cost rate with the awarding agencies.

3. **Pass-Through Awards**

The Medical Center receives certain federal awards in the form of pass-through awards. Such amounts received as pass-through awards are specifically identified on the Schedule.

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

Board of Trustees
Catholic Medical Center and Subsidiary

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Catholic Medical Center and Subsidiary (the Medical Center), which comprise the consolidated balance sheet as of June 30, 2014, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 24, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Medical Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Medical Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Medical Center'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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Board of Trustees
Catholic Medical Center and Subsidiary

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Medical Center's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manchester, New Hampshire
September 24, 2014

Baker Newman & Noyes

Limited Liability Company

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Board of Trustees
Catholic Medical Center and Subsidiary

Report on Compliance for Each Major Federal Program

We have audited Catholic Medical Center and Subsidiary's (the Medical Center) 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 the Medical Center's major federal programs for the year ended June 30, 2014. The Medical Center's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Medical Center'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 the Medical Center'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 the Medical Center's compliance.

Opinion on Each Major Federal Program

In our opinion, the Medical Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Medical Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Medical Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Medical Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Catholic Medical Center and Subsidiary as of and for the year ended June 30, 2014, and have issued our report thereon dated September 24, 2014 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to those audited financial statements subsequent to September 24, 2014.

Board of Trustees
Catholic Medical Center and Subsidiary

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditure of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Manchester, New Hampshire
October 29, 2014

Baker Newman & Noyes

Limited Liability Company

Year Ended June 30, 2014

Financial Statements:

Unmodified

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes X no

_____ yes X no

• Material weakness(es) identified?	_____	yes	<u>X</u>	no
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	yes	X	no

Unmodified

_____ yes X no

Auditee qualified as low-risk auditee? X yes no

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CATHOLIC MEDICAL CENTER AND SUBSIDIARY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2014

There were no reported findings from the prior year.

**Catholic Medical Center
Board of Directors – 2014**

Rick Botnick, *Chair*
E & R Cleaners

Maria Mongan, *Vice Chair*
Verizon

John G. Cronin, Esq., *Secretary*
Cronin, Bisson & Zalinsky, P.C.

Richard E. Ashooh, *Treasurer*
BAE Systems (appointed 8/14/14)

Joseph Pepe, MD,
President & CEO
Catholic Medical Center

Adele Boufford Baker
J.N. Boufford & Sons Inc.

William B. Clutterbuck, M.D.
Surgical Care Group, PC

Eleanor Wm. Dahar, Esq.
Dahar & Dahar Law Offices

Raef Fahmy, DPM
Catholic Medical Center

Joseph Graham, *Immediate Past Chair*
Clear Channel Media & Entertainment

Powen Hsu, M.D.
New Era Medicine

Susan D. Huard, Ph.D.
Manchester Community College

Neil Levesque
NH Institute of Politics

Patrick A. Mahon, MD,
President Medical Staff
Surgical Care Group

Diane Murphy Quinlan, Esq.
Bishop's Delegate for Health Care
Diocese of Manchester

Msgr. John P. Quinn
St. Elizabeth Seton Parish

Keith A. Stahl, MD
Family Health & Wellness Center

Fr. Patrick Sullivan O.S.B, RN
St. Anselm College / Abbey

Daryl J. Cady, CPA
Home Health & Hospitals (resigned 8/13/14)

Updated: August 14, 2014

CURRICULUM VITAE

JOSEPH PEPE, MD

ADDRESS

Business:

100 McGregor Street
Manchester, NH. 03102

EMPLOYMENT

President & CEO

CMC Healthcare System
August 30, 2012 to Present

President & CEO

Catholic Medical Center, Manchester, NH
August 30, 2012 to Present

Chief Executive Officer of Healthcare System including: 330 bed acute care hospital; Physician Practice Associates employing 40 physicians; Bedford Ambulatory Surgery Center (BASC), an LLC with 50% ownership with 40 surgeons, and St. Peter's Home, New Hampshire's largest day care center. Catholic Medical Center is the home of the New England Heart Institute, serving over 100 communities state wide.

Interim President/CEO

CMC Healthcare System and Catholic Medical Center
January 12, 2012

CMC Vice President of Medical Affairs/Chief Medical Officer

Catholic Medical Center
(1999 to August 2012)

As Vice President of Medical Affairs/Chief Medical Officer reporting to the CEO and worked with nursing leadership, medical staff leadership, and Performance Improvement to improve quality at CMC.

Physician

CMC Primary Care Associates
(1990 – 2011)

EDUCATION

1979-1983 St. Anselm College, Manchester, NH; BA
1983-1987 Tufts University School of Medicine, Boston, Ma; MD

POSTDOCTORAL TRAINING

1987-1990 Baystate Medical Center, Springfield, Ma.
- Internal Medicine Internship
- Internal Medicine Residency

ACADEMIC APPOINTMENTS/TEACHING

1987-1989 Clinical Fellow of Medicine
-Tufts University School of Medicine
Lecturer, State Division, American College of Physicians
Lecturer, Mass. College of Pharmacy and Health Science ('06-08)
Lecturer, NH Organization of Nurse Leaders (2011)
Lecturer, Northern New England Society for Healthcare Risk Management (2011)

BOARD CERTIFICATION

National Board of Medical Examiners
American Board of Internal Medicine 1990, 2000, 2010

PUBLICATIONS

Fever of Unknown Origin and Eosinophilia Caused by Naproxen Induced Interstitial Nephritis. *Hospital Practice*; McCue, J.D. ; Pepe, J., August 15, 1989.

A Rare Cause of Facial Nerve Paralysis. *Hospital Practice*; McCue, J.D. ; Pepe, J., May 30, 1990.

A Construction Worker With A Digital Eschar. *Hospital Practice*; Pepe, J., May 30, 1992.

Tongue Abscess: Case Report and Review. *Clinical Infectious Diseases*; Sands, M.; Pepe, J.; Brown, R.B., January 16, 1993.

Managing Risk, Build a Just Culture. *Health Progress*; Pepe, J.; Cataldo, P.J., July August, 2011.

McGregor Street Journal editor; Over 40 articles available on request ('02-present)

Paul A. Mertzic, RN, BSN, MS

Catholic Medical Center

Telephone, business (603) 663-8709 [REDACTED] e-mail pmertzic@cmc-nh.org

Objective: To utilize my administrative, clinical and management skills in the development of systems to enhance the quality of and the access to health care services for all persons.

- Leader in community, ambulatory and acute care health environments
- Educator - Assessment, Planning, Developing and Implementing community and professional programs
- Health Educator
- Strategic orientation

Experience:

1998- Present: Catholic Medical Center – Manchester, NH

A 300-bed community-based health care system. Re-established after the de-merger of Optima Health

Director, Community Health Services – February 2002 to Present

Responsible for the development, planning, budgeting and implementation of the strategic initiatives for the Community Health Service division of Catholic Medical Center.

Responsible for the development of collaborative relationships and partnerships within the community to improve the health status of our community.

Director, Community Health and Wellness – May 1997 – February 2002

Responsible for the ongoing operations of community-based programs serving those most in need. Responsible for creating collaborative relationships with agencies to maximize the potential for health and wellness efforts to those most in need.

1995 –1998: Optima Health – Manchester, NH

A community-based health care system created by the merger of two health care systems based in Manchester, NH.

Program Manager, Community Education and Wellness

Responsible for planning, coordinating and the delivery of community-based health and wellness services for those most in need..

1981 – 1995: Elliot Hospital – Manchester, NH

296 bed community-based acute care hospital

Director, Cardiology Services – (1990 – 1995)

Responsible for Invasive and Non-invasive Diagnostic Cardiology Testing, Cardiac Rehabilitation, and Pacemaker Clinic.

Director, Cardiac Intermediate Care Unit – (1981- 1990)

Responsible for a 26 bed step down cardiac unit with a concentration on family education and clinical excellence.

1980 –1981: Catholic Medical Center

Director, Cardiac Rehabilitation

Responsible for development of inpatient and outpatient Cardiac Rehabilitation.

1977- 1980: Elliot Hospital – Manchester, NH

Clinical Manager, Intensive Care Unit – (1978 – 1980)

Responsible for daily operations of a 12-bed intensive care unit on 3-11 shift, including staff development, evaluations, staffing and coordination.

Critical Care and Medical Surgical Staff Nurse – (1997- 1978)

Clinical responsibilities for critical care and medical surgical patients.

1977 – 1980: Easter Seals Rehabilitation Program

RN Consultant, Cardiac Rehabilitation Program

Responsible for assessment, evaluation and education of clients involved in outpatient Cardiac Rehabilitation Program. Provided educational programs to enhance cardiovascular knowledge of ancillary staff.

Education:

New England College, Henniker, NH - MS Organizational Management - 12/2000

NH College, Manchester, NH - Accounting and Financial Management courses

St. Anselm College, Goffstown, NH - Bachelor of Science, Nursing – 6/1977

Membership/Affiliations:

Catholic Medical Center Mission Award 2010

Good Samaritan Award in Health by Pastoral Counseling Services 2006

Healthy Manchester Leadership Council

Leadership Manchester, Class of 2004

Medical Interpretation Advisory Board/Steering Committee

Makin' It Happen – Board of Directors 2003-2009

New Horizons of NH – Board of Directors 2003 - 2008

Kids Vote – Board of Directors 2005 - 2008

On the Road to Recovery – Board of Directors/Secretary-Treasurer 2006 - present

NH Prostate Cancer Coalition – Board of Directors 2007-2009

Governors Council on Physical Activity and Health 2007- present

Kickin' Butts, Smoking Coalition

Regional Faculty AHA BLS/ BLS Instructor 2009 - present

New Hampshire Nurses Association

Governmental Advocacy Commission 2008 – present

American Nurses Association

Interests/Personal:

Married, three adult children

Running, Exercise, Skiing, Bicycling, Tennis, Swimming, Gardening, Kayaking

Reiki Level I Practitioner.

References available upon request.

Gail J. Dupuis

OBJECTIVES

To obtain a challenging position that offers personal growth and professional development in a business or medical/dental environment.

SKILLS

Business/medical office procedures	Computer concepts
Transcription 55 WPM	WordPerfect, Microsoft Word
Appointment scheduling	OR scheduling
Microsoft Excel	Bookkeeping
Medical Manager software	Eaglesoft Dental software
Accounting	Medical/Dental Terminology
Third party billing	Medicaid billing
ICD-9/CPT coding	Anatomy and Physiology
Human relations	Dental anatomy
Dental radiology certified	Dental assisting
Customer Service	Centricity (EMR)
Delta Dental Billing	Dentrix Enterprise

EDUCATION

Boston College/Goldman School of Dentistry April 2000
Dental Radiology Certification Program

Northeast Career Schools 1997 – 1998
Graduate of the Medical Office Specialist Certificate Program

NH Technical Institute 1985
Graduate of the Dental Assisting Certificate Program
Board Certified in Dental Assisting and Dental Radiology 1985 – 1986

NH College 1982 – 1983
Graduate of the Office Administration Certificate Program

WORK EXPERIENCE

Practice Manager – November 2012 – March 2015 West Side Neighborhood Health Center
Dining Hall Staff – September 2010 to present. St. Anselm College, Goffstown, NH
Banquet Server – August 2010 to present. Executive Courtyard Banquet Facility, Manchester NH
Poisson Dental Facility, located at Catholic Medical Center.
Office Staff 1998 – 1999, Office Coordinator 1999 – 2000, Program Manager 2000 – Present
School bus driver 9/98 – 11/98 temporary/ Goffstown Truck Center
Customer service/front office 4/98 – 8/98/ NH Eye Associates
School bus driver 10/88 – 4/98/ Goffstown Truck Center
Dental Assisting 1985 Veterans Administrative Hospital, Manchester, NH
Dental Assisting 1984 – 1985 Dr. Steven Wehrli/ temporary/on call

CERTIFICATIONS

American Red Cross – CPR
Dental Radiology

REFERENCES

Furnished upon request

CURRICULUM VITAE

MARY ELIZABETH CARON PIERCE, D.M.D.

POSTDOCTORAL TRAINING

- ♦ GENERAL PRACTICE RESIDENCY IN DENTISTRY 1998-99
Tufts University School of Dental Medicine Boston, Massachusetts

Currently completing a one year general practice residency focusing in the areas of emergency dental care, treatment of special needs patients, operating room dentistry, geriatric and general practice dentistry. Medical training included a didactic and clinical rotation in internal medicine at New England Medical Center, Boston, Massachusetts and an anesthesiology rotation at Franciscan Children's Hospital, Brighton, Massachusetts.

EDUCATION

- ♦ D.M.D. FEBRUARY 1998
Tufts University School of Dental Medicine Boston, Massachusetts

Recipient of Tuft's Merit Scholarship, awarded for ranking in the top one-third of my class.

- ♦ B.S. IN BIOLOGY 1984-88
Rensselaer Polytechnic Institute Troy, New York

UNPUBLISHED PAPERS, PRESENTATIONS AND AWARDS

- ♦ TABLE CLINIC 1999
 - *Tufts University School of Dental Medicine* Boston, Massachusetts
 - *Federation of Special Care Organizations in Dentistry* Chicago, Illinois

A Retrospective Study of Causes of Tooth Loss in a Special Needs Population. Presented at Tufts University Bates-Andrews Research Day and at the 1999 Conference sponsored by the Federation of Special Care Organizations in Dentistry.

- ♦ TABLE CLINIC 1992
Tufts University School of Dental Medicine Boston, Massachusetts

Surgical and Orthodontic Considerations in Orthognathic Surgery. Presented at Tufts University Bates-Andrews Research Day.

- ♦ LITERATURE REVIEW 1983
Rensselaer Polytechnic Institute Troy, New York

Uses of Gortex in Periodontal Surgery. Presented to Rensselaer Polytechnic Institute, Department of Biomedical Engineering.

- ♦ AWARDS
 - *Recipient of the Bates Society Award for Best Postgraduate Table Clinic* 1999
 - *Recipient of the Drs. Kane and Tesini Research Award* 1999

EXPERIENCE

- ♦ DENTAL HYGIENIST 1993-98
Dr. Danzig and Associates Billerica, Massachusetts
Dr. Rong-Jang Wu Stoneham, Massachusetts

Performed scaling, prophylaxis, oral hygiene instruction and prevention counseling. Developed treatment planning and patient and practice management skills.
- ♦ DENTAL STUDENT INTERN 1992
New Hampshire State Hospital Concord, New Hampshire

Performed all aspects of general dentistry for hospital in-patients and out-patients.
- ♦ RESEARCH ASSISTANT 1992
Tufts University, School of Dental Medicine Boston, Massachusetts

Investigated the functional uses of composite restorative materials through clinical trials for the Department of Restorative Dentistry.

REFERENCES

- ♦ Available upon request.

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Catholic Medical Center

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Gail Dupuis, Practice Manager	\$53,208	0.00%	\$0.00
Mary Elizabeth Pierce, DMD Dental Director/Staff Dentist	\$75,002	45.47%	\$34,100.00
Paul Mertzic, RN, MS Executive Director PA/CHS	\$131,977	0.00%	\$0.00
Josepj Pepe, MD, President & CEO	\$458,369	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$34,100.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Gail Dupuis, Practice Manager	\$54,538	0.00%	\$0.00
Mary Elizabeth Pierce, DMD Dental Director/Staff Dentist	\$76,877	43.06%	\$33,100.00
Paul Mertzic, RN, MS Executive Director PA/CHS	\$135,276	0.00%	\$0.00
Josepj Pepe, MD, President & CEO	\$469,828	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$33,100.00

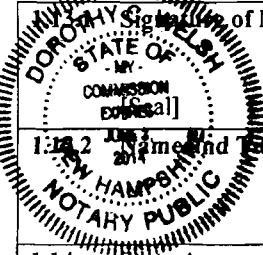
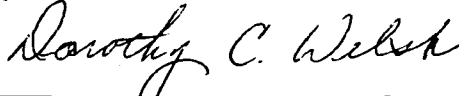
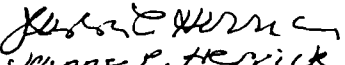
Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract**. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.

Subject: Community-based oral health services will be delivered to underserved individuals living in Manchester, NH.

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Catholic Medical Center - Poisson Dental Facility		1.4 Contractor Address 88 McGregor Street, Suite 305 Manchester, NH 03102	
1.5 Contractor Phone Number (603) 663-6887	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$71,200
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Dr. Joseph Pepe President & CEO	
1.13 Acknowledgement State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/28/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.14 Signature of Notary Public or Justice of the Peace  			
1.15 Name and Title of Notary or Justice of the Peace Dorothy C. Welsh Notary Public			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory ~~Bureau Chief~~ Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Anne P. Herrick, Attorney On: <u>19 Jun. 2013</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.


3/28/13

NH Department of Health and Human Services

Exhibit A

Scope of Services

Community-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Catholic Medical Center

ADDRESS: 88 McGregor Street, Suite 305
Manchester, NH 03102

Practice Manager: Gail Dupuis
TELEPHONE: (603) 663-6887

The Contractor shall provide community-based oral health services as specified below:

I. General Provisions

A. The contractor shall use one of the following models to provide the following services:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

B. Eligibility and Income Determination

1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. Relevant Policies and Guidelines

The community-based oral health program shall:

1. Require no fee for any Medicaid client.
2. Assist eligible families with Medicaid enrollment directly or through referral.
3. Become a Medicaid provider for qualified clients.

4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Resources shall be directed to evidence-based interventions.
7. Explore and secure future funding sources.

D. Numbers Served

Oral screening services are to be provided to a minimum of 1,100 individuals throughout each year of the contract term

E. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

F. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

G. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

H. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The community-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the

State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Work plans

1. Performance Work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Workplan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based workplan with this application for funding and by July 15th of the second contract year.

4. The Contractor shall comply with minor modifications and/or additions to the workplan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work plans and Work plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Workplan.

D. Performance Measures

Community-Based Performance Measures

- A minimum of 500 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 500 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

Community-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Catholic Medical Center

ADDRESS: 88 McGregor Street, Suite 305
Manchester, NH 03102

Practice Manager: Gail Dupuis
TELEPHONE: (603) 663-6887

Vendor #177240-B001

Job #90072003

Appropriation #05-95-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$71,200 for oral health initiatives, funded from 44.7% Federal funds from the Centers of disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$71,200

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- ☐ (1) The contractor certifies that it IS a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does not exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- X (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

The State of New Hampshire determined that the contract activities are of a low risk of liability, and the parties waive the requirement of paragraph 14 of the P-37 in that the contractor provide comprehensive general liability insurance in the amount of \$2 million per incident and instead, accept general liability insurance provided by contractor in the amount of \$1,000,000 per incident.

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

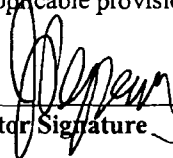
NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

 Joseph Pepe President & CEO
Contractor Signature Contractor's Representative Title

Catholic Medical Center
Contractor Name

3/28/13
Date

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

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

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

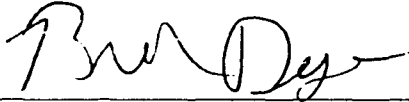
(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name



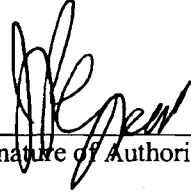
Signature of Authorized Representative

~~LISA L. BUINO, MSN, APRN~~

Name of Authorized Representative

CATHOLIC MEDICAL CENTER

Name of Contractor



Signature of Authorized Representative

Joseph Pepe, MD

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

President & CEO

Title of Authorized Representative

6/28/13

Date

3/28/13

Date



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Coos County Family Health Services, Inc. (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 54 Willow Street, Berlin, NH 03570.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$388,000
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

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

3/23/15
Date

State of New Hampshire
Department of Health and Human Services

[Signature]
Brook Dupee
Bureau Chief

Coos County Family Health Services, Inc.

3/5/15
Date

[Signature]
NAME
TITLE

Acknowledgement:

State of New Hampshire County of Coos on 3/5/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature]
Name and Title of Notary or Justice of the Peace

LINDA BLANCHETTE, Notary Public
My Commission Expires September 18, 2018

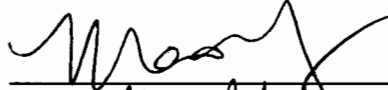
New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 4/8/15


Name: Megan A. Tapscott
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____

Contractor Initials: Kg
Date: 3-5-15



Scope of Services

The Contractor shall provide community-based and school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children and adults within the defined service area who don't have regular access to oral health care.

1.1. The contractor shall use one of the following models to provide the following services:

- 1.1.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.1.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

1.2. Numbers Served

Oral assessments are to be provided to a minimum of 1,125 individuals throughout each year of the contract term.

1.3. Eligibility and Income Determination

- 1.3.1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.3.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.4. Relevant Policies and Guidelines

The community and school-based oral health programs shall:

- 1.4.1. Require no fee for any Medicaid client.
- 1.4.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.4.3. Become a Medicaid provider for qualified clients.
- 1.4.4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.

Kg

5-8-15



Exhibit A Amendment #1

- 1.4.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.4.6. Resources shall be directed to evidence-based interventions.
- 1.4.7. Explore and secure future funding sources.

1.5. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.5.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.5.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.5.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.5.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.5.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.6. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.6.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.6.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161-F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.6.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.7. Publications Funded Under Contract

- 1.7.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.7.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.7.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

Kg

3-8-15



Exhibit A Amendment #1

1.8. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The community-based and school-based oral health programs shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program that includes dental sealants and Interim Therapeutic Restorations (ITRs) by Certified Public Health Dental Hygienist for students and adults through a school-based or community-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children and adults without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this



Exhibit A Amendment #1

scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:



Exhibit A Amendment #1

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

3.4.1. Community-Based Performance Measures:

- A minimum of 500 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 500 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

3.4.2. School-Based Performance Measures:

- A minimum of 75% of 2nd and 3rd grade students returning consent forms
- A minimum of 200 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar



Exhibit A Amendment #1

- 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$97,000 in SFY 2016 and \$97,000 in SFY 2017 for oral health initiatives, for a total amount of \$194,000.
 - b. Funding is available as follows:
 - \$86,718 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$107,282 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

Kg
3/5/15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Coos County Family Health Services

**Statewide Community and School Based Oral
Budget Request for: Health Services**

Budget Period: 7/1/15 - 6/30/16

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 30,769.00	\$ -	\$ 30,769.00	
2. Employee Benefits	\$ 9,231.00	\$ -	\$ 9,231.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 57,000.00	\$ -	\$ 57,000.00	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 97,000.00	\$ -	\$ 97,000.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: Kg

Date: 8-5-15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Coos County Family Health Services

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 30,769.00	\$ -	\$ 30,769.00	
2. Employee Benefits	\$ 9,231.00	\$ -	\$ 9,231.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 57,000.00	\$ -	\$ 57,000.00	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 97,000.00	\$ -	\$ 97,000.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: Kg

Date: 3-5-15



SPECIAL PROVISIONS

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

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



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

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

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



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis



-
- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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. **Renewal:**

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

Kg
Date 3-5-15



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

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

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

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

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

Exhibit G- Amendment #1

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

Contractor Initials

Kg

Date

8-5-15

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



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

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

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

Contractor Name:

3/5/15
Date

Kel Gould
Name
Title: CEO

Exhibit G- Amendment #1

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

Contractor Initials

Kg

Date

3-5-15



Exhibit I - Amendment #1

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I Amendment #1

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

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

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

Kg



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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 Amendment #1

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

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



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

Kg



Exhibit I Amendment #1

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

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

New Hampshire
The State
[Signature]
Signature of Authorized Representative
Brian Duce
Name of Authorized Representative
Brian Duce
Title of Authorized Representative
3/23/15
Date

Coos County Family Dental Services
Name of the Contractor
[Signature]
Signature of Authorized Representative
[Signature]
Name of Authorized Representative
Chief Executive Officer
Title of Authorized Representative
3/5/15
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that COOS COUNTY FAMILY HEALTH SERVICES, INC. is a New Hampshire nonprofit corporation formed December 14, 1979. 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, JEFFREY D. SMITH, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Coos County Family Health Center, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 2/14/15:
(Date)

RESOLVED: That the Chief Executive Officer
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 5th day of March, 2015.
(Date Contract Signed)

4. Jeffrey D. Smith is the duly elected Chief Executive Officer
(Name of Contract Signatory) (Title of Contract Signatory)
of the Agency.

[Signature]
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Coos

The forgoing instrument was acknowledged before me this 5th day of March, 2015.

By Jeffrey D. Smith
(Name of Elected Officer of the Agency)

Linda Blanchette
(Notary/Public/Justice of the Peace)

(NOTARY SEAL)

LINDA BLANCHETTE, Notary Public
My Commission Expires September 18, 2018

Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/16/2014

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: Vivian Vaudreuil PHONE (A/C No. Ext.): (603) 669-3218 FAX (A/C No.): (603) 645-4331 E-MAIL ADDRESS: vvaudreuil@crossagency.com	
INSURED Coos County Family Health Services 133 Pleasant Street Berlin NH 03570-2006		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Indemnity Ins Co NAIC # 18058 INSURER B: Philadelphia Ins Co INSURER C: MEMIC Indemnity Company 11030 INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 14-15 All lines **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			PHPK1197781	7/1/2014	7/1/2015	EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$ 20,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	☐ POLICY ☐ PROJECT ☒ LOC						GENERAL AGGREGATE \$ 2,000,000
A	AUTOMOBILE LIABILITY			PHPK1197781	7/1/2014	7/1/2015	PRODUCTS - COMP/OP AGG \$ 2,000,000
	☒ ANY AUTO						
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS					
B	UMBRELLA LIAB	☒ OCCUR		PHUB465302	7/1/2014	7/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	EXCESS LIAB	☐ CLAIMS-MADE					BODILY INJURY (Per person) \$
	DED ☒ RETENTION \$ 10,000						BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			3102802240 (3a.) NH	7/1/2014	7/1/2015	Uninsured motorist BI-single \$ 1,000,000
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				EACH OCCURRENCE \$ 2,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						AGGREGATE \$ 2,000,000
B	Employee Dishonesty			PHSD944097	7/1/2014	7/1/2015	Limit \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
State of NH Department of Health & Human Services is included as additional insured with respects to the CGL as per written contract. Refer to policy for exclusionary endorsements and special provisions.

CERTIFICATE HOLDER

NH Department of Health & Human Services 29 Hazen Drive Concord, NH 03301-6504	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 Dwayne Davis/JSC



54 Willow Street
Berlin, NH 03570-1800
Ph: 1-603-752-3669
Fax: 1-603-752-3027

2 Broadway Street
Gorham, NH 03581-1597
Ph: 1-603-466-2741
Fax: 1-603-466-2953

133 Pleasant Street
Berlin, NH 03570-2006
Ph: 1-603-752-2040
Fax: 1-603-752-7797

59 Page Hill Road
Berlin, NH 03570-3568
Ph: 1-603-752-2900
Fax: 1-603-752-3727

MISSION OF COÖS COUNTY FAMILY HEALTH SERVICES

Coös County Family Health Services is a community-based organization providing innovative, personalized, comprehensive health care and social services of the highest quality to everyone, regardless of economic status.

(Mission/Vision Statement)
Board Approved 1/15/15

COOS COUNTY FAMILY HEALTH SERVICES, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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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 Auditors' Report on Financial Statements

Board of Directors
Coos County Family Health Services, Inc.
Berlin, New Hampshire

We have audited the accompanying financial statements of Coos County Family Health Services, Inc. which comprise the balance sheets as of June 30, 2014 and 2013, 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 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.

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 Coos County Family Health Services, Inc. as of June 30, 2014 and 2013, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 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 11, 2014, on our consideration of the Association'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 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 important for assessing the results of our audit.

A handwritten signature in black ink, appearing to read "D. Duff", is positioned above the location and date text.

Concord, New Hampshire
December 11, 2014

COOS COUNTY FAMILY HEALTH SERVICES, INC.

BALANCE SHEETS

JUNE 30, 2014 AND 2013

ASSETS

	2014	2013
Current Assets:		
Cash and cash equivalents	\$ 371,527	\$ 310,353
Patient accounts receivable, net of allowances of for uncollectible accounts of \$218,000 and \$195,000 at June 30, 2014 and 2013, respectively	978,555	435,123
Grants receivable	143,394	242,150
Due from third party payers	40,105	31,737
Prepaid expenses	91,036	102,267
Total Current Assets	1,624,617	1,121,630
Assets Limited As To Use	651,351	625,069
Beneficial Interest In Perpetual Trust Held By Others	19,973	18,274
Property And Equipment, Net	2,619,138	2,100,494
TOTAL ASSETS	\$ 4,915,079	\$ 3,865,467

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$ 257,195	\$ 83,220
Accrued payroll and related expenses	700,765	680,503
Due to third party payers	-	21,057
Deferred revenue	26,724	60,282
Current maturities of long-term debt	59,139	79,892
Total Current Liabilities	1,043,823	924,954
Long-term Debt, Less Current Maturities	715,850	902,002
Total Liabilities	1,759,673	1,826,956
Net Assets:		
Unrestricted	2,392,640	1,153,541
Temporarily restricted	740,809	864,280
Permanently restricted	21,957	20,690
Total Net Assets	3,155,406	2,038,511
TOTAL LIABILITIES AND NET ASSETS	\$ 4,915,079	\$ 3,865,467

(See accompanying notes to these financial statements)

COOS COUNTY FAMILY HEALTH SERVICES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Operating Revenue:		
Patient service revenue	\$ 7,524,240	\$ 5,817,776
Provision for bad debts	<u>(272,094)</u>	<u>(269,804)</u>
Net patient service revenue	7,252,146	5,547,972
Grants, contracts, and contributions	2,750,768	2,712,601
Other operating revenue	521,180	466,133
Interest income	3,008	3,134
Net assets released from restrictions for operations	<u>278,480</u>	<u>219,146</u>
Total Operating Revenue	<u>10,805,582</u>	<u>8,948,986</u>
Operating Expenses:		
Salaries and benefits	7,210,447	6,688,068
Other operating expenses	2,487,345	1,707,879
Depreciation	235,073	227,921
Interest expense	<u>33,618</u>	<u>42,629</u>
Total Operating Expenses	<u>9,966,483</u>	<u>8,666,497</u>
EXCESS OF REVENUE OVER EXPENSES	839,099	282,489
Grant Received For Capital Acquisition	<u>400,000</u>	<u>-</u>
INCREASE IN UNRESTRICTED NET ASSETS	<u><u>\$ 1,239,099</u></u>	<u><u>\$ 282,489</u></u>

(See accompanying notes to these financial statements)

COOS COUNTY FAMILY HEALTH SERVICES, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Unrestricted Net Assets:		
Excess of revenue over expenses	\$ 839,099	\$ 282,489
Grant received for capital acquisition	400,000	-
	<u>1,239,099</u>	<u>282,489</u>
Increase in Unrestricted Net Assets		
Temporarily Restricted Net Assets:		
Grants, contracts, and contributions	153,310	47,035
Net assets released from restrictions for operations	(278,480)	(219,146)
Capital appreciation on endowment funds	-	530
Change in fair value of beneficial interest in perpetual trust held by others	1,699	274
	<u>(123,471)</u>	<u>(171,307)</u>
Decrease in Temporarily Restricted Net Assets		
Permanently Restricted Net Assets:		
Contributions	1,267	2,113
	<u>1,267</u>	<u>2,113</u>
Increase in Permanently Restricted Net Assets		
Change in Net Assets	1,116,895	113,295
Net Assets, Beginning Of Year	<u>2,038,511</u>	<u>1,925,216</u>
NET ASSETS, END OF YEAR	<u>\$ 3,155,406</u>	<u>\$ 2,038,511</u>

(See accompanying notes to these financial statements)

COOS COUNTY FAMILY HEALTH SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013
Cash Flows From Operating Activities		
Change in net assets	\$ 1,116,895	\$ 113,295
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Bad debt expense	272,094	269,804
Depreciation	235,073	227,921
Grant received for capital acquisition	(400,000)	-
Restricted grants, contracts, and contributions	(154,577)	(49,148)
Capital appreciation on endowment funds	-	(530)
Change in fair value of beneficial interest in perpetual trust held by others	(1,699)	(274)
(Increase) decrease in the following assets:		
Patient accounts receivable	(815,526)	(328,193)
Grants receivable	98,756	5,397
Due from third party payers	(8,368)	9,263
Prepaid expenses	11,231	(39,682)
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	173,975	19,743
Accrued payroll and related expenses	20,262	27,221
Due to third party payers	(21,057)	21,057
Deferred revenue	(33,558)	(733,552)
Net Cash Provided (Used) by Operating Activities	<u>493,501</u>	<u>(457,678)</u>
Cash Flows From Investing Activities		
Decrease in assets limited as to use	128,295	57,351
Increase in beneficial interest in perpetual trust held by others	-	(18,000)
Capital acquisitions	(753,717)	(91,489)
Net Cash Used by Investing Activities	<u>(625,422)</u>	<u>(52,138)</u>
Cash Flows From Financing Activities		
Grant received for capital acquisition	400,000	-
Proceeds from issuance of long-term debt	179,000	-
Payments on long-term debt	(385,905)	(85,369)
Net Cash Provided (Used) by Financing Activities	<u>193,095</u>	<u>(85,369)</u>

COOS COUNTY FAMILY HEALTH SERVICES, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Net Increase (Decrease) in Cash and Cash Equivalents	61,174	(595,185)
Cash and Cash Equivalents, Beginning of Year	<u>310,353</u>	<u>905,538</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 371,527</u>	<u>\$ 310,353</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 33,618	\$ 42,629

(See accompanying notes to these financial statements)

COOS COUNTY FAMILY HEALTH SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Coos County Family Health Services, Inc., "the Organization", is a non-stock, not-for-profit corporation organized in New Hampshire. The Organization is a Federally Qualified Health Center (FQHC) which provides outpatient health care and disease prevention services to residents of Coos County, New Hampshire through direct services, referral and advocacy.

Income Taxes

The Organization is a public charity under Section 501(c)(3) of the Internal Revenue Code. As a public charity, the Organization 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 Organization's tax positions and concluded that the Organization 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 2011.

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 revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits, petty cash funds and investments with a maturity of three months or less, and exclude amounts whose use is limited by Board designation or other arrangements under trust agreements or with third-party payers.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for each funding source. 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 Organization has not changed its methodology for estimating the allowance for doubtful accounts.

A reconciliation of the allowance for uncollectible accounts at June 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 195,000	\$ 187,000
Provision for bad debts	272,094	269,804
Write-offs	<u>(249,094)</u>	<u>(261,804)</u>
Balance, end of year	<u>\$ 218,000</u>	<u>\$ 195,000</u>

The increase in the allowance for uncollectible accounts is primarily related to the increase in patient accounts receivable balances.

Assets Limited As to Use

Assets limited as to use include assets set aside as a reserve fund under loan agreements for repairs and maintenance on the real property collateralizing the loans and assets designated by the board of directors and donor restricted grants and contributions.

Beneficial Interest in Perpetual Trusts Held by Others

During 2013, the Organization became a beneficiary of an agency endowment fund at The New Hampshire Charitable Foundation, "the Foundation", by transferring \$18,000 of endowment assets to be held and administered by the Foundation for the benefit of the Organization. Pursuant to the terms of the resolution establishing the fund, property contributed to the Foundation is held as a separate fund designated for the benefit of the Organization. In accordance with its spending policy, the Foundation makes distributions from the fund to the Organization. The distributions are approximately 4.03% of the market value of the fund per year. The Organization's interest in the fund is recognized as permanently restricted net assets with changes in fair value reported as temporarily restricted net assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 include contributions and grants for which donor-imposed restrictions have not been met. Assets are released from restrictions as expenditures are made in line with restrictions called for under the terms of the donor. Restricted contributions and grants for capital acquisitions received prior to July 1, 2013 are released from restriction over the life of the related asset acquired in accordance with the reporting of related asset's depreciation expense. Restricted contributions and grants released are reported as unrestricted revenue and support.

Permanently restricted net assets include net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Patient Service Revenue

The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

- Medicare -- Primary care services rendered to Medicare program beneficiaries are reimbursed under cost reimbursement methodology. The Organization is reimbursed at a tentative encounter rate with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicare fiscal intermediary. The Organization's Medicare cost reports have been retroactively settled by the Medicare Administrative Contractor through June 30, 2012.
- Other payers -- The Organization also has entered into payment agreements with Medicaid certain commercial insurance carriers, health maintenance Organizations and preferred provider Organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per visit, discounts from established charges and capitated arrangements for primary care services on a per member, per month basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Organization 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 differences between amounts previously estimated and amounts subsequently determined to be recoverable from third-party payers increased patient service revenues by approximately \$15,000 and \$103,000 for the years ended June 30, 2014 and 2013, respectively.

The Organization, as a FQHC, is eligible to participate in the 340B Drug Pricing Program. The program requires drug manufacturers to provide outpatient drugs to FQHC's and other identified entities at a reduced price. The Organization contracts with local pharmacies under this program. The local pharmacies dispense drugs to eligible patients of the Organization and bill Medicare and commercial insurances on behalf of the Organization. Reimbursement received by the pharmacies is remitted to the Organization, less dispensing and administrative fees. Gross revenue generated from the program is included in patient service revenue. Contracted expenses incurred related to the program are included in other operating expenses.

Donated Goods and Services

Various program help and support for the daily operations of the Organization's Response Program were provided by the general public of the surrounding communities. The donated services have not been reflected in the accompanying financial statements because they did not meet the criteria for recognition. Management estimates the fair value of donated services received but not recognized as revenues was \$102,510 and \$92,187 for the years ended June 30, 2014 and 2013, respectively. The Response Program also receives donated supplies to be used for program activities. The fair value of supplies recognized as revenues was \$5,122 and \$3,606 for the years ended June 30, 2014 and 2013, respectively.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Goods and Services (Continued)

The Organization receives samples of medical supplies that are distributed to patients. The donated supplies have not been reflected in the accompanying financial statements because they did not meet the criteria for recognition.

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.

Excess of Revenue Over Expenses

The statement of operations includes 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).

NOTE 2 ASSETS LIMITED AS TO USE AND BENEFICIAL INTEREST IN PERPETUAL TRUST HELD BY OTHERS

Assets limited as to use and beneficial interest in perpetual trusts consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Board designated:		
Working capital (Federal 330 monies)	\$ 507,870	\$ 505,025
United States Department of Agriculture		
Rural Development loan agreements	29,640	36,589
Donor restricted:		
Temporarily	111,857	81,039
Permanently	<u>21,957</u>	<u>20,690</u>
Total	<u>\$ 671,324</u>	<u>\$ 643,343</u>

NOTE 2 ASSETS LIMITED AS TO USE AND BENEFICIAL INTEREST IN PERPETUAL TRUST HELD BY OTHERS (CONTINUED)

	<u>2014</u>	<u>2013</u>
Assets limited as to use	\$ 651,351	\$ 625,069
Beneficial interest in perpetual trust held by others	<u>19,973</u>	<u>18,274</u>
Total	<u>\$ 671,324</u>	<u>\$ 643,343</u>

Assets limited as to use are comprised of cash and cash equivalents. Cash and cash equivalents included in assets limited as to use are not considered cash and cash equivalents for cash flow purposes.

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 the beneficial interest in perpetual trust held by others is measured on non-recurring basis using level 3 inputs. The fair value is determined annually based on the fair value of the assets in the trust as represented by the Foundation's management. The Organization's management determines the reasonableness of the methodology by evaluating market developments.

The following table sets forth a summary of the change in the fair value of the level 3 beneficial interests in perpetual trusts held by others for the years ended June 30, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 18,274	\$ -
Contributions	-	18,000
Change in fair value	2,527	1,069
Distributions	(706)	(703)
Fees	<u>(122)</u>	<u>(92)</u>
Balance, end of year	<u>\$ 19,973</u>	<u>\$ 18,274</u>

NOTE 3 PROPERTY AND EQUIPMENT

The cost and accumulated depreciation of property and equipment at June 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Land and improvements	\$ 153,257	\$ 153,257
Building and leasehold improvements	3,176,922	2,603,291
Furniture and equipment	<u>1,752,474</u>	<u>1,572,389</u>
Total Cost	5,082,653	4,328,937
Less accumulated depreciation	<u>2,463,515</u>	<u>2,228,443</u>
Property And Equipment, Net	<u>\$ 2,619,138</u>	<u>\$ 2,100,494</u>

In 2010 the Organization made renovations to certain buildings with Federal grant funding under the ARRA – Capital Improvement Program. In 2014 the Organization also made renovations to certain buildings with Federal grant funding under the ACA – Capital Development Program. In accordance with the grant agreements, a Notice of Federal Interest (NFI) is required to be filed in the appropriate official records of the jurisdiction in which the property is located. The NFI is designed to notify any prospective buyer or creditor that the Federal Government has a financial interest in the real property acquired under the aforementioned grant; that the property may not be used for any purpose inconsistent with that authorized by the grant program statute and applicable regulations; that the property may not be mortgaged or otherwise used as collateral without the written permission of the Associate Administrator of the Office of Federal Assistance Management, Health Resources and Services Administration (OFAM, HRSA); and that the property may not be sold or transferred to another party without the written permission of the Associate Administrator of OFAM and HRSA.

NOTE 4 LINE OF CREDIT

The Organization has a \$500,000 line of credit with a local banking institution through December 2014. The line of credit is secured by all assets. The interest rate at June 30, 2014 was 4.75% (Prime plus 1.5%). The Organization is also required to pay 0.25% monthly on the unused portion of the line. There was no outstanding balance at June 30, 2014 and 2013, respectively.

NOTE 5 LONG-TERM DEBT

At June 30, 2014 and 2013 long-term debt and capital lease obligations consisted of the following:

	<u>2014</u>	<u>2013</u>
Note payable, Rural Economic and Community Development, payable in monthly installments of \$1,285, including interest at 3.375%, due May 2042, secured by real estate.	\$ 277,878	\$ 283,846
Note payable, Rural Economic and Community Development, payable in monthly installments of \$2,741, including interest at 4.5%, due November 2028, secured by all business assets.	347,376	364,127
Note payable, New Hampshire Health and Education Facilities Authority (NH HEFA), payable in monthly installments of \$3,060 including interest at 1.00%, due August 2018, secured by real estate.	149,735	-
Note payable, Citizens Bank, payable in variable monthly installments of \$4,723 plus interest, 3.25% as of June 30, 2014, due February 2018, secured by real estate. The note was paid in full in May 2014	-	209,722
Note payable, Rural Economic and Community Development, payable in monthly installments of \$2,268, including interest at 6.125%, due November 2018, secured by real estate. The note was refinanced by the NH HEFA loan in August 2013.	<u>-</u>	<u>124,199</u>
Total long-term debt	774,989	981,894
Less current maturities	<u>59,139</u>	<u>79,892</u>
Long-term Debt Excluding Current Maturities	<u>\$ 715,850</u>	<u>\$ 902,002</u>

NOTE 5 LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on long-term debt for the next five years and thereafter follows:

<u>Year Ending June 30,</u>	<u>Long-term Debt</u>
2015	\$ 59,139
2016	60,514
2017	61,937
2018	63,411
2019	34,170
Thereafter	<u>495,818</u>
Total	<u>\$ 774,989</u>

NOTE 6 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets consisted of the following at June 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Temporarily restricted:		
Specific purpose	\$ 109,884	\$ 79,703
Expended capital improvements	628,952	783,241
Endowment earnings	<u>1,973</u>	<u>1,336</u>
Total	<u>\$ 740,809</u>	<u>\$ 864,280</u>
Permanently restricted:		
Endowment	<u>\$ 21,957</u>	<u>\$ 20,690</u>

NOTE 7 ENDOWMENTS

The Organization 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 Organization 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.

NOTE 7 ENDOWMENTS (CONTINUED)

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
- (6) Other resources of the Organization

The following summarizes changes in endowment assets for years ended June 30, 2014 and 2013:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Balance June 30, 2012	\$ 530	\$ 18,577
Contributions	-	2,113
Investment income, net of fees	532	-
Change in fair value of beneficial interest in perpetual trust held by others	<u>274</u>	<u>-</u>
Balance June 30, 2013	1,336	20,690
Contributions	-	1,267
Appropriation of endowment assets for expenditures	(1,062)	-
Change in fair value of beneficial interest in perpetual trust held by others	<u>1,699</u>	<u>-</u>
Balance June 30, 2014	<u>\$ 1,973</u>	<u>\$ 21,957</u>

Endowment assets consist of cash and cash equivalents and a beneficial interest in perpetual trust held by others. Endowment interest income earned is spent at the discretion of the Organization's Board of Directors.

NOTE 8 PATIENT SERVICE REVENUE

A summary of patient service revenue for the years ended June 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Medical patient service revenue	\$ 5,729,532	\$ 5,817,776
340B pharmacy revenue	<u>1,794,708</u>	<u>-</u>
Total Patient Service Revenue	<u>\$ 7,524,240</u>	<u>\$ 5,817,776</u>

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, the revenue is recorded net of the free care allowance. The Organization estimates the costs associated with providing charity care by calculating the ratio of total cost to total charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated cost of providing services to patients under the Organization charity care policy amounted to \$353,281 and \$401,411 for the years ended June 30, 2014 and 2013, respectively.

The Organization is able to provide these services with a component of funds received through local community support and federal and state grants.

NOTE 9 FUNCTIONAL EXPENSES

The Organization provides various services to residents within its geographic location. Expenses related to providing these services for the years ended June 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Program services	\$ 8,751,900	\$ 7,532,513
Administrative and general	<u>1,214,583</u>	<u>1,133,984</u>
Total	<u>\$ 9,966,483</u>	<u>\$ 8,666,497</u>

NOTE 10 MALPRACTICE INSURANCE

The Organization is protected from medical malpractice risk as a FQHC under the Federal Tort Claims Act (FTCA). The Organization has additional medical malpractice insurance, on a claims-made basis, for coverage outside the scope of the protection of the FTCA. As of the year ended June 30, 2014, there were no known malpractice claims outstanding which in the opinion of management, will be settled for amounts in excess of both FTCA and gap insurance coverage nor are there any unasserted claims or incidents which require loss accrual. The Organization intends to renew the additional medical malpractice insurance coverage on a claims-made basis and anticipates that such coverage will be available.

NOTE 11 RETIREMENT PLAN

The Organization has a defined contribution plan under Internal Revenue Code Section 401(k) that cover substantially all employees. The Organization contributed \$160,026 and \$145,048 to the plan for the years ended June 30, 2014 and 2013, respectively.

NOTE 12 CONCENTRATION OF RISK

The Organization has cash deposits in major financial institutions in excess of \$250,000, which exceeds federal depository insurance limits. The financial institutions have a strong credit rating and management believes the credit risk related to these deposits is minimal.

The Organization grants credit without collateral to its patients, most of who are local residents and are insured under third-party payer agreements. The mix of medical patient service revenue receivables from patients and third-party payers at June 30, 2014 follows:

Medicare	32%
Medicaid	13%
Anthem Blue Cross	17%
Other	<u>38%</u>
Total	<u>100%</u>

NOTE 13 PATIENT ASSISTANCE PROGRAMS

The Organization acts as a conduit for pharmaceutical company patient assistance programs. The Organization provides assistance to patients in applying and distributing prescription drugs under the programs. The value of the prescription drugs distributed by the Organization to patients is not reflected in the accompanying financial statements. The Organization estimates that the value of prescription drugs distributed by the Organization for the years ended June 30, 2014 and 2013 was \$2,914,948 and \$2,754,348, respectively.

NOTE 14 SUBSEQUENT EVENTS

For financial reporting purposes, subsequent events have been evaluated by management through December 11, 2014, which is the date the financial statements were available to be issued.

COOS COUNTY FAMILY HEALTH SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Direct programs:			
Health Center Cluster			
Consolidated Health Centers	93.224		\$ 1,442,547
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526		<u>400,000</u>
Total Health Center Cluster			<u>1,842,547</u>
Pass-through programs from:			
State of New Hampshire Department of Health and Human Services			
Primary Care	93.994	102-500731/90080000	16,263
Neuromotor Disabilities Clinical Program	93.994	561-500911/93001000	<u>6,305</u>
Total Maternal and Child Health Services			22,568
State of New Hampshire Department of Health and Human Services			
Family Planning	93.217	102-500734/90080203	32,014
Breast and Cervical Cancer Prevention	93.283	102-500731/90080081	28,584
Family Planning - TANF	93.558	502-500891/45130203	12,361
Oral Health	93.991	102-500731/90072003	43,359
New Hampshire Coalition Against Domestic and Sexual Violence:			
Statewide Program to Improve Response to Domestic Violence	93.671		<u>60,433</u>
Total Pass-through Programs			<u>199,319</u>
Total U.S. Department of Health and Human Services			<u>2,041,866</u>

The accompanying notes are an integral part of this schedule.

COOS COUNTY FAMILY HEALTH SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor Pass-through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice:			
Direct programs:			
Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault	16.736		32,915
Pass-through programs from:			
New Hampshire Coalition Against Domestic and Sexual Violence :			
Sexual Assault Services Program	16.017		12,467
Victims of Crime Act	16.575		<u>172,945</u>
Total U.S. Department of Justice			<u>218,327</u>
Total Federal Awards, All Programs			<u>\$ 2,260,193</u>

The accompanying notes are an integral part of this schedule.

COOS COUNTY FAMILY HEALTH SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, "the Schedule", includes the federal grant activity of Coos County Family Health Services, Inc., "the Organization", under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

BRAD BORRIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

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**Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

Board of Directors
Coos County Family Health Services, Inc.
Berlin, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Coos County Family Health Services, Inc. which comprise the balance sheets as of June 30, 2014, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 11, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'A. D. J.', is positioned above the location and date text.

Concord, New Hampshire
December 11, 2014

BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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**Independent Auditors' Report on Compliance for Each Major Federal
Program and Report on Internal Control Over Compliance**

Board of Directors

Coos County Family Health Services, Inc.

Berlin, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Coos County Family Health Services, Inc. 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 the Organization's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

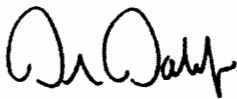
Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

A handwritten signature in black ink, appearing to read "A. D. [unclear]".

Concord, New Hampshire
December 11, 2014

COOS COUNTY FAMILY HEALTH SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I – Summary of Auditor’s Results

A. Financial Statements

1. Type of auditor’s report issued	Unmodified
2. Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	None Reported
3. Noncompliance material to financial statements noted?	No

B. Federal Awards

1. Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(s) identified?	None Reported
2. Type of auditor’s report issued on compliance for major programs	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

C. Major Programs

Health Center Cluster	
Consolidated Health Centers	93.224
Affordable Care Act (ACA) Grants for Capital Development in Health Centers	93.526

D. Dollar threshold used to distinguish between Type A and Type B programs	\$300,000

E. Auditee qualified as low-risk auditee?	Yes

COOS COUNTY FAMILY HEALTH SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings and Questioned Costs

A. Financial Statements

There were no financial statement findings for the year ended June 30, 2014.

B. Federal Awards

There were no federal awards findings for the year ended June 30, 2014.

Section III – Prior Findings and Questioned Costs for the Year Ended June 30, 2013

There were no prior financial statement or federal award audit findings for the year ended June 30, 2013.



54 Willow Street
Berlin, NH 03570-1800
Ph: 1-603-752-3669
Fax: 1-603-752-3027

2 Broadway Street
Gorham, NH 03581-1597
Ph: 1-603-466-2741
Fax: 1-603-466-2953

133 Pleasant Street
Berlin, NH 03570-2006
Ph: 1-603-752-2040
Fax: 1-603-752-7797

59 Page Hill Road
Berlin, NH 03570-3568
Ph: 1-603-752-2900
Fax: 1-603-752-3727

COOS COUNTY FAMILY HEALTH SERVICES, INC.
54 WILLOW STREET – BERLIN, NH 03570
752-3669

BOARD OF DIRECTORS

Robert Pelchat, 2017 (5th)
****PRESIDENT****

Charles Greenhalgh, 2017 (1st)

Joan Merrill, 2016 (2nd)
****VICE-PRESIDENT****

Roland Olivier, 2017 (1st)

Aline Boucher, 2017 (3rd)
****TREASURER****
Chair, Finance/Development Committee

Christie Nelson, 2017 (1st)

David Morin, 2017 (1st)

Jeffrey D. Smith, 2015 (1st)
****SECRETARY****
Chair, Corporate Compliance Committee

Marge McClellan, 2017 (5th)
Chair, Governance Committee
Chair, Quality Improvement Committee

Åsa Brosnan, 2015 (4th)

H. Guyford Stever, Jr., 2016 (2nd)
Chair, Personnel Committee

Linda Sjostrom, 2015 (1st)

Andrea Gagne, 2016 (1st)

3/5/15

KENNETH E. GORDON

PROFESSIONAL HISTORY

2/2015 – Present Coos County Family Health Services, 54 Willow Street, Berlin, NH 03570 (603) 752-3669 ext. 4018 kgordon@ccfhs.org

CHIEF EXECUTIVE OFFICER (2015 – Present)

- Responsible for the successful administration and overall direction of a \$10.2M Community Health Center, including 6 sites and 10 programs. Major administrative responsibilities include: oversight of budget preparation and fiscal management, development and implementation of long and short-term planning, personnel management, grantsmanship and public relations. Includes extensive contact with the public and government officials as well as ongoing communications with 14 member volunteer Board of Directors, 120 paid staff and numerous volunteers.

ADMINISTRATOR: North Country Health Consortium, Littleton, New Hampshire (8/13 – 2/15)

- Provided administrative leadership of the North Country Accountable Care Organization, a non-profit entity comprised of four community health centers working in collaboration to improve the health and well-being of North Country residents.

EXECUTIVE DIRECTOR: Area Agency on Aging for Northeastern Vermont, St. Johnsbury, Vermont (9/02 – 7/13)

- Provided administrative leadership to a private, non-profit human service agency serving older adults and family caregivers.
- Financial management of the organization's budget.
- Supervision of clinical and administrative staff.

SOCIAL SERVICES COORDINATOR: Caledonia Home Health Care and Hospice, St Johnsbury, Vermont (8/97 - 8/02)

- Provided medical social work to individuals and families receiving home care and hospice services.
- Supervised and coordinated the work of four master's level staff members.
- Provided consultation to medical staff regarding psycho-social issues.
- Participated in discharge planning with other social service and health agencies.

CHILD PROTECTIVE SERVICE WORKER: Vermont Department of Social & Rehabilitation Services, St. Johnsbury, Vermont (5/96 - 8/97)

- Coordinated multidisciplinary treatment teams providing services to families.
- Psychosocial assessment & case planning.
- Care Management (Medicaid reimbursable).
- Individual and family counseling.
- Placement and supervision of children in foster care.
- Preparation of court reports.

ADOPTION SOCIAL WORKER: Vermont Department of Social & Rehabilitation Services, St. Johnsbury & Newport, Vermont (4/90 -9/94)

- Recruitment, training and assessment of adoptive applicants.
- Placement and supervision of abused and neglected children with adoptive families.
- Counseling with birth parents considering the voluntary relinquishment of a child.
- Consultation with casework staff regarding adoption issues.
- Preparation of adoption homes studies and probate court reports.

FOSTER CARE COORDINATOR: Vermont Department of Social & Rehabilitation Services, St. Johnsbury, Vermont (12/86 - 4/90)

- Managed a foster care program serving approximately fifty children.
- Fiscal administration, program planning and evaluation.
- Curriculum development and in-service training.

ASSISTANT DIRECTOR: Upward Bound Project, Lyndon State College (9/85 - 12/86)

- Co-directed a college preparatory program for disadvantaged youth.
- Formulated program goals and evaluated outcomes.
- Co-authored a successful federal grant proposal totaling more than \$400.00.
- Training, supervision and evaluation of staff.
- Academic and career counseling.

EDUCATION

MASTERS OF SOCIAL WORK (M.S.W.) May 1996. University of Vermont

- 1st year field internship: Reach Up Program, Vermont Department of Social Welfare
- 2nd year clinical internship: Fletcher Allen Health Care, Inpatient Psychiatric Unit

BACHELOR OF SCIENCE (B.S.) Behavioral Science and Special Education. May, 1984.
Lyndon State College, Lyndonville, Vermont

REFERENCES

Available upon request

Loretta L. Morrisette

Experience

Registered Dental Hygienist 2000 to present
School-Based Oral Health Program Coordinator
Coos County Family Health Services *133 Pleasant St., Berlin, N.H.*

Responsibilities of school-based services include classroom education, oral screenings, preventive dental hygiene services, and case management of referrals for restorative treatment. Additional program elements include a weekly fluoride rinse program, community day care education programs, vouchers for restorative services, and participation in various health fairs.

Registered Dental Hygienist 1992 to 2000
Eugene Kruysman, D.M.D. *301 Pleasant St., Berlin, N.H.*

Responsibilities include medical history inventory, oral home care assessment and oral hygiene instruction. All aspects of prophylaxis including supragingival and subgingival scaling, ultrasonic scaling, probing, coronal polishing and fluoride treatments. Related duties include radiographs, sealants, completion of applicable insurance forms and instrument sterilization.

Registered Dental Hygienist 1991-1992
David Taylor, D.M.D. *Littleton, N.H.*

Education

Associate of Science
Certification in Dental Hygiene
New Hampshire Technical Institute

New Hampshire licensed Registered Dental Hygienist



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



6/19/13
93

May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

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

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education, or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 3 of 4

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

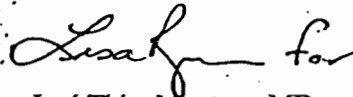
Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 4 of 4

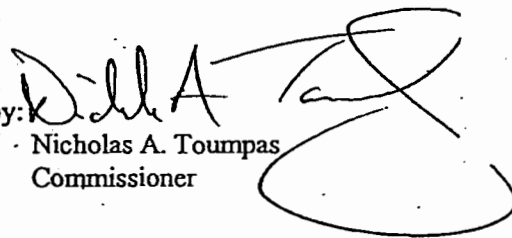
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

Subject: Community and school-based oral health services will be delivered to individuals living in the North Country

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Coos County Family Health Services, Inc.		1.4 Contractor Address 54 Willow Street Berlin, NH 03570	
1.5 Contractor Phone Number (603) 752-3669 Ext. 4014	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$194,000
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature <i>Adele D. Woods</i>		1.12 Name and Title of Contractor Signatory <i>Adele D. Woods, Chief Executive Officer (CEO)</i>	
1.13 Acknowledgement: State of <u>NH</u> County of <u>Coos</u> On <u>2/29/13</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace <i>Linda Blanchette</i> [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace LINDA BLANCHETTE, Notary Public My Commission Expires September 17, 2013			
1.14 State Agency Signature <i>Lisa L. Bujno</i>		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>James P. Herrick</i> Attorney On: <u>28 May 2013</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.

NH Department of Health and Human Services

Exhibit A
Scope of Services

North Country Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Coos County Family Health Services, Inc.

ADDRESS: 54 Willow Street
Berlin, NH 03570

Chief Executive Officer: Adele D. Woods
TELEPHONE: (603) 752-3669 Ext. 4014

The Contractor shall provide community-based and school-based oral health services as specified below:

I. General Provisions

The contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children and adults within the defined service area who don't have regular access to oral health care.

A. The contractor shall use one of the following models to provide the following services:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

B. Numbers Served

Oral assessments are to be provided to a minimum of 1,125 individuals throughout each year of the contract term.

C. Eligibility and Income Determination

1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.

2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

D. Relevant Policies and Guidelines

The community and school-based oral health programs shall:

1. Require no fee for any Medicaid client.
2. Assist eligible families with Medicaid enrollment directly or through referral.
3. Become a Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Resources shall be directed to evidence-based interventions.
7. Explore and secure future funding sources.

E. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

F. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

G. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

H. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The community-based and school-based oral health programs shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.

7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Workplans

1. Performance Workplans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The workplans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Workplan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based workplan with this application for funding and by July 15th of the second contract year.
4. The Contractor shall comply with minor modifications and/or additions to the workplan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Workplans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Workplans and Workplan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.

5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Workplan.

D. Performance Measures

Community- Based Performance Measures

1. A minimum of 500 pediatric clients (0-less than 19 years) shall receive oral screenings
2. A minimum of 500 adult clients (19 and older) shall receive oral screenings
3. Percent of clients receiving prophylaxis
4. Percent of clients receiving restorative treatment
5. Percent of children receiving dental sealants
6. Percent of broken dental appointments (visits)

School-Based Oral Health Performance Measures

1. A minimum of 75% of 2nd and 3rd grade students returning consent forms
2. A minimum of 200 2nd and 3rd grade students shall receive oral screenings
3. Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
4. Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
5. 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
6. Percent of all 2nd and 3rd grade students screened with a history of decay

NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

North Country Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Coos County Family Health Services, Inc.

ADDRESS: 54 Willow Street
Berlin, NH 03570

Chief Executive Officer: Adele D. Woods
TELEPHONE: (603) 752-3669 Ext. 4014

Vendor #155327-B001 Job #90072003 Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$194,000 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control(CDC)(CFDA #93.991) and 55.3% from General funds.

TOTAL: \$194,000

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.

6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

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NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- ☐ (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- X (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Adele D. Woods

Contractor Signature

CEO

Contractor's Representative Title

Coos County Family Health Services, Inc.

Contractor Name

3/29/13

Date

adw
3/29/13

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

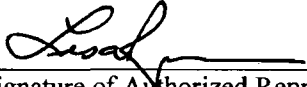
IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

DIVISION OF PUBLIC HEALTH SERVICES

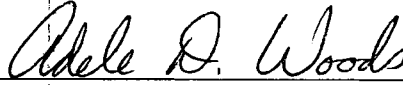
The State Agency Name

COOS COUNTY FAMILY HEALTH SERVICES, INC.

Name of Contractor



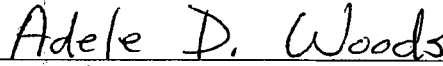
Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative



Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative



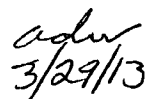
Title of Authorized Representative

3/30/13

Date

3/29/13

Date



KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Coos County Family Health Services

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: F.Y. 16 (7/1/16 - 6/30/16)			
Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Ken Gordon, CEO	\$130,000	0.00%	\$0.00
Loretta Morrisette, RDH	\$62,000	49.63%	\$30,769.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$30,769.00

BUDGET PERIOD: F.Y. 16 (7/1/16 - 6/30/16)			
Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Ken Gordon, CEO	\$135,000	0.00%	\$0.00
Loretta Morrisette, RDH	\$63,000	48.84%	\$30,769.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$30,769.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract**. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.

Kg
3-5-15



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Easter Seals New Hampshire (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 555 Auburn Street, Manchester, NH 03103.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$142,400
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

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

3/23/15
Date

State of New Hampshire
Department of Health and Human Services
Brook Dupee
Brook Dupee
Bureau Chief

3/3/2015
Date

Easter Seals New Hampshire
Elin Meenan
NAME Elin Meenan
TITLE CFO

Acknowledgement:

State of New Hampshire, County of Hillsborough on March 3, 2015, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Wendy M. Boalee
Name and Title of Notary or Justice of the Peace
Wendy M. Boalee

My commission expires: 10/15/19

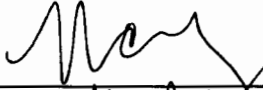
New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

OFFICE OF THE ATTORNEY GENERAL

4/9/15
Date


Name: Megan Ayers
Title: Attorney General

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Scope of Services

The Contractor shall provide community-based oral health services as specified herein:

1. General Provisions

1.1. The contractor shall use one of the following models to provide the following services:

- 1.1.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.1.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

1.2. Eligibility and Income Determination

- 1.2.1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. Relevant Policies and Guidelines

The community-based oral health program shall:

- 1.3.1. Require no fee for any Medicaid client.
- 1.3.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.3.3. Become a Medicaid provider for qualified clients.
- 1.3.4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
- 1.3.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.3.6. Resources shall be directed to evidence-based interventions.
- 1.3.7. Explore and secure future funding sources.

1.4. Numbers Served

Oral screening services are to be provided to a minimum of 1,000 individuals throughout each year of the contract term.

ET
3/13/2015



Exhibit A Amendment #1

1.5. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.5.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.5.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.5.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.5.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.5.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.6. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.6.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.6.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.6.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.7. Publications Funded Under Contract

- 1.7.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.7.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.7.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

EF
5/5/2015



Exhibit A Amendment #1

1.8. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The community-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program that includes dental sealants and Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Hygienist for students and adults through a school-based or community-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children and adults without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this



Exhibit A Amendment #1

scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:



Exhibit A Amendment #1

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

3.4.1. Community-Based Performance Measures:

- A minimum of 650 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 650 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$36,100 in SFY 2016 and \$35,100 in SFY 2017 for oral health initiatives, for a total amount of \$71,200.
 - b. Funding is available as follows:
 - \$31,826 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$39,374 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

ET
3/3/2015

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Easter Seals New Hampshire

**Statewide Community and School Based Oral
Budget Request for: Health Services**

Budget Period: 7/1/15 - 6/30/16

	Direct	Indirect	Total
1. Total Salary/Wages	\$ 25,539	\$ 2,554	\$ 28,093
2. Employee Benefits	\$ 7,279	\$ 728	\$ 8,007
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ -	\$ -	\$ -
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL	\$ 32,818	\$ 3,282	\$ 36,100

Indirect As A Percent of Direct

10%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: ET

Date: 5/13/2015

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Easter Seals New Hampshire

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

	Direct Expenses	Indirect Fees	Total
1. Total Salary/Wages	\$ 24,832	\$ 2,483	\$ 27,315
2. Employee Benefits	\$ 7,077	\$ 708	\$ 7,785
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ -	\$ -	\$ -
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL	\$ 31,909	\$ 3,191	\$ 35,100

Indirect As A Percent of Direct

10%

NH DHHS
 Exhibit B-1 Budget

Contractor Initials: ET

Date: 3/3/2015



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.



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis

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3/3/2015



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



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. **Renewal:**

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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3/13/2011



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

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

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

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

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

Exhibit G- Amendment #1

Contractor Initials

ET

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

3/3/2015

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



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

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

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

Contractor Name: Easter Seeds NH, LLC

3/3/2015
Date

[Signature]
Name: Elyseann
Title: CEO

Exhibit G- Amendment #1

Contractor Initials ET

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

Date 3/3/2015



Exhibit I - Amendment #1

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]
3/3/2014



Exhibit I Amendment #1

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

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

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

ET

3/3/2015



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

ET

3/3/2014



Exhibit I Amendment #1

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

ET

3/13/2015



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

ET
3/13/2014



Exhibit I Amendment #1

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

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

New Hampshire
The State
[Signature]
Signature of Authorized Representative
Brook Dupre
Name of Authorized Representative
Business Unit
Title of Authorized Representative
3/23/15
Date

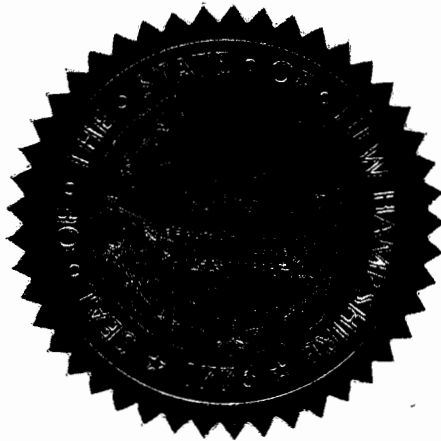
Easter Seals NH, Inc.
Name of the Contractor
[Signature]
Signature of Authorized Representative
ELIN TIRPANO
Name of Authorized Representative
CFU
Title of Authorized Representative
3/13/2015
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that 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 cursive script, reading "Wm Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

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

1. I am a duly elected Officer of Kaster Seals NH, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on June 11, 2014:
(Date)

RESOLVED: That the Chief Financial Officer
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 3rd day of March, 2015.
(Date Contract Signed)

4. Elin Treanor is the duly elected Chief Financial Officer
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Betty Burke
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Hillsborough

The forgoing instrument was acknowledged before me this 3rd day of March, 2015.

By Betty Burke
(Name of Elected Officer of the Agency)

Sherry M. Boelee
(Notary Public/Justice of the Peace)
Wendy M. Boelee

(NOTARY SEAL)

Commission Expires: 10/15/19

Client#: 497072

EASTESEA7

ACORD**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)
8/22/2014

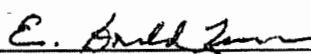
THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN 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 USI Insurance Services LLC 3 Executive Park Dr., Suite 300 Bedford, NH 03110 855-874-0123		CONTACT NAME: PHONE (A/C, No, Ext): 855-874-0123 FAX (A/C, No): 603-625-1107 E-MAIL ADDRESS: sandy.lacroix@usi.biz	
INSURED Easter Seals NH, Inc. Easter Seals NY, Inc. 555 Auburn Street Manchester, NH 03103		INSURER(S) AFFORDING COVERAGE INSURER A: Philadelphia Insurance Company NAIC # 23850 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES		CERTIFICATE NUMBER:		REVISION NUMBER:		
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
INSR LTR	TYPE OF INSURANCE	ADDL 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	X X	PHPK1220846	09/01/2014	09/01/2015	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 \$
A	AUTOMOBILE LIABILITY ☒ ANY AUTO ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS		PHPK1220846	09/01/2014	09/01/2015	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 \$10,000		PHUB471553	09/01/2014	09/01/2015	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000 \$ WC STATU-TORY LIMITS ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
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						

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., Manchester Alcohol Rehabilitation Center, Inc., dba The Farnum Center, Easter Seals VT, 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 a written contract or written agreement between the named insured and the (See Attached Descriptions)

CERTIFICATE HOLDER State of NH Dept. of Health & Human Services 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 

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/12/2014

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 Hays Companies of New England 133 Federal Street 2nd Floor Boston, MA 02110	1-617-723-7775	CONTACT NAME: John Paul Foley PHONE (A/C, No, Ext): E-MAIL ADDRESS: jfoley@hayscompanies.com FAX (A/C, No):
INSURED Easter Seals New Hampshire, Inc. 555 Auburn Street Manchester, NH 03103-4803		INSURER(S) AFFORDING COVERAGE INSURER A: UNITED STATES FIRE INS CO INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:
		NAIC # 21113

COVERAGES**CERTIFICATE NUMBER:** 42315995**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 INSR	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 ☐ EXCESS LIAB ☐ OCCUR ☐ CLAIMS-MADE DED RETENTION \$						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			406-719683 1	01/01/15	01/01/16	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

Department of Health & Human Services

129 Pleasant St.

Concord, NH 03301

USA

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



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, 2014 and 2013
With Independent Auditors' Report*

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION**

For the Years Ended August 31, 2014 and 2013

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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 consolidated statements of financial position as of August 31, 2014 and 2013, 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 Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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, 2014 and 2013, 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 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 5, 2014 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 5, 2014

Baker Newman & Noyes
Limited Liability Company

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 2,757,134	\$ 3,042,621
Accounts receivable from affiliates	341,653	247,471
Program and other accounts receivable, less contractual allowance of \$218,900 in 2014 and \$210,300 in 2013, and allowance for doubtful accounts of \$440,800 in 2014 and \$930,400 in 2013	10,122,747	11,224,708
Contributions receivable, less allowance for doubtful accounts of \$45,400 in 2014 and \$25,500 in 2013	705,374	686,110
Current portion of assets limited as to use	300,046	541,961
Prepaid expenses and other current assets	<u>678,326</u>	<u>783,844</u>
Total current assets	14,905,280	16,526,715
Assets limited as to use, net of current portion	986,277	4,558,513
Fixed assets, net	25,094,383	28,066,884
Property held for sale	1,289,894	822,504
Bond issuance costs, net	235,113	244,751
Investments, at fair value	13,833,046	14,264,341
Beneficial interest in trusts held by others and other assets	<u>1,550,919</u>	<u>6,830,800</u>
	<u>\$57,894,912</u>	<u>\$71,314,508</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Lines of credit	\$ 2,197,904	\$ 4,212,394
Accounts payable	1,907,743	1,812,128
Accrued expenses	4,251,482	4,143,454
Current portion of deferred revenue	858,258	839,567
Current portion of interest rate swap agreements	615,570	708,132
Current portion of long-term debt	<u>4,228,339</u>	<u>796,290</u>
Total current liabilities	14,059,296	12,511,965
Deferred revenue, net of current portion	999,167	4,218,053
Other liabilities	987,185	1,367,458
Interest rate swap agreements, less current portion	2,714,243	2,050,214
Long-term debt, less current portion	<u>18,976,300</u>	<u>25,318,667</u>
Total liabilities	37,736,191	45,466,357
Net assets:		
Unrestricted	14,189,337	14,767,708
Temporarily restricted	944,862	925,437
Permanently restricted	<u>5,024,522</u>	<u>10,155,006</u>
Total net assets	<u>20,158,721</u>	<u>25,848,151</u>
	<u>\$57,894,912</u>	<u>\$71,314,508</u>

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenue:				
Public support:				
Contributions	\$ 744,262	\$ 542,179	\$ 13,813	\$ 1,300,254
Special events, net of related direct costs of \$819,901	1,059,080	756,895	—	1,815,975
Annual campaigns, net of related direct costs of \$67,889	468,261	33,589	—	501,850
Bequests	448,558	—	—	448,558
Net assets released from restrictions	<u>1,356,595</u>	<u>(1,356,595)</u>	<u>—</u>	<u>—</u>
Total public support	4,076,756	(23,932)	13,813	4,066,637
Revenue:				
Fees and grants from governmental agencies	67,725,297	—	—	67,725,297
Other fees and grants	25,094,296	—	—	25,094,296
Sales to public	4,270,196	—	—	4,270,196
Dividend and interest income	742,337	3,613	—	745,950
Rental income	65,204	—	—	65,204
Other	<u>459,188</u>	<u>—</u>	<u>—</u>	<u>459,188</u>
Total revenue	<u>98,356,518</u>	<u>3,613</u>	<u>—</u>	<u>98,360,131</u>
Total public support and revenue	102,433,274	(20,319)	13,813	102,426,768
Operating expenses:				
Program services:				
Public health education	515,992	—	—	515,992
Professional education	29,065	—	—	29,065
Direct services	<u>89,987,134</u>	<u>—</u>	<u>—</u>	<u>89,987,134</u>
Total program services	90,532,191	—	—	90,532,191
Supporting services:				
Management and general	9,419,570	—	—	9,419,570
Fundraising	<u>2,006,939</u>	<u>—</u>	<u>—</u>	<u>2,006,939</u>
Total supporting services	<u>11,426,509</u>	<u>—</u>	<u>—</u>	<u>11,426,509</u>
Total functional expenses	101,958,700	—	—	101,958,700
Support of National programs	<u>122,586</u>	<u>—</u>	<u>—</u>	<u>122,586</u>
Total operating expenses	<u>102,081,286</u>	<u>—</u>	<u>—</u>	<u>102,081,286</u>
Increase (decrease) in net assets from operations	351,988	(20,319)	13,813	345,482

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)

Year Ended August 31, 2014

	<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	\$ (594,854)	\$ —	\$ —	\$ (594,854)
Net unrealized and realized gains on investments	1,496,964	37,986	—	1,534,950
Increase in fair value of beneficial interest in trusts held by others	—	—	574,970	574,970
Gain on sales and disposals of property, plant and equipment	14,352	—	—	14,352
Other nonoperating losses	<u>(249,092)</u>	<u>—</u>	<u>—</u>	<u>(249,092)</u>
	<u>667,370</u>	<u>37,986</u>	<u>574,970</u>	<u>1,280,326</u>
 Increase in net assets before effects of deconsolidation of affiliate	 1,019,358	 17,667	 588,783	 1,625,808
 Deconsolidation of affiliate – see note 12	 <u>(121,612)</u>	 <u>(200)</u>	 <u>(5,719,267)</u>	 <u>(5,841,079)</u>
 Increase (decrease) in net assets before effects of discontinued operations	 897,746	 17,467	 (5,130,484)	 (4,215,271)
 Loss from discontinued operations – see note 13	 <u>(1,476,117)</u>	 <u>1,958</u>	 <u>—</u>	 <u>(1,474,159)</u>
 Total (decrease) increase in net assets	 (578,371)	 19,425	 (5,130,484)	 (5,689,430)
 Net assets at beginning of year	 <u>14,767,708</u>	 <u>925,437</u>	 <u>10,155,006</u>	 <u>25,848,151</u>
 Net assets at end of year	 <u>\$ 14,189,337</u>	 <u>\$ 944,862</u>	 <u>\$ 5,024,522</u>	 <u>\$ 20,158,721</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	\$ 861,583	\$ 1,622,346	\$ 13,648	\$ 2,497,577
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	3,977,768	307,741	13,648	4,299,157
Revenue:				
Fees and grants from governmental agencies	63,628,203	—	—	63,628,203
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>679,263</u>	<u>—</u>	<u>—</u>	<u>679,263</u>
Total revenue	<u>93,166,169</u>	<u>1,141</u>	<u>—</u>	<u>93,167,310</u>
Total public support and revenue	97,143,937	308,882	13,648	97,466,467
Operating expenses:				
Program services:				
Public health education	609,102	—	—	609,102
Professional education	41,275	—	—	41,275
Direct services	<u>84,342,495</u>	<u>—</u>	<u>—</u>	<u>84,342,495</u>
Total program services	84,992,872	—	—	84,992,872
Supporting services:				
Management and general	9,403,893	—	—	9,403,893
Fundraising	<u>1,755,299</u>	<u>—</u>	<u>—</u>	<u>1,755,299</u>
Total supporting services	<u>11,159,192</u>	<u>—</u>	<u>—</u>	<u>11,159,192</u>
Total functional expenses	96,152,064	—	—	96,152,064
Support of National programs	<u>121,780</u>	<u>—</u>	<u>—</u>	<u>121,780</u>
Total operating expenses	<u>96,273,844</u>	<u>—</u>	<u>—</u>	<u>96,273,844</u>
Increase in net assets from operations	870,093	308,882	13,648	1,192,623

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
Other nonoperating losses	(107,120)	—	—	(107,120)
Gain on sales and disposals of property, plant and equipment	<u>7,392</u>	<u>—</u>	<u>—</u>	<u>7,392</u>
	<u>3,067,400</u>	<u>24,173</u>	<u>239,436</u>	<u>3,331,009</u>
Increase in net assets before effects of discontinued operations	3,937,493	333,055	253,084	4,523,632
Loss from discontinued operations	<u>(1,107,544)</u>	<u>(6,368)</u>	<u>—</u>	<u>(1,113,912)</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 FUNCTIONAL EXPENSES

Year Ended August 31, 2014

	<u>Program Services⁽¹⁾</u>				<u>Supporting Services⁽¹⁾</u>			<u>Total Program⁽¹⁾ and Supporting Services Expenses</u>	
	<u>Public Health Education</u>	<u>Profes- sional Education</u>	<u>Direct Services</u>	<u>Total</u>	<u>Manage- ment and General</u>	<u>Fund- Raising</u>	<u>Total</u>	<u>2014</u>	<u>2013</u>
Salaries and related expenses	\$377,333	\$ —	\$68,675,876	\$69,053,209	\$6,215,011	\$1,585,198	\$ 7,800,209	\$ 76,853,418	\$71,803,968
Professional fees	20,447	—	7,603,267	7,623,714	1,739,786	144,242	1,884,028	9,507,742	9,220,138
Supplies	5,348	—	2,573,547	2,578,895	70,007	29,342	99,349	2,678,244	2,701,644
Telephone	2,103	—	546,513	548,616	306,174	12,483	318,657	867,273	842,598
Postage and shipping	5,776	—	60,188	65,964	37,433	9,607	47,040	113,004	114,771
Occupancy	13,740	—	3,567,064	3,580,804	382,641	116,960	499,601	4,080,405	3,818,455
Outside printing, artwork and media	44,572	—	45,428	90,000	6,951	30,076	37,027	127,027	129,997
Travel	5,695	—	2,515,521	2,521,216	47,958	25,749	73,707	2,594,923	2,603,224
Conventions and meetings	36,240	29,065	208,482	273,787	57,207	39,580	96,787	370,574	391,528
Specific assistance to individuals	(1)	—	1,232,641	1,232,640	12,820	—	12,820	1,245,460	956,791
Dues and subscriptions	—	—	23,206	23,206	14,917	2,716	17,633	40,839	49,217
Minor equipment purchases and equipment rental	537	—	256,918	257,455	106,538	5,663	112,201	369,656	426,239
Ads, fees and miscellaneous	4,075	—	30,638	34,713	5,316	3,747	9,063	43,776	99,624
Interest	—	—	934,985	934,985	241,231	—	241,231	1,176,216	1,093,656
Facility tax assessment	—	—	182,791	182,791	—	—	—	182,791	311,041
Depreciation and amortization	127	—	1,530,069	1,530,196	175,580	1,576	177,156	1,707,352	1,589,173
	<u>\$515,992</u>	<u>\$29,065</u>	<u>\$89,987,134</u>	<u>\$90,532,191</u>	<u>\$9,419,570</u>	<u>\$2,006,939</u>	<u>\$11,426,509</u>	<u>\$ 101,958,700</u>	<u>\$96,152,064</u>
	0.51%	0.03%	88.26%	88.80%	9.24%	1.96%	11.20%	100.00%	100.00%

⁽¹⁾ Excludes expenses related to deconsolidated affiliate and discontinued operations – see notes 12 and 13.

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	Total	Manage- ment and General	Fund- Raising	Total	2013
Salaries and related expenses	\$432,105	\$ —	\$64,016,840	\$64,448,945	\$6,141,709	\$1,213,314	\$ 7,355,023	\$71,803,968
Professional fees	24,682	—	7,352,186	7,376,868	1,605,708	237,562	1,843,270	9,220,138
Supplies	19,447	—	2,580,451	2,599,898	69,601	32,145	101,746	2,701,644
Telephone	3,233	—	525,614	528,847	301,010	12,741	313,751	842,598
Postage and shipping	4,968	—	52,626	57,594	49,897	7,280	57,177	114,771
Occupancy	18,838	—	3,194,945	3,213,783	495,234	109,438	604,672	3,818,455
Outside printing, artwork and media	30,470	—	46,206	76,676	9,565	43,756	53,321	129,997
Travel	13,155	—	2,521,678	2,534,833	35,696	32,695	68,391	2,603,224
Conventions and meetings	45,984	41,275	208,479	295,738	45,752	50,038	95,790	391,528
Specific assistance to individuals	—	—	944,796	944,796	11,995	—	11,995	956,791
Dues and subscriptions	1,318	—	21,710	23,028	16,128	10,061	26,189	49,217
Minor equipment purchases and equipment rental	4,592	—	266,270	270,862	152,783	2,594	155,377	426,239
Ads, fees and miscellaneous	10,104	—	73,694	83,798	13,423	2,403	15,826	99,624
Interest	—	—	856,315	856,315	237,341	—	237,341	1,093,656
Facility tax assessment	—	—	311,041	311,041	—	—	—	311,041
Depreciation and amortization	206	—	1,369,644	1,369,850	218,051	1,272	219,323	1,589,173
	<u>\$609,102</u>	<u>\$41,275</u>	<u>\$84,342,495</u>	<u>\$84,992,872</u>	<u>\$9,403,893</u>	<u>\$1,755,299</u>	<u>\$11,159,192</u>	<u>\$96,152,064</u>
	0.63%	0.04%	87.72%	88.39%	9.78%	1.83%	11.61%	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, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (5,689,430)	\$ 3,409,720
Adjustments to reconcile (decrease) increase in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,771,703	1,807,843
Bad debt provision	265,007	774,569
Increase in fair value of beneficial interest in trusts held by others	(574,970)	(239,436)
Net loss (gain) on sales and disposals of property, plant and equipment and property held for sale and impairment losses	125,346	(283,942)
Change in fair value of interest rate swaps	594,855	(2,377,632)
Net unrealized and realized gains on investments	(1,534,950)	(813,669)
Deconsolidation of affiliate – see note 12	5,841,079	–
Changes in operating assets and liabilities:		
Accounts receivable from affiliates	(94,182)	194,509
Program and other accounts receivable	818,382	(2,677,707)
Contributions receivable	(20,090)	(194,381)
Prepaid expenses and other current assets	102,454	520,329
Other assets	81,516	(4,483)
Accounts payable and accrued expenses	304,390	(1,037,545)
Rate reserve	–	(435,008)
Deferred revenue	(61,478)	(478,150)
Other liabilities	<u>(380,273)</u>	<u>198,799</u>
Net cash provided (used) by operating activities	1,549,359	(1,636,184)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,244,361)	(4,859,057)
Proceeds from sale of property, plant and equipment and property held for sale	15,225	531,189
Cash provided for deconsolidation of affiliate	(21,440)	–
(Increase) decrease in investments, net	1,709,413	(444,915)
Change in assets limited as to use	<u>265,625</u>	<u>375,304</u>
Net cash provided (used) by investing activities	724,462	(4,397,479)
Cash flows from financing activities:		
Repayment of long-term debt	(825,393)	(750,199)
Issuance of long-term debt	280,575	3,194,506
Repayments on lines of credit	(53,526,692)	(27,372,936)
Borrowings on lines of credit	<u>51,512,202</u>	<u>29,602,726</u>
Net cash (used) provided by financing activities	<u>(2,559,308)</u>	<u>4,674,097</u>
Decrease in cash and cash equivalents	(285,487)	(1,359,566)
Cash and cash equivalents, beginning of year	<u>3,042,621</u>	<u>4,402,187</u>
Cash and cash equivalents, end of year	<u>\$ 2,757,134</u>	<u>\$ 3,042,621</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Supplemental disclosure of cash flow information:		
Interest paid	\$ <u>1,201,000</u>	\$ <u>1,119,000</u>

In 2014, Easter Seals NH transferred its sole member interest in a consolidated affiliate to an unrelated party (see note 12). During 2014 and 2013, Easter Seals NH transferred property with a net carrying value of \$607,088 and \$16,224, respectively, from fixed assets to property held for sale.

See accompanying notes.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

1. Corporate Organization and Purpose

Easter Seals New Hampshire, Inc. and Subsidiaries (Easter Seals NH) consists of various 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; 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 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. On June 11, 2014, the Board of Directors of Easter Seals NH voted to discontinue the Pediatric Outpatient programs located in Manchester and Dover due to significant losses the programs were experiencing. 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 was September 1, 2013.

On July 31, 2014, Easter Seals NH entered into an agreement with The Connecticut Institute for the Blind, Inc. d/b/a Oak Hill (Oak Hill), an unrelated entity, whereby Easter Seals NH agreed to transfer its sole member interest in Easter Seals CT to Oak Hill for no consideration. See also note 12.

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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

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.

The management of Easter Seals NH has implemented a practice to establish cash reserves on hand. Approximately \$2,483,000 and \$2,432,000, respectively, of cash and cash equivalents, and approximately \$2,512,000 and \$2,238,000, respectively, of investments were on-hand under this practice as of August 31, 2014 and 2013, 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. Easter Seals NH recognized impairment losses on certain property held for sale in 2014 of \$139,698, which is recorded in other nonoperating losses.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

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. Intangible assets at August 31, 2014 and 2013 consist of a patient list obtained in the acquisition of Webster Place.

Expected amortization of intangible assets through the end of their useful lives is as follows:

2015	\$ 33,130
2016	33,130
2017	33,130
2018	33,130
2019	33,130
Thereafter	<u>66,263</u>
	<u>\$231,913</u>

Amortization expense recognized for the patient list in 2014 and 2013 totaled \$33,130.

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, 2014 and 2013.

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 2014 and 2013 was \$9,638.

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 \$7,654 in 2014 and \$1,046,000 in 2013 due to favorable rate adjustments approved by the State of New York.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

A third-party payor for three Easter Seals NY programs charged a facility tax assessment on a monthly basis in 2014 and 2013. The charges are 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, 2014 and 2013, the facility tax assessment due was approximately \$136,000 and \$138,000, respectively, and is recorded in deferred revenue in the accompanying statements 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. The bad debt provision in 2014 and 2013 totaled \$265,007 and \$774,569, respectively.

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 \$6,802,000 and \$7,373,000 for the years ended August 31, 2014 and 2013, respectively.

Income Taxes

Easter Seals New Hampshire, Inc., Easter Seals NY, Easter Seals ME, Easter Seals VT, Easter Seals RI, Harbor Schools, Manchester Alcoholism Rehabilitation Center and Easter Seals CT 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, 2014 and 2013

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 2011.

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, 2014 and 2013, Easter Seals NH had recognized a liability of \$3,329,813 and \$2,758,346, 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, Easter Seals NH recognized an decrease in net assets of \$571,467 (\$23,387 of which is included in deconsolidation of affiliate as an increase in net assets) for the year ending August 31, 2014, and an increase in net assets of \$2,377,632 for the year ending August 31, 2013 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, 2014 and 2013

2. Summary of Significant Accounting Policies (Continued)

Reclassifications

Certain amounts in the 2013 consolidated financial statements have been reclassified to conform to the 2014 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 5, 2014, 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, 2014 and 2013

3. Classification of Net Assets (Continued)

Endowment Net Asset Composition by Type of Fund

The major categories of endowment funds at August 31, 2014 and 2013 are as follows:

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
<u>2014</u>			
Camping program	\$ 3,072	\$ 364,869	\$ 367,941
Other programs	33,332	353,019	386,351
Operations	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$36,404</u>	<u>\$4,331,095</u>	<u>\$4,367,499</u>
<u>2013</u>			
Camping program	\$ 1,918	\$ 363,869	\$ 365,787
Other programs	18,913	340,203	359,116
Operations	<u>—</u>	<u>3,613,207</u>	<u>3,613,207</u>
Total endowment net assets	<u>\$20,831</u>	<u>\$4,317,279</u>	<u>\$4,338,110</u>

Changes in Endowment Net Assets

During the years ended August 31, 2014 and 2013, Easter Seals NH had the following endowment-related activities:

	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
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	<u>(577,197)</u>	<u>—</u>	<u>(577,197)</u>
Net endowment assets, August 31, 2013	20,831	4,317,279	4,338,110
Investment return:			
Investment income, net of fees	22,617	—	22,617
Net appreciation (realized and unrealized)	970,963	—	970,963
Contributions	—	13,816	13,816
Appropriated for expenditure	<u>(978,007)</u>	<u>—</u>	<u>(978,007)</u>
Net endowment assets, August 31, 2014	<u>\$ 36,404</u>	<u>\$4,331,095</u>	<u>\$4,367,499</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

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, 2014 and 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted (See Note 11)</u>	<u>Total Non- Endowment Net Assets</u>
<u>2014</u>				
Seniors program	\$ —	\$ 23,866	\$ —	\$ 23,866
Veterans program	263,880	9,702	—	273,582
India initiative	104,600	668,198	—	772,798
Other programs	—	174,192	—	174,192
Operations	<u>13,820,857</u>	<u>32,500</u>	<u>693,427</u>	<u>14,546,784</u>
Total non-endowment net assets	<u>\$14,189,337</u>	<u>\$908,458</u>	<u>\$ 693,427</u>	<u>\$15,791,222</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>

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, 2014 or 2013.

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, 2014 and 2013

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 \$2,420,000 and \$2,168,000 for the years ended August 31, 2014 and 2013, 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, 2014, through the remaining contractual term of the underlying lease agreements, are as follows:

Year Ended August 31:

2015	\$2,018,870
2016	1,486,328
2017	1,044,716
2018	385,129
2019	221,698
Thereafter	31,240

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, 2014 and 2013 was approximately \$65,000 and \$144,000, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

5. Fixed Assets

Fixed assets consist of the following at August 31:

	<u>2014</u>	<u>2013</u>
Buildings	\$ 27,225,674	\$ 33,015,085
Land and land improvements	2,696,051	3,494,009
Leasehold improvements	997,631	952,100
Office equipment and furniture	9,679,631	9,917,122
Vehicles	3,250,383	3,225,015
Construction in progress	<u>296,043</u>	<u>216,678</u>
	44,145,413	50,820,009
Less accumulated depreciation and amortization	<u>(19,051,030)</u>	<u>(22,753,125)</u>
	<u>\$ 25,094,383</u>	<u>\$ 28,066,884</u>

Depreciation and amortization expense related to fixed assets totaled \$1,728,935 and \$1,765,075 in 2014 and 2013, respectively. Depreciation and amortization of fixed assets included within discontinued operations in 2014 and 2013 totaled \$64,351 and \$218,670, 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, 2014 and 2013.

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>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 523,616	\$ 3,513,266
Certificates of deposit	—	554,282
Marketable equity securities	1,883,153	2,770,110
Mutual funds	11,634,793	10,992,033
Corporate and foreign bonds	711,063	903,497
Government and agency securities	<u>366,744</u>	<u>631,627</u>
	15,119,369	19,364,815
Less: assets limited as to use	<u>(1,286,323)</u>	<u>(5,100,474)</u>
Total investments, at fair value	<u>\$13,833,046</u>	<u>\$14,264,341</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

6. Investments and Assets Limited as to Use (Continued)

The composition of assets limited as to use at August 31, 2014 and 2013 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>2014</u>	<u>2013</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
Certificates of deposit	—	554,282
Mutual funds	—	428,148
Marketable equity securities	<u>—</u>	<u>151,573</u>
	—	3,444,569
Under a deferred compensation plan (see note 7):		
Investments	986,277	1,367,127
Maintained in escrow to make required payments on certain bonds (see note 8):		
Cash and cash equivalents	<u>300,046</u>	<u>288,778</u>
Total assets limited as to use	<u>\$1,286,323</u>	<u>\$5,100,474</u>

The principal components of investment income and net realized and unrealized gains included in continuing operations and other nonoperating expenses, gains and losses are summarized below.

	<u>2014</u>	<u>2013</u>
Unrestricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	\$ 742,337	\$ 681,151
Net unrealized gains	668,363	231,743
Net realized gains	<u>828,601</u>	<u>557,753</u>
	2,239,301	1,470,647
Restricted investment income and unrealized and realized gains on investments:		
Dividend and interest income	3,613	1,141
Net unrealized gains	20,109	7,631
Net realized gains	<u>17,877</u>	<u>16,542</u>
	<u>41,599</u>	<u>25,314</u>
	<u>\$2,280,900</u>	<u>\$1,495,961</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

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 \$673,000 and \$474,000 for the years ended August 31, 2014 and 2013, 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 \$128,000 and \$130,000 to this plan during the years ended August 31, 2014 and 2013, respectively. The assets and liabilities associated with this plan were \$986,277 and \$1,367,127 at August 31, 2014 and 2013, 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>2014</u>	<u>2013</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 (0.06% at August 31, 2014) through December 2034, annual principal payments continually increasing from \$400,000 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)	\$14,275,000	\$14,660,000
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% (1.91% at August 31, 2014)	4,929,360	5,052,360
Mortgage payable to a bank with a variable rate of LIBOR plus 2.65%, 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 (see deconsolidation of affiliate – note 12).	–	2,470,000

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

8. Borrowings (Continued)

	<u>2014</u>	<u>2013</u>
Non-revolving note payable to a bank with a total availability of \$3,500,000 with a variable rate of LIBOR plus 4.07% (4.23% at August 31, 2014), 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 \$3,888,720 at August 31, 2014	\$ 3,482,580	\$ 3,500,000
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	41,386	52,008
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$525 payable monthly through September 2018, secured by vehicles	24,449	—
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	37,353	73,357
Unsecured note payable to an individual with a fixed rate of 5.25%, principal and interest of \$10,311 payable monthly, due April 2016	197,002	307,232
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$2,923 payable monthly through September 2018, secured by vehicles	136,074	—
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$546 payable monthly through January 2019, secured by vehicles	27,394	—
Note payable to a bank with a fixed rate of 2.50%, principal and interest of \$195 payable monthly through March 2019, secured by vehicles	10,137	—
Note payable to a bank with a fixed rate of 2.24%, principal and interest of \$608 payable monthly through July 2019, secured by vehicles	33,925	—
Note payable to a bank with a fixed rate of 2.24%, principal and interest of \$166 payable monthly through August 2019, secured by vehicles	<u>9,979</u>	<u>—</u>
	23,204,639	26,114,957
Less current portion	<u>4,228,339</u>	<u>796,290</u>
	<u>\$18,976,300</u>	<u>\$25,318,667</u>

Principal payments on long-term debt for each of the following years ending August 31 are as follows:

2015	\$ 4,228,339
2016	698,294
2017	642,760
2018	669,263
2019	643,064
Thereafter	<u>16,322,919</u>
	<u>\$23,204,639</u>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

8. **Borrowings (Continued)**

Lines of Credit and Other Financing Arrangements

Easter Seals New Hampshire, Inc. had an agreement with a bank for a \$500,000 nonrevolving equipment line of credit. The line of credit was 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 was at a fixed rate at the then prime rate minus 0.75% for maturities up to a five-year term. Upon maturity of this agreement, the balances outstanding under the note payable at August 31, 2014 and 2013 were converted to various term notes secured by vehicles, as described above.

Easter Seals New Hampshire, Inc. also has an agreement with a bank for a \$500,000 revolving equipment line, which can be used to fund the purchase of New Hampshire titled vehicles for use by Easter Seals NH through June 2017. Advances are converted to term notes as utilized. The interest rate charged on outstanding borrowings is at a fixed rate equal to the then Business Vehicle Rate at the time of the advance for maturities up to a five year term. Included in long-term debt are two notes payable of \$33,925 and \$9,979 at August 31, 2014 that originated under this agreement. Availability under this agreement at August 31, 2014 is approximately \$456,000.

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 \$59,000). 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% (2.41% at August 31, 2014). 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, 2014 and 2013 were \$262,356 and \$262,356, respectively, related to Harbor Schools, \$1,935,548 and \$1,599,505, respectively, related to Easter Seals NY and \$0 and \$1,425,875, respectively, related to Easter Seals NH.

Easter Seals CT had a demand revolving line of credit with a bank with available borrowings up to \$1 million. The interest rate charged on outstanding borrowings was at LIBOR plus 2.25%. The line was 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 was guaranteed by Easter Seals NH. The agreement also limited Easter Seals CT's ability to incur additional indebtedness in excess of \$1,000,000 related to real estate, and was cross collateralized with all Easter Seals NH borrowings at this bank. Amounts outstanding under this revolving line of credit agreement at August 31, 2013 were \$924,658 (see deconsolidation of affiliate – note 12).

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

8. **Borrowings (Continued)**

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 \$300,046 and \$288,778 at August 31, 2014 and 2013, 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 for \$14,450,993 each (expiring and subject to renewal on March 15, 2015, 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 \$14,450,993 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 \$183,000 and \$157,000 in 2014 and 2013, respectively.

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 \$14,275,000 and \$14,660,000 at August 31, 2014 and 2013, 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 (0.06% at August 31, 2014).

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 \$4,929,360 and \$5,052,360 at August 31, 2014 and 2013, 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).

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

8. Borrowings (Continued)

On December 27, 2010, Easter Seals CT entered into an interest rate swap agreement in connection with an outstanding mortgage payable of \$2,470,000 at August 31, 2013. The original notional amount of \$1,800,000 reduces ratably in conjunction with repayment of the note payable. The swap agreement effectively changed the variable rate to a fixed rate of 2.72% for the notional amounts outstanding, which is approximately 65% of the related mortgage payable (see deconsolidation of affiliate – note 12).

The fair value of the above interest rate swap agreements totaled \$3,329,813 and \$2,758,346 at August 31, 2014 and 2013, respectively, \$615,570 and \$708,132 of which was current at August 31, 2014 and 2013, respectively. During the years ended August 31, 2014 and 2013 net payments required by the agreements totaled \$674,448 and \$692,269, respectively. These payments have been included in interest expense within the accompanying consolidated statements of activities and changes in net assets. See note 11 with respect to fair value determinations.

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, 2014, 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% of other fees and grants revenue is derived from a pass-through grant from Easter Seals, Inc. for both years ended August 31, 2014 and 2013. Easter Seals NH is a member of Easter Seals, Inc. As of August 31, 2014 and 2013, Easter Seals NH had a receivable of \$334,352 and \$247,471, respectively, from Easter Seals, Inc. related to amounts due under this grant. Easter Seals NH also has an amount due from Easter Seals CT of \$7,301 at August 31, 2014 (see also note 12). Membership fees to Easter Seals, Inc. were \$122,586 and \$121,780 for the years ended August 31, 2014 and 2013, respectively and are reflected as support of National programs on the accompanying consolidated statements of activity and changes in net assets.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

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.

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, 2014 and 2013.

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.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

11. Fair Value of Financial Instruments (Continued)

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.

At August 31, 2014 and 2013, 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>2014</u>				
Assets:				
Assets limited as to use and investments at fair value:				
Cash and cash equivalents	\$ 523,616	\$ —	\$ —	\$ 523,616
Marketable equity securities:				
Large-cap	1,238,248	—	—	1,238,248
International	644,905	—	—	644,905
Mutual funds, open-ended:				
Short-term fixed income	3,562,348	—	—	3,562,348
Intermediate-term bond fund	824,376	—	—	824,376
High yield bond fund	264,363	—	—	264,363
Foreign bond	14,168	—	—	14,168
Government securities	752,030	—	—	752,030
International equities	784,490	—	—	784,490
Domestic, large-cap	1,500,128	—	—	1,500,128
Domestic, mid-cap	147,920	—	—	147,920
Domestic, small-cap	3,480	—	—	3,480
Domestic, Multi Alt	112,233	—	—	112,233
Real estate fund	128,303	—	—	128,303

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds, closed-ended:				
Domestic, large-cap	\$ 2,510,846	\$ —	\$ —	\$ 2,510,846
Domestic, mid-cap	508,556	—	—	508,556
Domestic, small-cap	193,682	—	—	193,682
International equity	326,879	—	—	326,879
Commodity	991	—	—	991
Corporate and foreign bonds	—	711,063	—	711,063
Government and agency securities	<u>366,744</u>	<u>—</u>	<u>—</u>	<u>366,744</u>
	<u>\$14,408,306</u>	<u>\$ 711,063</u>	<u>\$ —</u>	<u>\$15,119,369</u>
Beneficial interest in trust held by others:				
Money market funds	\$ 16,172	\$ —	\$ —	\$ 16,172
Marketable equity securities:				
Large-cap	225,799	57,705	—	283,504
Small-cap	—	33,685	—	33,685
International	—	72,307	—	72,307
Emerging markets	46,695	—	—	46,695
Mutual funds:				
Domestic fixed income	—	133,076	—	133,076
International fixed income	30,821	—	—	30,821
Commodity	42,050	—	—	42,050
Real estate investment trust	<u>35,117</u>	<u>—</u>	<u>—</u>	<u>35,117</u>
	<u>\$ 396,654</u>	<u>\$ 296,773</u>	<u>\$ —</u>	<u>\$ 693,427</u>
Liabilities:				
Interest rate swap agreements	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,329,813</u>	<u>\$ 3,329,813</u>

2013

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

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

11. Fair Value of Financial Instruments (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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
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>

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

11. Fair Value of Financial Instruments (Continued)

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, 2014 and 2013:

	<u>Interest Rate Swaps</u>	<u>Alternative and Other Asset Funds</u>
Beginning 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	(2,758,346)	88,834
Unrealized loss, net	(594,854)	—
Deconsolidation of affiliate – see note 12	<u>23,387</u>	<u>(88,834)</u>
Ending balance, August 31, 2014	<u>\$ (3,329,813)</u>	<u>\$ —</u>

Excluding the impact of the deconsolidation of an affiliate (see note 12), 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, 2014 and 2013 were \$(594,854) and \$2,377,632, 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, 2014 and 2013 were \$0 and \$10,220, 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. Deconsolidation of Related Entity

On July 31, 2014, Easter Seals NH entered into an agreement with The Connecticut Institute for the Blind, Inc. d/b/a Oak Hill (Oak Hill), an unrelated entity, whereby Easter Seals NH agreed to transfer its sole member interest in Easter Seals CT to Oak Hill for no consideration. Accordingly, all of the assets, liabilities and net assets of Easter Seals CT were transferred to Oak Hill effective July 31, 2014. Easter Seals NH was concurrently released from all guarantees and other obligations related to Easter Seals CT. Easter Seals NH recognized a decrease in net assets of \$5,841,079 as a result of the deconsolidation of Easter Seals CT. The accompanying 2014 consolidated financial statements include the operating results of Easter Seals CT for the period from September 1, 2013 through July 31, 2014 and the year ended August 31, 2013.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

12. Deconsolidation of Related Entity (Continued)

Summary statements of financial position and activities of Easter Seals CT for the period ended July 31, 2014 and year ended August 31, 2013 follow:

	July 31, 2014 <u>(Unaudited)</u>	August 31, 2013 <u></u>
Assets:		
Cash and cash equivalents	\$ 21,440	\$ 270,732
Program and other accounts receivable, net	18,572	283,994
Assets limited as to use	3,548,526	3,444,569
Investments, at fair value	256,832	1,699,874
Beneficial interest in trust held by others	5,719,267	5,207,585
Fixed assets	1,879,966	1,919,988
Other assets	<u>24,828</u>	<u>108,708</u>
Total assets	11,469,431	12,935,450
Liabilities and net assets:		
Line of credit	—	(924,658)
Deferred revenue	(3,138,717)	(3,456,204)
Long-term debt	(2,365,500)	(2,470,000)
Other liabilities	<u>(124,135)</u>	<u>(731,465)</u>
Total liabilities	<u>(5,628,352)</u>	<u>(7,582,327)</u>
Total net assets	<u>\$ 5,841,079</u>	<u>\$ 5,353,123</u>

	11-Month Period Ended <u>July 31, 2014</u>	Year Ended <u>August 31, 2013</u>
Total public support and revenue	\$1,027,556	\$ 1,298,832
Total operating expenses	(856,861)	(1,048,542)
Other nonoperating expenses, gains and losses	<u>778,724</u>	<u>361,524</u>
Increase in net assets before discontinued operations	<u>\$ 949,419</u>	<u>\$ 611,814</u>

Losses from discontinued operations within Easter Seals CT for the eleven month period ended July 31, 2014 and year ended August 31, 2013 were \$454,230 and \$657,561, respectively.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

13. Discontinued Operations

The accompanying consolidated financial statements include various programs and entities that are reported as discontinued operations, as follows:

- On January 25, 2012, the Board of Directors of Easter Seals New Hampshire, Inc. voted to approve discontinuing the group home and special education programs in Rutland, Vermont.
- 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 March 22, 2013, the Board of Directors of Easter Seals NY voted to discontinue the Bronx Early Intervention program.
- On May 2, 2014 the Sayville program in NY was discontinued as a license was not able to be obtained.
- 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 October 17, 2013, the Maine Board of Directors voted to close the Maine Vocational programs.
- 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 June 11, 2014, the Board of Directors of Easter Seals NH voted to discontinue the Pediatric Outpatient programs located in Manchester and Dover due to significant losses the programs were experiencing.

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/entities were based on performance factors.

Summary statements of financial position for each of the above discontinued programs/entities as of August 31, 2014 and 2013 are as follows:

	<u>Vermont</u>		<u>Harbor Schools</u>		<u>New York</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total assets	\$ —	\$ —	\$878,144	\$ 872,744	\$ 32,929	\$51,896
Total liabilities	—	1,197	648,892	595,053	44,511	9,289
Net assets (deficit):						
Unrestricted	—	(1,197)	180,556	230,951	(11,582)	42,607
Temporarily restricted	—	—	24,870	22,914	—	—
Permanently restricted	—	—	23,826	23,826	—	—

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

13. Discontinued Operations (Continued)

	<u>Maine</u>		<u>Connecticut</u>		<u>New Hampshire</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total assets	\$ 825	\$ 1,888	\$ —	\$2,119,068	\$800,810	\$ —
Total liabilities	—	38	—	2,470,000	31,783	29,592
Net assets (deficit):						
Unrestricted	825	1,850	—	(350,932)	769,027	(29,592)

Summary statements of activities for each of the above discontinued programs/entities for the years ended August 31, 2014 and 2013 are as follows:

	<u>Vermont</u>		<u>Harbor Schools</u>		<u>New York</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total public support and revenue	\$ —	\$ —	\$ 22,127	\$ 12,907	\$ —	\$ 320,825
Operating expenses	—	(20,310)	(70,891)	(329,961)	(192,456)	(628,465)
Other nonoperating expense, gains or losses	—	—	830	(1,469)	—	—
Gain on sale of properties, net	—	—	—	291,788	—	—

Total decrease in net assets	\$ —	\$ (20,310)	\$ (47,934)	\$ (26,735)	\$ (192,456)	\$ (307,640)

	<u>Maine</u>		<u>Connecticut</u>		<u>New Hampshire</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Total public support and revenue	\$ 4,667	\$ 210,588	\$ 57,166	\$ 774,143	\$ 1,276,909	\$ 1,996,997
Operating expenses	(42,262)	(324,009)	(511,596)	(1,431,704)	(2,018,853)	(1,970,004)
Gain (loss) on sale of properties, net	—	325	200	—	—	(15,563)

Total increase (decrease) in net assets	\$ (37,595)	\$ (113,096)	\$ (454,230)	\$ (657,561)	\$ (741,944)	\$ 11,430

During 2013 Easter Seals NH sold two properties related to the closure of certain programs, which resulted in net gains on the sales of property of \$276,550.

EASTER SEALS NEW HAMPSHIRE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2014 and 2013

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. Financial instruments which subject Easter Seals to credit risk consist primarily of cash equivalents and investments. Easter Seals' investment portfolio consists of diversified investments, which are subject to market risk. Investments that exceeded 10% of investments include the "Lord Abbett Short Duration Income A Fund" as of August 31, 2014.

Easter Seals New Hampshire, 555 Auburn Street, Manchester, NH 03103
2015 Board of Directors

Chairman

Jim Bee

Dennis Beaulieu

General Counsel &

Assistant Secretary

(non voting member)

Bradford Cook, Esq.

Past Chairman

Richard Rawlings

Cynthia Makris

Eleanor Dahar

Vice Chairman

Tom Sullivan

Doris Labbe

Vice Chairman

Charles S. Goodwin

Ann-Marie Forrester

Tim Murray

Treasurer

Andrew MacWilliam

Sue MacDermott

Assistant Treasurer

Matthew Boucher

Leisa Maxwell

Ben Gamache

Secretary

Renee Walsh

Rick Courtemanche

Assistant Secretary

Charles Panasis

Tim Lorenz

Kurt Patten

Chairman - ME

Dennis Brown

Wendell Butcher

Chairman - NY

Richard Lauricella

Pam Telfer

David Goldberg

Chairman - Farnum

Center

Rob Wieczorek

Chairman - RI

Tracey Colucci

Vice Chairman - VT

Sally Garmon

Shannon M Farrell, DMD



Experienced Dental Clinician

- Maximizing value of people and resources in dental practices
- Ensuring effective use of plan resources within dental networks
- Accelerating practice growth through integration of varied dental services
- Motivating employees and building team culture by communicating business philosophy and goals

Experience and Accomplishments

Independent contractor
Gentle Dental of Tilton, NH
Dunbarton Family Dental
Dental Arts of Bedford

2009-present

Wellness Dental, Manchester NH

2006-3/2009

Clinical partner

Aspen Dental, West Springfield, MA

2003-2006

Managing Clinical Director

1st Advantage Dental, Northampton, MA

2002-2003(Nov-June)

Associate

NorthEast Dental, Manchester, CT

2001-2003

Chief Dentist

- Provide clinical and operational practice leadership for growth-oriented group dental Practice management firm with multiple locations.
- Provide clinical services, direct day-to-day practice operations and develop strategies for patient retention. Manage employees in practice administration, laboratory, dental services

P&R Dental Strategies, New York, New York
Consultant

December 2000-July 2001

- Performed independent clinical reviews of insurance claims from private general dental practices, including group practices, assuring quality and standard of dental care compliance for major insurance carriers throughout the United States.

<i>Practice owner</i>	1995-2000
<i>Associate dentist</i>	1989-1995

Education

DMD	1985-1989	Tuft's University School of Dental Medicine,
	1983-1985	Columbia University
A.S.	1980-1982	University of Bridgeport,
		Fones School of Dental Hygiene
CDA	1977-1978	Briarwood College

Professional licensure and certifications

- Licensed Dentist: **MA, NY, CT(inactive) NH**
- Registered: **Federal DEA, MA Controlled substance**
- CPR professional certificate
- Advanced dental implantology, Branemark system
- Invisalign Certified
- Mini Implant Certified

Recognition

- Published: Journal of Prosthetic Dentistry-June, 1991

Bethany Isleib

Education:

Granite State College:

Bachelor's in Science of Psychology

Current

NHTI:

Associates in Health Science

May 2013

Certification in Dental Assisting

May 2009

Work Experience:

Vachon Dental

Current- Dec.2010

- Assist chairside in general dentistry
- Provide patient comfort and education to dental needs
- Fabrication of mouthguards, nightguards, implant stents, bleaching trays, and temporary crowns
- Responsible for sterilizing instruments, inventory, and all infection control protocol in the office including MSDS

3 Stone Dental

Current- Feb.2012

- Secondary assistant responsible for restorative chairside procedures
- Provide patient comfort and education
- Responsibility for room preparation such as stocking and appropriate breakdown of the room

Skills:

- CPR certified
- DANB certified
- Knowledge of Practiceworks, Eaglesoft, and Softdent software
- Knowledge of Waterlase hard and soft tissue laser
- A willingness to learn all aspects of dentistry
- Radiology Certified digital and film

Reference:

Dr. Shannon Farrell

(203) 641-4790

Dr. Jeffrey Vachon

(603) 627-2092

Kara Malenfant

PROFILE

Experienced Dental Assistant with two years of experience seeking for a full time/part time job. Passes knowledge of Dentrix software, digital x-rays, and CEREC machine. CPR and radiology certified. Strong communication, organization, and anticipation skills. Ability to handle multiple tasks in a fast paced environment.

EDUCATION

Middlesex Community College

Lowell, MA

Associates in Science in Dental Assisting

May, 2013

Relevant Courses: Radiology, Preventive Dentistry, Dental Practice Management, Anatomy and Physiology

EXPERIENCE

Plaistow Dental

Plaistow, NH

General Dentist

2012-2013

- Work chair side as dentist examine and treat patients.
- Provided patient comfort and obtain their dental records.
- Hand instruments/materials to dentist and keep patients' mouth dry.
- Sterilize/disinfect instruments and equipment.
- Prepare patient procedures.
- Take impressions and pouring models.
- Make digital FMX, PA, bite wings.
- Schedule patient appointments.
- Present patient oral after care instructions.

BayState Oral Surgery

Haverhill, MA

Oral and Maxillofacial Dentist

2012-2012

Internship

- Assists with dental surgeries.
- Sterilized/disinfect instruments and equipment.
- Made PA and PANO x-rays.
- Call insurance companies.
- Schedule patient appointments.

Lawrence/

- Present patient oral after care instructions.

Bradford Orthodontics

Bradford, MA

Orthodontic Dentist

2012-2012

Internship

- Transferred instruments.
- Prepared dental materials.
- Taking bite registrations, impressions and pouring models.
- Sterilize/disinfect instruments and operatory.
- Bracket set up.
- Separator placement.
- Tooth preparation.
- Wire removal and placement.
- Presented patient oral after care instructions.

Ellen Therrien



Education:

New Hampshire Community Technical Institute
Associate's Degree of Science in Dental Hygiene

Concord NH September 2006- May 2009
Graduated 5/15/2009

Honors, SADHA Community Service Member

Licensure and Credentials:

- New Hampshire Registered Dental Hygienist License
 - Northeast Regional Board Certified
 - New Hampshire Local Anesthesia License
 - CPR Certified

Professional Experience:

Easter Seals Dental Center

Manchester, NH August 2009-Present

Dental Hygienist

- Provide initial and recall patient care, oral prophylaxis, routine radiographs, treatment planning, sealants, oral hygiene instruction, dental and periodontal charting with Dentrix, accurate record keeping, sterilization, ordering supplies, strict adherence to OSHA safety guidelines.
- Treatment of wide variety of patients including those with special needs, disabilities, and the elderly.

Dr. Hoerltoerfer

Manchester, NH August 2013-Present

Dental Hygienist

Moo's Place Homemade Ice Cream

Derry, NH April 2004- Oct 2010

Manager

- Oversee and supervise staff, customer service, interview and train new employees, cash control, open/close facility
- Respond to and resolve customer complaints, inventory control
- Handle multiple tasks in a fast paced environment maintaining clean working environment

Relevant Experience:

Merrimack Valley High School

Penacook, NH Spring 2009

Dental Hygiene-Externship

- Performed complete prophylaxis on adolescents, mentored youths on care and prevention of oral disease and overall systemic health
- Demonstrated proper homecare for effective plaque removal, complete and accurate documentation of procedures performed

New Hampshire Department of Corrections

Concord, NH Winter 2008

Dental Hygiene-Externship

- Performed complete prophylaxis on inmates, gave guidance and education on utilization of available oral health aids at correctional facility

Dental Hygiene Clinic - New Hampshire Community Technical Institute Concord, NH 2007-2009

- Complete prophylaxis, sealants, local anesthesia, digital radiographs, impressions, scheduling, use of Dentrix

Community Service:

- ✚ Special Olympic Dental Screenings at UNH
- ✚ Dental Health Education for preschoolers
- ✚ Oral Health Fair at Rockingham County Nursing Home
- ✚ Oral Health Presentations for 5th Graders
- ✚ Volunteer Children's Clinic at NHTI, Concord N.H

References furnished upon request



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



6/19/13
93

May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

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

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education, or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

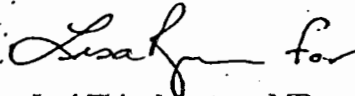
Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 4 of 4

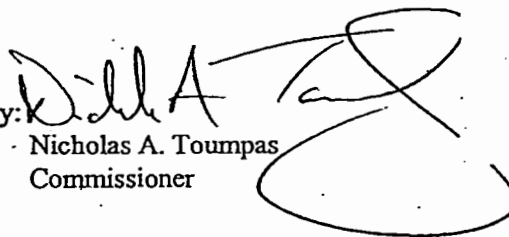
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



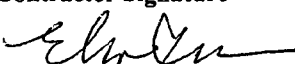
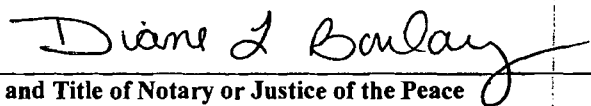
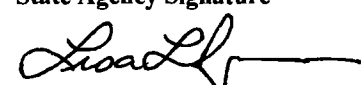
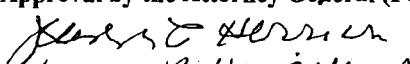
Nicholas A. Toumpas
Commissioner

Subject: Community-based oral health services will be provided to underserved people in greater Manchester

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Easter Seals New Hampshire		1.4 Contractor Address 555 Auburn Street Manchester, NH 03103	
1.5 Contractor Phone Number (603) 621-3558	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$71,200
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Elin Treanor, COO/CFO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>3/11/13</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] 			
1.13.2 Name and Title of Notary or Justice of the Peace DIANE L. BOULAY, Notary Public My Commission Expires September 3, 2013			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Jeanne P. Herrick, Attorney On: <u>28 May 2013</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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

Community-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Easter Seals New Hampshire

ADDRESS: 555 Auburn Street
Manchester, NH 03103

Senior Vice-President, Programs: Arlene Kershaw
TELEPHONE: (603) 621-3558

The Contractor shall provide community-based oral health services as specified below:

I. General Provisions

A. The contractor shall use one of the following models to provide the following services:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

B. Eligibility and Income Determination

1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. Relevant Policies and Guidelines

The community-based oral health program shall:

1. Require no fee for any Medicaid client.
2. Assist eligible families with Medicaid enrollment directly or through referral.
3. Become a Medicaid provider for qualified clients.

4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Resources shall be directed to evidence-based interventions.
7. Explore and secure future funding sources.

D. Numbers Served

Oral screening services are to be provided to a minimum of 1,000 individuals throughout each year of the contract term

E. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

F. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

G. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

H. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The community-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the

State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Workplans

1. Performance Workplans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The workplans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Workplan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based workplan with this application for funding and by July 15th of the second contract year.

4. The Contractor shall comply with minor modifications and/or additions to the workplan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Workplans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Workplans and Workplan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Workplan.

D. Performance Measures

Community- Based Performance Measures

1. A minimum of 650 pediatric clients (0-less than19 years) shall receive oral screenings
2. A minimum of 650 adult clients (19 and older) shall receive oral screenings
3. Percent of clients receiving prophylaxis
4. Percent of clients receiving restorative treatment
5. Percent of children receiving dental sealants dental
6. Percent of broken dental appointments (visits)

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

Community-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Easter Seals New Hampshire

ADDRESS: 555 Auburn Street
Manchester, NH 03103

Senior Vice-President, Programs: Arlene Kershaw
TELEPHONE: (603) 621-3558

Vendor #177204-B005

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$71,200 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$71,200

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

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NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

ET
3/11/2013

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- ☐ (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- X (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

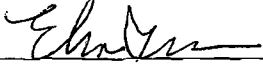
NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

	
Contractor Signature	Contractor's Representative Title
	
Contractor Name	Date

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

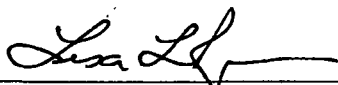
IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

DIVISION OF PUBLIC HEALTH SERVICES

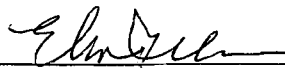
The State Agency Name

Easter Seals New Hampshire

Name of Contractor



Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

Elin Treanor

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

CFO/COO

Title of Authorized Representative

3/30/2013

Date

3/11/2013

Date

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Easter Seals New Hampshire, Inc.

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Larry Gammon, President & CEO	\$352,452	0.00%	\$0.00
Elin Treanor, Chief Financial Officer	\$240,000	0.00%	\$0.00
Susan Ryan, Chief Operating Officer	\$160,000	0.00%	\$0.00
Christina Lachance, Vice President	\$95,000	0.00%	\$0.00
Shannon Farrell, Dentist	\$135,000	11.16%	\$15,068.00
Bethany Islieb, Dental Assistant/ Kara Malenfant, Dental Assistant	\$37,440	13.64%	\$5,108.00
Ellen Therrien, Dental Hygienist	\$67,213	7.98%	\$5,363.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$25,539.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Larry Gammon, President & CEO	\$352,452	0.00%	\$0.00
Elin Treanor, Chief Financial Officer	\$240,000	0.00%	\$0.00
Susan Ryan, Chief Operating Officer	\$160,000	0.00%	\$0.00
Christina Lachance, Vice President	\$95,000	0.00%	\$0.00
Shannon Farrell, Dentist	\$135,000	10.85%	\$14,651.00
Bethany Islieb, Dental Assistant/ Kara Malenfant, Dental Assistant	\$37,440	13.26%	\$4,966.00
Ellen Therrien, Dental Hygienist	\$67,213	7.76%	\$5,215.00
	\$0		
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$24,832.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.

ET

**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Families First of the Greater Seacoast (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 100 Campus Drive, Suite 12, Portsmouth, NH 03801.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$205,336
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1



**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**

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

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

3/11/15
Date

State of New Hampshire
Department of Health and Human Services
[Signature]
Brook Dupee
Bureau Chief

Families First of the Greater Seacoast

3/11/15
Date

Helen B. Telt
NAME Helen B. Telt
TITLE Executive Director

Acknowledgement:

State of NH, County of Rockingham on 3/11/18, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature] Exp. 12/18/18
Name and Title of Notary or Justice of the Peace

**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**



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

OFFICE OF THE ATTORNEY GENERAL

4/8/15
Date


Name: Megan A. York
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Exhibit A Amendment #1

Scope of Services

The Contractor shall provide community-based and school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children and adults within the defined service area who don't have regular access to oral health care.

1.1. The contractor shall use one of the following models to provide the following services:

- 1.1.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.1.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

1.2. Numbers Served

Oral assessments are to be provided to a minimum of 1,900 school students and 1,900 individuals in the dental center throughout each year of the contract term.

1.3. Eligibility and Income Determination

- 1.3.1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.3.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.4. Relevant Policies and Guidelines

The community and school-based oral health programs shall:

- 1.4.1. Require no fee for any Medicaid client.
- 1.4.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.4.3. Become a Medicaid provider for qualified clients.
- 1.4.4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.

1/10/15
3/11/15



Exhibit A Amendment #1

- 1.4.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.4.6. Resources shall be directed to evidence-based interventions.
- 1.4.7. Explore and secure future funding sources.

1.5. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.5.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.5.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.5.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.5.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.5.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.6. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.6.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.6.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.6.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.7. Publications Funded Under Contract

- 1.7.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.7.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.7.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).



Exhibit A Amendment #1

1.8. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The community-based and school-based oral health programs shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program that includes dental sealants and Interim Therapeutic Restorations (ITRs) by Certified Public Health Dental Hygienist for students and adults through a school-based or community-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children and adults without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this



Exhibit A Amendment #1

scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:



Exhibit A Amendment #1

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

3.4.1. Community-Based Performance Measures:

- A minimum of 900 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 900 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

3.4.2. School-Based Performance Measures:

- A minimum of 80% of 2nd and 3rd grade students returning consent forms
- A minimum of 300 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar



Exhibit A Amendment #1

- 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$52,799 in SFY 2016 and \$49,869 in SFY 2017 for oral health initiatives, for a total amount of \$102,668.
 - b. Funding is available as follows:
 - \$45,893 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$56,775 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

1/25

3/11/15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Families First of the Greater Seacoast

**Statewide Community and School Based Oral
Budget Request for: Health Services**

Budget Period: 7/1/15 - 6/30/16

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 49,693.00	\$ -	\$ 49,693.00	
2. Employee Benefits	\$ 3,106.00	\$ -	\$ 3,106.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 52,799.00	\$ -	\$ 52,799.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: 11/15

Date: 3/11/15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Families First of the Greater Seacoast

2/10/2015

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 46,763.00	\$ -	\$ 46,763.00	
2. Employee Benefits	\$ 3,106.00	\$ -	\$ 3,106.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 49,869.00	\$ -	\$ 49,869.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: 1/13/15

Date: 3/11/15



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;

[Handwritten Signature]
3/11/15

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



- 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 Amendment #1



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis

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



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



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. **Renewal:**

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.



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

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

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

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

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

Exhibit G- Amendment #1

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

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

Page 1 of 2

Contractor Initials

Date

[Signature]

3/11/15

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



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

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

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

Contractor Name:

3/11/15
Date

Helen B. Taft
Name: Helen B. Taft
Title: Executive Director

Exhibit G- Amendment #1

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

Contractor Initials HBT

Date 3/11/15



HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I Amendment #1

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

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

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



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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 Amendment #1

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

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



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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



Exhibit I Amendment #1

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

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

New Hampshire
The State

[Signature]
Signature of Authorized Representative

Brook Dupree
Name of Authorized Representative

Business Chef
Title of Authorized Representative

3/23/15
Date

Families First of the Greater Seacoast
Name of the Contractor

[Signature]
Signature of Authorized Representative

Heidi B. Telford
Name of Authorized Representative

Executive Director
Title of Authorized Representative

3/11/15
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that FAMILIES FIRST OF THE GREATER SEACOAST is a New Hampshire nonprofit corporation formed August 28, 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 3rd day of April A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, Linda Scanborn, do hereby certify that:
(Name of the elected Officer of the Agency: cannot be contract signatory)

1. I am a duly elected Officer of Families First of the Greater Seacoast
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on 3/11/15:
(Date)

RESOLVED: That the Executive Director / President
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the 11 day of March, 2015.
(Date Contract Signed)

4. Helen B. Taft is the duly elected Executive Director / President
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Linda Scanborn

(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Rockingham

The forgoing instrument was acknowledged before me this 11 day of March, 2015.

By Linda Scanborn
(Name of Elected Officer of the Agency)

Suzanne Coombs

(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 12/19/18



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/21/2015

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 Tobey & Merrill Insurance 20 High Street Hampton NH 03842-2214		CONTACT NAME: Edward Jackson PHONE (A/C No. Ext): (603) 926-7655 E-MAIL ADDRESS: edward@tobeymerrill.com FAX (A/C No): (603) 926-2135	
INSURED Families First of the Greater Seacoast 100 Campus Dr Ste 12 Suite 12 Portsmouth NH 03801		INSURER(S) AFFORDING COVERAGE INSURER A: Peerless Indemnity INSURER B: Peerless Insurance Company INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 18333 24198	

COVERAGES**CERTIFICATE NUMBER:** CL1512103505**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		BOP8358757	12/29/2014	12/29/2015	EACH OCCURRENCE \$ 2,000,000
	☒ COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	☐ CLAIMS-MADE ☒ OCCUR					MED EXP (Any one person) \$ 5,000
						PERSONAL & ADV INJURY \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:					GENERAL AGGREGATE \$ 4,000,000
	☒ POLICY ☐ PROJECT ☐ LOC					PRODUCTS - COMP/OP AGG \$ 4,000,000
B	AUTOMOBILE LIABILITY		BA5375202	12/29/2014	12/29/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☒ ANY AUTO					BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
B	UMBRELLA LIAB		CU8353458	12/29/2014	12/29/2015	Underinsured motorist \$ 1,000,000
	☒ EXCESS LIAB	☐ OCCUR				EACH OCCURRENCE \$ 1,000,000
	☐ CLAIMS-MADE					AGGREGATE \$ 1,000,000
	DED ☒ RETENTION \$ 10,000					
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WC5055429	12/29/2014	12/29/2015	WC STATUTORY LIMITS OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☐ Y/N				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**

DHHS
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

Dean Merrill CIC/LSA

Families First

support for families...health care for all

Mission Statement

Families First Health and Support Center contributes to the health and well-being of the Seacoast community by providing a broad range of health and family services to all, regardless of ability to pay.

Vision Statement

We envision a strong community that provides fully for the health and well-being of all its members.

Guiding Principles

Families First will:

- offer a broad array of health and family services to meet evolving community needs;
- meet a standard of excellence in all services;
- ensure that no one is turned away due to inability to pay;
- treat clients respectfully and with concern for dignity;
- integrate services wherever possible;
- partner with other organizations to help realize our vision.

Families First

of the Greater Seacoast

Financial Report

June 30, 2014

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Statements of Functional Expenses	7
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Independent Auditors' Report

To the Board of Directors
Families First of the Greater Seacoast
Portsmouth, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Families First of the Greater Seacoast (a nonprofit organization) which comprise the statements of financial position as of June 30, 2014 and 2013, 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.

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 audits 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.



To the Board of Directors
Families First of the Greater Seacoast

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Families First of the Greater Seacoast as of June 30, 2014 and 2013, 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.

Macpage LLC

South Portland, Maine
December 9, 2014

Statements of Financial Position

June 30,

	2014	2013
ASSETS		
Current Assets		
Cash (note 2)	\$ 172,728	\$ 74,547
Cash, fiscal agent (note 9)	195	195
Grants receivable (note 3)	117,416	67,300
Accounts receivable, (notes 1 and 4)	175,066	131,560
Current portion of pledges receivable (notes 1 and 5)	237,990	336,748
Other receivables (note 6)	2,776	26,620
Prepaid expenses	31,035	15,133
Total Current Assets	737,206	652,103
Cash, restricted for capital purposes	227,720	
Pledges Receivable, net of current portion (notes 1 and 5)	370,000	
Property and Equipment, Net (notes 1 and 7)	282,850	247,992
Investments		
Endowment (notes 8 and 19)	1,537,015	1,392,530
Board designated	780	66,360
Total Investments	1,537,795	1,458,890
Total Assets	\$ 3,155,571	\$ 2,358,985
LIABILITIES AND NET ASSETS		
Current Liabilities		
Line of credit	\$ 243,849	
Accounts payable	116,956	\$ 85,519
Accrued expenses	312,264	287,904
Amount due, fiscal agent (note 9)	195	195
Deferred revenue	11,780	24,476
Total Current Liabilities	685,044	398,094
Net Assets		
Unrestricted	(7,062)	177,628
Temporarily restricted (notes 8 and 12)	1,276,902	583,076
Permanently restricted (notes 8 and 13)	1,200,687	1,200,187
Total Net Assets	2,470,527	1,960,891
Total Liabilities and Net Assets	\$ 3,155,571	\$ 2,358,985

Statements of Activities

Year Ended June 30, 2014

PUBLIC SUPPORT AND REVENUES:

Public Support

Contributions

Grants and contracts

Total public support

Revenues

Patient service revenue (note 11)

Provision for bad debt

Net patient service revenue

Investment income - endowment (note 8)

Investment income - board designated

Gain on investments - endowment (note 8)

Gain on investments - board designated

Miscellaneous

Total revenue

Public support and revenues

Net Assets Released from Restrictions

TOTAL PUBLIC SUPPORT AND REVENUES

EXPENSES

Program services

Management and general

Fundraising

Total expenses

CHANGE IN NET ASSETS

NET ASSETS, BEGINNING OF YEAR

NET ASSETS, END OF YEAR

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	\$ 1,222,353	\$ 1,672,695	\$ 500	\$ 2,895,548
	992,590			992,590
	<u>2,214,943</u>	<u>1,672,695</u>	<u>500</u>	<u>3,888,138</u>
	1,623,471			1,623,471
	<u>(37,860)</u>			<u>(37,860)</u>
	<u>1,585,611</u>			<u>1,585,611</u>
	899	26,990		26,990
		176,668		176,668
	4,545			4,545
	<u>43,752</u>			<u>43,752</u>
	<u>1,634,807</u>	<u>203,658</u>		<u>1,838,465</u>
	<u>3,849,750</u>	<u>1,876,353</u>	<u>500</u>	<u>5,726,603</u>
	<u>1,182,527</u>	<u>(1,182,527)</u>		
	<u>5,032,277</u>	<u>693,826</u>	<u>500</u>	<u>5,726,603</u>
	4,511,400			4,511,400
	527,250			527,250
	178,317			178,317
	<u>5,216,967</u>			<u>5,216,967</u>
	(184,690)	693,826	500	509,636
	177,628	583,076	1,200,187	1,960,891
	<u>\$ (7,062)</u>	<u>\$ 1,276,902</u>	<u>\$ 1,200,687</u>	<u>\$ 2,470,527</u>

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

Statements of Activities - Continued**Year Ended June 30, 2013****PUBLIC SUPPORT AND REVENUES:****Public Support**

Contributions

Grants and contracts

Total public support

Revenues

Patient service revenue (note 11)

Provision for bad debt

Net patient service revenue

Investment income - endowment (note 8)

Investment income - board designated

Gain on investments - endowment (note 8)

Gain on investments - board designated

Miscellaneous

Total revenue

Public support and revenues

Net Assets Released from Restrictions**TOTAL PUBLIC SUPPORT AND REVENUES****EXPENSES**

Program services

Management and general

Fundraising

Total expenses

CHANGE IN NET ASSETS**NET ASSETS, BEGINNING OF YEAR****NET ASSETS, END OF YEAR**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	\$ 1,404,161	\$ 640,797		\$ 2,044,958
	940,575			940,575
	<u>2,344,736</u>	<u>640,797</u>		<u>2,985,533</u>
	1,577,353			1,577,353
	(43,860)			(43,860)
	<u>1,533,493</u>			<u>1,533,493</u>
	2,322	42,953		42,953
		135,824		2,322
	1,630			135,824
	82,505			1,630
	<u>1,619,950</u>	<u>178,777</u>		<u>1,798,727</u>
	<u>3,964,686</u>	<u>819,574</u>		<u>4,784,260</u>
	654,433	(654,433)		
	<u>4,619,119</u>	<u>165,141</u>		<u>4,784,260</u>
	4,365,565			4,365,565
	540,959			540,959
	157,595			157,595
	<u>5,064,119</u>			<u>5,064,119</u>
	(445,000)	165,141		(279,859)
	622,628	417,935	\$ 1,200,187	2,240,750
	<u>\$ 177,628</u>	<u>\$ 583,076</u>	<u>\$ 1,200,187</u>	<u>\$ 1,960,891</u>

The accompanying notes are an integral part of these financial statements

Statements of Cash Flows

Years ended June 30,

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 509,636	\$ (279,859)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation expense	72,007	98,920
Contribution for capital purposes	(339,980)	
Gain on investments	(181,213)	(137,454)
Provision for bad debt	37,860	43,860
(Increase) decrease in operating assets:		
Cash, fiscal agent		3,000
Grants receivable	(50,116)	(7,035)
Accounts receivable	(81,366)	(41,318)
Pledges receivable	(271,242)	(29,435)
Other receivable	23,844	26,378
Prepaid expenses	(15,902)	5,016
Increase (decrease) in operating liabilities:		
Accounts payable	31,437	21,602
Accrued expenses	24,360	63,240
Amount due, fiscal agent		(3,000)
Deferred revenue	(12,696)	(89,098)
Total adjustments	(763,007)	(45,324)
Net cash flows from operating activities	(253,371)	(325,183)
Cash flows from investing activities:		
Purchase of property and equipment	(106,865)	(10,186)
Purchase of investments	(1,666,920)	
Proceeds from sale of investments	1,769,228	8,420
Net cash flows from investing activities	(4,557)	(1,766)
Cash flows from financing activities:		
Net borrowings from line of credit	243,849	
Contribution received for capital purposes	339,980	
Net cash provided by financing activities	583,829	
Net change in cash and cash equivalents	325,901	(326,949)
Cash and cash equivalents at beginning of year	74,547	401,496
Cash and cash equivalents at end of year (includes cash restricted for capital purposes)	\$ 400,448	\$ 74,547
Supplemental disclosure of cash flow information:		
Interest paid during year	\$ 4,410	

Statements of Functional Expenses

Year Ended June 30, 2014

	Health Services		
	Primary Care	Dental	Homeless
Salaries	\$ 1,526,223	\$ 522,216	\$ 519,374
Payroll taxes/benefits	246,147	80,156	71,685
Professional fees/contract labor	129,376	16,820	57,381
Medical/laboratory costs	128,080	58,731	29,531
Physicians/dentists	108,742	36,213	51,106
Office	19,844	11,146	47,935
Miscellaneous	21,006	3,458	5,597
Travel	3,510	896	23,553
Conferences	5,648	2,702	6,706
Dues/publications	7,718	1,354	1,470
Depreciation	7,341	23,298	18,432
Rent (note 15)	62,027	11,143	5,200
Telephone	5,569	771	3,465
Postage	361	6	6
Insurance	8,500	2,362	3,979
Printing	2,864	981	908
Computer operations	53,146	19,397	21,551
Flexible funds			
Program expenses	50,589	4,742	7,369
	<u>\$ 2,386,691</u>	<u>\$ 796,392</u>	<u>\$ 873,248</u>

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

Statements of Functional Expenses - Continued

Year Ended June 30, 2014

	Family Services	Total Program	Management and General	Fundraising	Total
Salaries	\$ 258,228	\$ 2,826,041	\$ 332,596	\$ 132,576	\$ 3,291,213
Payroll taxes/benefits	44,320	442,308	47,962	25,262	515,532
Professional fees/contract labor	37,225	240,802	22,479	24	263,305
Medical/laboratory costs	2	216,344			216,344
Physicians/dentists		196,061			196,061
Office	13,158	92,083	22,134	3,532	117,749
Miscellaneous	728	30,789	32,207	4,657	67,653
Travel	14,351	42,310	3,020	298	45,628
Conferences	337	15,393	548		15,941
Dues/publications	493	11,035	7,833	50	18,918
Depreciation	216	47,287	24,720		72,007
Rent (note 15)	45,437	123,806			123,806
Telephone	3,671	13,476	475		13,951
Postage	4	377	20,567	1,486	22,430
Insurance	1,500	16,341	9,404		25,745
Printing	402	5,155	592	9,040	14,787
Computer operations	9,130	103,225	2,263	377	105,865
Flexible funds	24,460	24,460			24,460
Program expenses	1,407	64,107	450	1,015	65,572
	<u>\$ 455,069</u>	<u>\$ 4,511,400</u>	<u>\$ 527,250</u>	<u>\$ 178,317</u>	<u>\$ 5,216,967</u>

The accompanying notes are an integral part of these financial statements

Statements of Functional Expenses

Year Ended June 30, 2013

	Health Services		
	Primary Care	Dental	Homeless
Salaries	\$ 1,443,761	\$ 482,291	\$ 405,383
Payroll taxes/benefits	261,220	83,963	53,403
Professional fees/contract labor	127,444	17,482	62,463
Medical/laboratory costs	121,902	70,854	26,352
Physicians/dentists	170,970	28,710	33,538
Office	15,862	8,210	55,195
Miscellaneous	10,242	1,979	272
Travel	3,107	608	21,655
Conferences	10,587	924	883
Dues/publications	5,322	2,370	1,605
Depreciation	8,458	25,453	17,212
Rent (note 15)	63,613	9,424	3,534
Telephone	4,456	650	811
Postage	436	6	3
Insurance	38,883	8,058	5,665
Printing	3,274	480	405
Computer operations	58,889	14,049	14,701
Flexible funds			
Program expenses	49,054	5,949	6,361
	<u>\$ 2,397,480</u>	<u>\$ 761,460</u>	<u>\$ 709,441</u>

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

Statements of Functional Expenses - Continued

Year Ended June 30, 2013

	Family Services	Total Program	Management and General	Fundraising	Total
Salaries	\$ 278,483	\$ 2,609,918	\$ 318,984	\$ 121,609	\$ 3,050,511
Payroll taxes/benefits	51,340	449,926	52,532	17,925	520,383
Professional fees/contract labor	40,185	247,574	33,968		281,542
Medical/laboratory costs		219,108			219,108
Physicians/dentists		233,218			233,218
Office	14,135	93,402	20,110	2,641	116,153
Miscellaneous	505	12,998	25,577	638	39,213
Travel	14,135	39,505	2,394	316	42,215
Conferences	1,607	14,001	994	2,893	17,888
Dues/publications	380	9,677	8,556	1,065	19,298
Depreciation	436	51,559	47,361		98,920
Rent (note 15)	41,231	117,802			117,802
Telephone	3,363	9,280	766		10,046
Postage	11	456	18,126	1,138	19,720
Insurance	6,523	59,129	7,099		66,228
Printing	860	5,019	1,206	7,639	13,864
Computer operations	13,109	100,748	2,907	727	104,382
Flexible funds	25,756	25,756			25,756
Program expenses	5,125	66,489	379	1,004	67,872
	<u>\$ 497,184</u>	<u>\$ 4,365,565</u>	<u>\$ 540,959</u>	<u>\$ 157,595</u>	<u>\$ 5,064,119</u>

The accompanying notes are an integral part of these financial statements

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Families First of the Greater Seacoast (the Organization) was organized in 1986 to provide health care services for pregnant low income women and teenagers. Since that time, it has expanded to include comprehensive medical and family support services for all family members, including primary care, dental, well child care, substance abuse counseling, parenting education, and home visitation programs. A Board of Directors, consisting of members of the surrounding communities, directs long-term operations of the Organization, with an executive director handling day-to-day activities. The Organization is a Federally Qualified Health Center.

Basis of Presentation

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with professional standards. Under these standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted assets, and permanently restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Organization has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the Organization. Permanently restricted net assets are those that are subject to donor-imposed stipulations that they be maintained permanently by the Organization.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported 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 the estimates.

Net Patient Service Revenue

Revenue is recorded at the Organization's standard charges for patient services rendered. Under the terms of agreements with Medicare, Medicaid and other third party payors, reimbursement for the care of program beneficiaries may differ from the standard charges. Differences are recorded as contractual adjustments, which are reflected as an adjustment to patient service revenue together with patient discounts. Credit is extended without collateral.

Charity Care

The Organization provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Organization does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see note 11).

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Grants and Contracts

The Organization receives funding from the federal Public Health Service Agency for its homeless and healthcare program under a Bureau of Primary Health Care (BPHC) grant program.

Support received under other grants and contracts with governmental agencies and private foundations is reported as revenue when terms of the agreement have been met.

Deferred Revenue

Deferred revenue represents grant and contract funds received for which grant and contract revenue has not been earned.

Contributions

Contributions, including pledges, are recognized as revenues in the period received or pledged. The Organization reports contributions of cash and other assets received with donor-imposed time or purpose restrictions as temporarily restricted support. When a donor restriction expires, i.e., when a stipulated time restriction or purpose restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

An allowance for uncollectible pledges is provided based on historical experience and management's evaluation of outstanding pledges at the end of each year. As of June 30, 2014 and 2013, the allowance for uncollectible unconditional promises to give was \$2,000, respectively.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

Investment Income

Income and net unrealized and realized gains or losses on investments of endowment and similar funds are reported as follows:

- as increases in temporarily restricted net assets if the terms of the gift or state law impose restrictions on the use of the income; or
- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund; if not, they are reported as temporarily restricted net assets; or
- as increases in unrestricted net assets in all other cases

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Organization considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2014 and 2013, the allowance for doubtful accounts was \$51,984 and \$52,289, respectively.

In evaluating the collectability of accounts receivable, the Organization analyzes its past history 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 of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the 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 includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Organization's allowance for doubtful accounts for self-pay patients was increased from 48% of self-pay accounts receivable at June 30, 2013, to 51% of self-pay accounts receivable at June 30, 2014. In addition, the Organization's self-pay write-offs decreased \$6,000 from \$43,860 for fiscal year 2013 to \$37,860 for fiscal year 2014. Both were the result of positive trends experienced in the collection of amounts from self-pay patients in fiscal year 2014. The Organization has not changed its charity care or uninsured discount policies during fiscal years 2014 and 2013. The Organization does not maintain a material allowance for doubtful accounts from third-party payors, nor did it have significant write-offs from third-party payors.

Property and Equipment

Property and equipment are stated at cost. Depreciation is being provided by use of the straight-line method over the estimated useful lives ranging from three to thirty years.

Investments

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

The Organization's investment policy and spending policy for permanently restricted and board designated investments is as follows:

Endowment Policy

- The primary investment objective for endowment funds is to preserve and protect assets by earning a total return appropriate for each account. In doing so, the Organization will consider each accounts time horizon, liquidity needs, risk tolerance, and restrictions.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investment Objectives

- The Finance Committee of the Board of Directors has authorized the investment advisor to invest in portfolios of equity securities, fixed income securities, and short-term (cash) investments.
- Within the fixed income portfolio, the majority of assets should be investment grade or better, with below investment grade exposure not to exceed 15%.
- Endowment funds designated for restriction by the Board of Directors will maintain a mix of 20%-40% equity securities, 10%-35% fixed income securities, and 0%-20% short-term investments. Donor restricted funds will maintain a mix of 10%-35% equity securities, 65%-80% fixed income securities, and 0%-20% short-term investments.
- The investment advisor will maintain reasonable diversification at all times. Equity positions of any one company may not exceed 5% of the portfolio, nor shall the portfolio have more than 25% of the entire portfolio in any one sector.
- The Finance Committee will meet with the investment advisor no less than annually to review performance, investment objectives, and asset allocation.

Spending Policy

- The Board of Directors has established an endowment spending policy of appropriating for distribution each year 5% of the endowment fund's average fair market value over the prior 20 quarters.

Income Taxes

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made. The Organization is not classified as a private foundation.

Management evaluated the Organization's tax positions and concluded that the Organization had taken no uncertain tax positions that required adjustment to the financial statements. When necessary, the Organization accounts for interest and penalties related to uncertain tax positions as part of its provision for federal and state income taxes. The Organization does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next 12 months. The Organization is subject to U.S. federal and state examinations by tax authorities for years ended June 30, 2011 through June 30, 2014.

Functional Expenses

The expenses of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, expenses have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly. Other expenses that are common to several functions are allocated according to statistical bases.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization uses various methods, including market, income and cost approaches. Based on these approaches, the Organization often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1, including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the Organization performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the years ended June 30, 2014 and 2013, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments measured at fair value:

Investment Securities

The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument (see note 19).

NOTE 2 – CASH AND CASH EQUIVALENTS

The Organization maintains cash balances at two local financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization has established a policy where excess cash is transferred between accounts at separate financial institutions to maintain balances within FDIC insured limits.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 3 – GRANTS RECEIVABLE

Grants receivable as presented on the statements of financial position represent payment due on grants from state and federal agencies and other organizations and are considered fully collectible by management as of June 30, 2014 and 2013.

NOTE 4 – ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30 was as follows:

	2014	2013
Medicaid	\$ 80,870	\$ 44,717
Medicare	26,615	26,174
Private insurance	51,126	37,850
Patients	65,062	70,978
Other	3,377	4,130
	<u>227,050</u>	<u>183,849</u>
Less allowance for doubtful accounts	<u>(51,984)</u>	<u>(52,289)</u>
	<u>\$175,066</u>	<u>\$131,560</u>

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable, net of allowance for uncollectible pledges, are summarized as follows at June 30:

	2014	2013
Unrestricted bequest	\$350,000	
Unrestricted pledges	259,990	\$338,248
Endowment pledges	-	500
	<u>609,990</u>	<u>338,748</u>
Less allowance for uncollectible promises to give	<u>(2,000)</u>	<u>(2,000)</u>
	<u>\$607,990</u>	<u>\$336,748</u>
Amounts due in:		
Less than one year	\$239,990	\$338,748
One to five years	<u>370,000</u>	<u>-</u>
	<u>\$609,990</u>	<u>\$338,748</u>

The discount rate was not material and, therefore, not applied in 2014 or 2013.

NOTE 6 – OTHER RECEIVABLES

The Organization renders services to individuals who are beneficiaries of the Federal Medicare and Medicaid programs. Charges for services to beneficiaries of these programs were billed to the Medicare and Medicaid intermediary. Settlements for differences between the interim rates paid by Medicare and the Organization's actual cost for rendering care are based on annual cost report filings. The estimated amounts due to or from Medicare are reflected in the accompanying financial statements as other receivables and are recorded as an increase or decrease to patient service revenue in the year the related care is rendered. Any adjustments to the estimates are recorded as adjustments to patient service revenue in the year of final determination. For years prior to July 1, 2011, the Organization was also required to file Medicaid cost reports. All outstanding Medicaid cost settlements are final.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 7 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2014	2013
Equipment	\$722,325	\$615,461
Furniture and fixtures	44,178	44,178
Leasehold improvements	<u>179,031</u>	<u>179,031</u>
	945,534	838,670
Less: accumulated depreciation	<u>(662,684)</u>	<u>(590,678)</u>
	<u>\$282,850</u>	<u>\$247,992</u>

NOTE 8 – INVESTMENTS – ENDOWMENT

The Organization's Board of Directors has interpreted state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. Accordingly, the Organization classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization.

Investments are reported at their fair value and consist of the following at June 30:

	2014	2013
Money Market Funds	\$ 151,671	
Mutual funds - other	<u>1,385,344</u>	<u>\$1,392,530</u>
	<u>\$1,537,015</u>	<u>\$1,392,530</u>

Endowment net assets by type of fund are as follows:

June 30, 2014	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Donor restricted endowment funds		<u>\$336,494</u>	<u>\$1,200,521</u>	<u>\$1,537,015</u>
June 30, 2013				
Donor restricted endowment funds		<u>\$192,509</u>	<u>\$1,200,021</u>	<u>\$1,392,530</u>

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 8 – INVESTMENTS - ENDOWMENT – CONTINUED

Changes in endowment net assets for the year ended June 30, 2014 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Beginning of year		\$ 192,509	\$1,200,021	\$1,392,530
Investment return:				
Additions			500	500
Investment income		26,990		26,990
Net gains		176,668		176,668
Release of funds		<u>(59,673)</u>	<u>-</u>	<u>(59,673)</u>
Totals		<u>\$336,494</u>	<u>\$1,200,521</u>	<u>\$1,537,015</u>

Changes in endowment net assets for the year ended June 30, 2013 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Beginning of year		\$ 67,427	\$1,200,021	\$1,267,448
Investment return:				
Additions		1,000		1,000
Investment income		42,953		42,953
Net gains		135,824		135,824
Release of funds		<u>(54,695)</u>	<u>-</u>	<u>(54,695)</u>
Totals		<u>\$192,509</u>	<u>\$1,200,021</u>	<u>\$1,392,530</u>

NOTE 9 – AMOUNT DUE – FISCAL AGENT

The Organization acts as fiscal agent for fundraisers supporting the Billy Cheverie Memorial Scholarship Fund. During the year ended June 30, 2013, the Organization had received \$6,000 from event proceeds and had paid \$9,000 in scholarships, donations, and other administrative expenses. There was no activity during the year ended June 30, 2014. The remaining \$195 as of June 30, 2014 and 2013, respectively, is included in the statements of financial position as a current asset (cash, fiscal agent) and current liability (amount due, fiscal agent).

NOTE 10 – LINE OF CREDIT

The Organization has a \$250,000 commercial line of credit with TD Bank. The interest rate is variable at the Wall Street Journal prime rate (3.25% at June 30, 2014 and 2013, respectively) until May 23, 2015. The line is secured by all business assets of the Organization excluding the permanently restricted funds. Balance due on the line at June 30, 2014 was \$243,849.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 11 – CLIENT SERVICE REVENUE

The Organization recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. It recognizes significant amounts of patient service revenue at the time services are rendered even though it does not assess the patient's ability to pay. For uninsured patients who do not qualify for charity care, the Organization recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Organization's uninsured patients will be unable or unwilling to pay for the services provided. Accordingly, the Organization records a significant provision for bad debts related to uninsured patients in the period the services are provided.

Patient service revenue, net of contractual allowances and discounts, recognized in the period from these major payor sources, is as follows:

	2014	2013
Gross patient service charges	\$3,320,218	\$3,135,768
Contractual adjustments	(218,033)	(205,230)
Charity care	(1,478,714)	(1,353,185)
Patient service revenue	<u>\$1,623,471</u>	<u>\$1,577,353</u>

The Organization accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Organization uses federally established poverty guidelines. The Organization is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines. For those patients with income between 100% and 200% of poverty guidelines, fees must be charged in accordance with a sliding scale discount policy based on family size and income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Charity care is measured based on services provided at established rates but is not included in patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Organization determines the costs associated with providing charity care by calculating a ratio of costs to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2014 and 2013 were approximately \$1,971,000 and \$1,830,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are charged off to provision for bad debt.

NOTE 12 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30:

	2014	2013
Unrestricted pledges receivable	\$607,990	\$337,248
Endowment gains	336,494	192,509
Dental and homeless programs	24,038	29,598
Mobile medical clinic	234,118	
Other	<u>74,262</u>	<u>23,721</u>
	<u>\$1,276,902</u>	<u>\$583,076</u>

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 13 – PERMANENTLY RESTRICTED NET ASSETS

During the year ended June 30, 1999, the Organization established a permanently restricted endowment fund as a result of a donor changing their intent on a previous contribution.

During the year ended June 30, 2004, the Organization received a challenge contribution from a donor. The donor stipulated that the funds were to be added to the Organization's permanently restricted endowment fund and that the annual interest earned was available for current operations. In conjunction with receipt of this contribution, the Organization conducted a capital campaign. Donors were advised that contributions received would be added to the endowment fund and that 100% of the annual income would be available for current operations.

NOTE 14 – DONATED SERVICES

The Organization received various donated supplies and services during the years ended June 30, 2014 and 2013. Donated supplies and services are recorded at their estimated fair values on the date of receipt. In-kind contributions are included in contributions in the statements of activities and in-kind expenses are included in the corresponding functional expense line in the statements of functional expenses. Donated supplies and services consisted of the following for the years ended June 30:

	2014	2013
Professional physician and dental services	\$ 59,256	\$ 56,313
Medical supplies and vaccines	106,969	136,320
Volunteer services	<u>99,169</u>	<u>92,407</u>
	<u>\$265,394</u>	<u>\$285,040</u>

NOTE 15 – LEASES

The Organization rents space for all its programs under terms of a three year lease. Monthly rent was \$10,009 for the first four months of the current year, the monthly rent increased to \$10,471 for the remainder of the current year, and rent paid was \$123,806 and \$117,802 for the years ended June 30, 2014 and 2013, respectively. The current lease term expires on October 31, 2015. Lease expense includes a charge per square foot for utilities and housekeeping services.

The Organization leases office equipment under terms of noncancellable operating leases expiring at various times. Lease expenses, included in office expense, were \$14,203 and \$11,762 during the years ended June 30, 2014 and 2013, respectively.

Minimum lease payments under terms of the current leases are as follows as of June 30:

2015	\$43,980
2016	2,342
2017	2,342
2018	2,342
2019	<u>1,756</u>
	<u>\$52,762</u>

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 16 – PENSION PLAN

The Organization sponsors a defined contribution 401(k) plan for all eligible employees. Employer discretionary contributions are funded at a percentage of eligible employees' salaries. The Organization did not incur expenses under the plan for the years ended June 30, 2014 and 2013.

NOTE 17 – FUNCTIONAL EXPENSES

The Organization's principle programs are as follows:

Primary Care Program

The purpose of this program is to provide comprehensive medical care to families of the community on a sliding fee scale basis. Services provided include well and sick child care, immunizations, adult care, laboratory testing, social services and counseling, substance abuse counseling and smoking cessation programs.

This program provides access to comprehensive prenatal care. Pregnant women who live at 185% of poverty level or below, and all teens, who reside in the community are eligible to participate in this program. Some of the services provided are medical care, laboratory testing, infant delivery, social services and counseling, nutritional counseling, childbirth, breastfeeding and parenting education, substance abuse counseling and smoking cessation programs.

This program also includes a medication assistance program, which provides uninsured and under-insured patients with vouchers to obtain low cost short-term prescriptions and helps the patients enroll for assistance from pharmaceutical companies to obtain long-term medication for chronic conditions.

Dental Program

This program provides access to comprehensive dental health services to families of the community on a sliding scale basis. Services include oral health screening, preventative and restorative care.

Homeless Program

This program provides a healthcare access point that includes medical and dental care for individuals and families experiencing or on the verge of homelessness in a two county area of New Hampshire. A mobile healthcare team provides outreach and health services to individuals and families unable to receive these services in a more traditional health care setting.

Family Support Programs

These programs were designed to strengthen and support families. Families, who reside in Rockingham County, or Eliot, York and Kittery, Maine, regardless of income, are eligible to participate in these programs. Services provided include volunteer parent aide program, drop-in family support center, parenting classes, mothers' support groups, fathers' support programs, parent/toddler playgroups, children's activity groups, and a monthly newsletter to provide information about available resources for families.

Family Resource and Support (DCYF)

The Family Resource and Support Program provides home based family support services and child care coordination and payment.

Notes to Financial Statements

June 30, 2014 and 2013

NOTE 18 – RISKS AND UNCERTAINTIES

The Organization invests in various investment securities and money market funds. Due to the level of risk associated with investments, it is reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the amount reported in the statements of financial position.

NOTE 19 – FAIR VALUE MEASUREMENT

Fair values of assets measured on a recurring basis at June 30, 2014 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Money Market Funds	\$ 152,451	\$ 152,451		
Bond Funds	419,574	419,574		
Equity Funds	<u>965,770</u>	<u>965,770</u>		
Totals	<u>\$1,537,795</u>	<u>\$1,537,795</u>		

Fair values of assets measured on a recurring basis at June 30, 2013 are as follows:

	Fair Value	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
Problend Conservative Term Series Fund	\$ 200,963	\$156,107	\$ 44,856	
Problend Maximum Term Series Fund	474,600	354,724	119,876	
Problend Extended Term Series Fund	<u>783,327</u>	<u>374,210</u>	<u>409,117</u>	
Totals	<u>\$1,458,890</u>	<u>\$885,041</u>	<u>\$573,849</u>	

NOTE 20 – COMMITMENT LIABILITY

A contract to purchase a vehicle has been signed totaling approximately \$270,000 for a mobile medical clinic. The remaining commitment at June 30, 2014 was approximately \$160,000.

NOTE 21 – EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 9, 2014, the date the financial statements were available to be issued.

Families First Board of Directors 2014-2015

	First	Name	Board Position
1	Linda	Sanborn	Chair
2	Tom	Newbold	Vice Chair
3	Kristen	Hanley	Secretary
4	Mike	Burke	Treasurer
5	Karin	Barndollar	
6	Marsha	Filion	
7	Barbara	Henry	
8	Jack	Jamison	
9	Sarah	Knowlton	
10	Josephine	Lamprey	
11	Patricia	Locuratolo, MD	
12	Kathleen	MacLeod	
13	Ronda	MacLeod	
14	David	McNicholas	
15	John	Pelletier	
16	Donna	Ryan	
17	Mary	Schleyer	
18	Dan	Schwarz	
19	Peter	Whitman	

HELEN B. TAFT

OBJECTIVE: A position as Administrator in the human services or health care fields.

PROFILE:

- Highly developed research and writing skills with emphasis on analysis and evaluation
- Excellent academic record
- Strong verbal communication and group discussion skills
- Experienced interpersonal skills
- Long-term commitment to community service

EDUCATION:

University of New Hampshire
Masters of Public Administration, 1989
Certificate of Paralegal Studies, 1982
Smith College
B.A. (Government) 1966

PROFESSIONAL EXPERIENCE:

FAMILIES FIRST OF THE GREATER SEACOAST, Portsmouth, NH
Executive Director Dec.1989 – Present
FOUNDATION FOR SEACOAST HEALTH, Portsmouth, N.H
Administrative Intern Jan. -June 1989
HARVEY AND MAHONEY LAW OFFICES, Manchester, NH
Paralegal 1982 -1988

VOLUNTEER LEADERSHIP EXPERIENCE:

CHILD AND FAMILY SERVICES OF NEW HAMPSHIRE 1972 –1992
President; First Vice-President; Board of Directors; Chair, Long ,Range Planning Committee; Chair, Advocacy Committee; President, Manchester Regional Executive Committee
UNITED WAY OF MANCHESTER 1985 -1988
Board of Directors; Chair, Campaign Phonothon; Venture Grant Committee
MANCHESTER LEAGUE OF WOMEN VOTERS 1973 -1978
President; Board of Directors
GREATER SEACOAST UNITED WAY 1997 -1999
Board of Directors

REFERENCES: Furnished upon request.

David C. Choate

PROFESSIONAL OBJECTIVE

A position in **Senior Financial Management** providing the opportunity to make a strong contribution to organizational goals through continued development of professional management and financial skills.

QUALIFICATIONS PROFILE

Experience/ Chief Financial Officer: Assure the financial integrity of the agency.

Skills: Related skills and practices include:

- Preparing and monitoring required financial statements and reports
- Developing and revising comprehensive annual agency budgets
- Developing and updating the Administrative and Fiscal Internal Control Policies and Procedures Manual
- Supervising support staff which includes: payroll, accounts payable, accounts receivable, finance clerk, network administrator, receptionist and building maintenance
- Advising agency management and the Board of Directors in regards to fiscal planning, cost analysis auditing systems and financial reporting requirements
- Acting as the lead administrative staff for banking and investment functions, grant management and auditing functions; i.e. external and funding sources
- Reviewing and analyzing plant and equipment needs and negotiating the purchase of major equipment and financing

Computers:

- Windows-based PC's with various accounting software including Microsoft Great Plains Solomon
- Equation Solvers: Microsoft Office: Word, Excel and Outlook

Administration:

- Ensuring compliance with all applicable laws, standards, and reporting requirements of funding sources
- Preparing grant financial reports and documentations

Education: Master Degree in Business Administration, 1989

Southern New Hampshire University – Manchester, New Hampshire

Bachelor of Science Degree in Business Administration-Accounting, 1974

Thomas College – Waterville, Maine

Accomplishments/Strengths:

- Extensive accounting, auditing and management consulting skills
- Excellent troubleshooting and analytical skills
- Well organized and proficient with details
- Excellent interpersonal and team skills

PROFESSIONAL EXPERIENCE

January 2008 to present FAMILIES FIRST OF THE GREATER SEACOAST, Portsmouth, NH
Finance Director

July 2000 to June 2007 INDEPENDENCE ASSOCIATION, INC, Brunswick, Maine
Director of Finance & Administration
An agency that provides residential housing and day programs to adults and children with disabilities.

Accomplishments:

- Streamlined and updated audit procedures to assure successful audits
- Responsible for smooth computer conversion to Great Plains Solomon accounting software
- Maintained and increased profits from services

November 1995 to July 2000 METHODIST CONFERENCE HOME, INC, Rockland, Maine
Finance Manager

A senior housing agency with programs such as housing services, housing management, senior citizen meals and regional transportation.

Accomplishments:

- Involved in obtaining finance and operating funds to build an upscale senior housing facility
- Instituted financial administrative policies
- Obtained line of credit for operations.
- Computerized the accounting systems

May 1988 to November 1995 PROFESSIONAL MANAGEMENT ASSOCIATES, Portland, Maine
Partner and Management Consultant

A business offering a wide range of management and accounting services to professionals and small to medium-sized business, both non-profit and for profit.

Clientele:

- Small to mid-size business, i.e. food industry and pharmacies
- Health care providers; i.e. physicians, dentists, chiropractors, hospitals and veterinarians.

Accomplishments:

- Increased profits for companies through new financial management policies and procedures.

— *Excellent references are available upon request* —

Teresa Burdick



PROFESSIONAL EXPERIENCE

Families First Health and Support Center, Portsmouth, NH

Director of Health, Dental and Healthcare for the Homeless Operations	4/11 to present
Director of Health and Dental Center Operations	12/07 to 4/11
Manager of Health and Dental Center Operations	12/05 to 12/07
Office Manager	12/04 to 12/05
Billing Assistant	4/03 to 12/04
Billing Assistant/Medical Receptionist	4/02 to 4/03

Gaziano Family Estate, York Harbor. ME

Personal Family Manager	5/00 to 4/02

Kid Care of Eliot, Eliot, ME

Executive Director	9/96 to 12/99
Program Director	8/94 to 9/96

Home Day Care, Berwick. ME 9/91 to 6/94

Margowanda Boarding Home, Berwick, ME

Certified Medical Assistant	8/88 to 8/90

EDUCATION

College for Lifelong Learning 1990-92 and 2002-04

Liberal Arts Degree Program



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



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6/19/13
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May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

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

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education, or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
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Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
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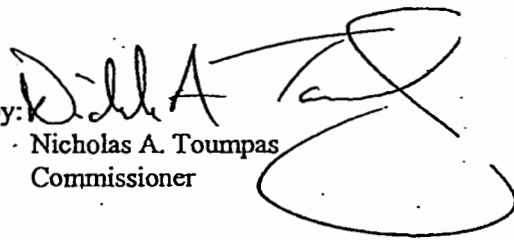
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



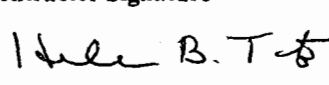
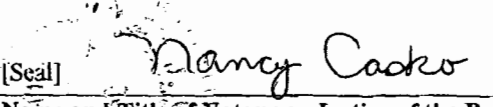
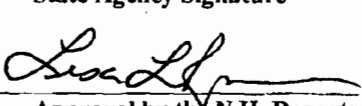
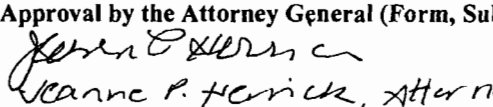
Nicholas A. Toumpas
Commissioner

Subject: Community and school-based oral health services for underserved individuals in the Families First service area

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Families First of the Greater Seacoast		1.4 Contractor Address 100 Campus Drive, Suite 12 Portsmouth, NH 03801	
1.5 Contractor Phone Number (603) 422-8208 Ext. 120	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$102,668
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Helen B. Taft, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Rockingham</u> On <u>3/12/13</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]		My Commission Expires March 7, 2017	
1.13.2 Name and Title of Notary or Justice of the Peace Nancy Casco, Notary			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Jeanne P. Herrick, Attorney On: <u>28 May 2013</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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

Community & School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Families First of the Greater Seacoast

ADDRESS: 100 Campus Drive, Suite 12
Portsmouth, NH 03801

Executive Director: Helen B. Taft

TELEPHONE: (603) 422-8208 Ext. 120

The Contractor shall provide community-based and school-based oral health services as specified below:

I. General Provisions

The contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children and adults within the defined service area who don't have regular access to oral health care.

A. The contractor shall use one of the following models to provide the following services:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

B. Numbers Served

Oral assessments are to be provided to a minimum of 1,900 school students and 1,900 individuals in the dental center throughout each year of the contract term.

C. Eligibility and Income Determination

1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

D. Relevant Policies and Guidelines

The community and school-based oral health programs shall:

1. Require no fee for any Medicaid client;
2. Assist eligible families with Medicaid enrollment directly or through referral;
3. Become a Medicaid provider for qualified clients;
4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance;
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care;
6. Resources shall be directed to evidence-based interventions and;
7. Explore and secure future funding sources.

E. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

F. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

G. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

H. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The community and school-based oral health programs shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and

job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Workplans

1. Performance Workplans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The workplans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Workplan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based workplan with this application for funding and by July 15th of the second contract year.
4. The Contractor shall comply with minor modifications and/or additions to the workplan and annual report format as requested by the Oral Health Program. The Oral Health Program will

provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work plans and Work plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Work plan.

D. Performance Measures

Community- Based Performance Measures

1. A minimum of 900 pediatric clients (0-less than 19 years) shall receive oral screenings
2. A minimum of 900 adult clients (19 and older) shall receive oral screenings
3. Percent of clients receiving prophylaxis
4. Percent of clients receiving restorative treatment
5. Percent of children receiving dental sealants
6. Percent of broken dental appointments (visits)

School-Based Oral Health Performance Measures

1. A minimum of 80% of 2nd and 3rd grade students returning consent forms
2. A minimum of 300 2nd and 3rd grade students shall receive oral screenings
3. Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
4. Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
5. 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
6. Percent of all 2nd and 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

Community & School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Families First of the Greater Seacoast

ADDRESS: 100 Campus Drive, Suite 12
Portsmouth, NH 03801

Executive Director: Helen B. Taft
TELEPHONE: (603) 422-8208 Ext. 120

Vendor #166629-B001

Job #90072003

Appropriation #05-95-90-902010-4527-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$102,668 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$102,668

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

- 8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;
- 8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;
- 8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 15. Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the Contractor with respect to the operation of the facility or the provision of the services at such facility. If any government license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply

with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) – 501© (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501©(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

X (1) The contractor certifies that it IS a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does not exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

☐ (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The remainder of this page is intentionally left blank.

18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

W. B. T. K.
Contractor Signature

Executive Director
Contractor's Representative Title

Families First of the Greater Seacoast
Contractor Name

3/13/13
Date

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name

FAMILIES FIRST OF THE GREATER SEACOAST

Name of Contractor



Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

Helen B. Taft

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

Executive Director

Title of Authorized Representative

3/30/2013

Date

3/13/13

Date

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

2/10/2015

Agency Name: Families First of the Greater Seacoast

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Helen B. Taft, Executive Director	\$103,189	0.00%	\$0.00
David C. Choate, Finance Director	\$68,216	0.00%	\$0.00
Teresa Burdick, Director of Health/Dental Operations	\$69,888	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$0.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Helen B. Taft, Executive Director	\$105,769	0.00%	\$0.00
David C. Choate, Finance Director	\$69,921	0.00%	\$0.00
Teresa Burdick, Director of Health/Dental Operations	\$71,635	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$0.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract.** Provide their name, title, annual salary and percentage of annual salary paid from the agreement.



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Goodwin Community Health (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 311 Route 108, Somersworth, NH 03878.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$189,792
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1

Contractor Initials: 
Date: 3-9-15 

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

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

3/12/15
Date

State of New Hampshire
Department of Health and Human Services
[Signature]
Brook Dupee
Bureau Chief

3-9-15
Date

Goodwin Community Health
[Signature]
NAME
TITLE CEO

Acknowledgement:

State of NH, County of Shafford on 3/9/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

[Signature] Notary Public
Name and Title of Notary or Justice of the Peace
Comm. exp. 9/17/2019

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

OFFICE OF THE ATTORNEY GENERAL

4/22/15
Date

[Signature]
Name: Megan A. Yapi
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Scope of Services

The Contractor shall provide community-based and school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children and adults within the defined service area who don't have regular access to oral health care.

1.1. The contractor shall use one of the following models to provide the following services:

- 1.1.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.1.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

1.2. Numbers Served

Oral assessments are to be provided to a minimum of 400 school students and 2,500 individuals in the dental center throughout each year of the contract term.

1.3. Eligibility and Income Determination

- 1.3.1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.3.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.4. Relevant Policies and Guidelines

The community and school-based oral health programs shall:

- 1.4.1. Require no fee for any Medicaid client.
- 1.4.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.4.3. Become a Medicaid provider for qualified clients.
- 1.4.4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.



Exhibit A Amendment #1

- 1.4.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.4.6. Resources shall be directed to evidence-based interventions.
- 1.4.7. Explore and secure future funding sources.

1.5. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.5.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.5.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.5.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.5.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.5.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.6. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.6.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.6.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.6.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.7. Publications Funded Under Contract

- 1.7.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.7.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.7.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).



Exhibit A Amendment #1

1.8. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The community-based and school-based oral health programs shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program that includes dental sealants and Interim Therapeutic Restorations (ITRs) by Certified Public Health Dental Hygienist for students and adults through a school-based or community-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children and adults without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this



Exhibit A Amendment #1

- scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:



Exhibit A Amendment #1

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

3.4.1. Community-Based Performance Measures:

- A minimum of 1,400 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 1,400 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

3.4.2. School-Based Performance Measures:

- A minimum of 60% of 2nd and 3rd grade students returning consent forms
- A minimum of 300 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar



Exhibit A Amendment #1

-
- 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
 - Percent of all 2nd and 3rd grade students screened with a history of decay



Exhibit B Amendment #1

Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$46,308 in SFY 2016 and \$48,588 in SFY 2017 for oral health initiatives, for a total amount of \$94,896.
 - b. Funding is available as follows:
 - \$42,419 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$52,477 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

3/9/15
JC

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Goodwin Community Health

Statewide Community and School Based Oral
Budget Request for: Health Services

Budget Period: 7/1/15 - 6/30/16

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 34,117.93	\$ -	\$ 34,117.93	
2. Employee Benefits	\$ 5,439.52	\$ -	\$ 5,439.52	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ 500.00	\$ -	\$ 500.00	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ 150.00	\$ -	\$ 150.00	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ 5,250.55	\$ -	\$ 5,250.55	
Office	\$ 500.00	\$ -	\$ 500.00	
6. Travel	\$ 350.00	\$ -	\$ 350.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 46,308.00	\$ -	\$ 46,308.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: JL

Date: 3-9-15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Goodwin Community Health

Statewide Community and School Based Oral
Budget Request for: Health Services

(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 35,901.01	\$ -	\$ 35,901.01	
2. Employee Benefits	\$ 5,760.47	\$ -	\$ 5,760.47	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ 500.00	\$ -	\$ 500.00	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ 150.00	\$ -	\$ 150.00	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ 5,401.52	\$ -	\$ 5,401.52	
Office	\$ 525.00	\$ -	\$ 525.00	
6. Travel	\$ 350.00	\$ -	\$ 350.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 48,588.00	\$ -	\$ 48,588.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: RL

Date: 3-9-15



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;

JL
3-9-15



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

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

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



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
 - 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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. **Renewal:**

- As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

RL

3-9-15



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

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

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

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

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

Exhibit G- Amendment #1

Contractor Initials R

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

Date 3-9-15

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



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

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

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

Contractor Name:

3/9/15
Date

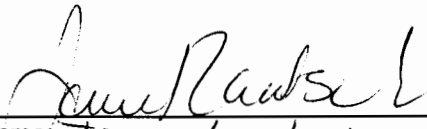

Name: Janet Laatsch
Title: CEO

Exhibit G- Amendment #1

Contractor Initials 

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

Date 3-9-15



Exhibit I - Amendment #1

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.

R

3-9-15



Exhibit I Amendment #1

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

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

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

[Handwritten Signature]

3-9-15



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

RA
3-2-15



Exhibit I Amendment #1

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

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



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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



Exhibit I Amendment #1

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

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

New Hampshire
The State
[Signature]
Signature of Authorized Representative
Brook Dupel
Name of Authorized Representative
Bureau chief
Title of Authorized Representative
3/23/15
Date

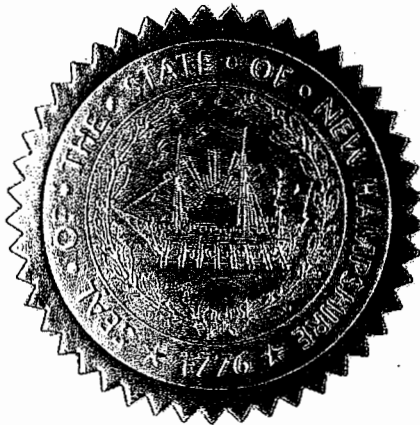
Goodwin Community Health
Name of the Contractor
[Signature]
Signature of Authorized Representative
Jane Laatz
Name of Authorized Representative
CEO
Title of Authorized Representative
3/9/15
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Goodwin Community Health is a New Hampshire nonprofit corporation formed August 18, 1971. 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 September A.D. 2014

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, David Staples, DDS, of the Goodwin Community Health, do hereby certify that:

1. I am the duly elected Board Chair of the Goodwin Community Health;
2. The following are true copies of two resolutions duly adopted at a meeting of the Board of Directors of Goodwin Community Health, duly held on January 8, 2015;

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 Public Health Services.

Resolved: That the Chief Executive Officer, Janet Laatsch, 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 March 9, 2015.

IN WITNESS WHEREOF, I have hereunto set my hand as the Board Chair of the Goodwin Community Health this 9 day of March, 2015.

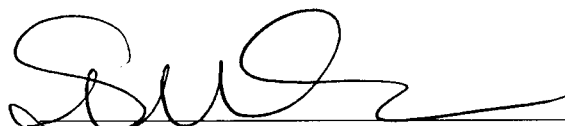


David Staples, DDS, Board Chair

STATE OF NH

COUNTY OF STRAFFORD

The foregoing instrument was acknowledged before me this 9 day of March, 2015 by David Staples, DDS.



Notary Public/Justice of the Peace
My Commission Expires: 9/17/2019



CERTIFICATE OF LIABILITY INSURANCE

GOODCOM-01

LMICHALS

DATE (MM/DD/YYYY)

2/11/2015

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 License # AGR8150

Clark Insurance
80 Canal St
Manchester, NH 03101

CONTACT NAME: Lorraine Michals

PHONE (A/C, No, Ext): (603) 622-2855

FAX (A/C, No): (603) 622-2854

E-MAIL ADDRESS: info@clarkinsurance.com

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Union Mutual Fire Insurance Companies

25860

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

INSURED

Goodwin Community Health
311 Route 108
Somersworth, NH 03878

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:			BOP0101921	07/31/2014	07/31/2015	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 \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS			BOP0101921	07/31/2014	07/31/2015	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 \$ 10,000			CUP0119847	07/31/2014	07/31/2015	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				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

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

CERTIFICATE HOLDER

NH Department of Health and Human Services
29 Hazen Drive
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

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

02/11/2015

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 Automatic Data Processing Insurance Agency, Inc. 1 Adp Boulevard Roseland, NJ 07068	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED GOODWIN COMMUNITY HEALTH CENTER 311 Route 108 Somersworth, NH 03878	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A : Security Natl Ins Co	NAIC # 19879
	INSURER B :	
	INSURER C :	
	INSURER D :	
INSURER E :		
INSURER F :		

COVERAGES**CERTIFICATE NUMBER: 310491****REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY						
	☐ CLAIMS-MADE ☐ OCCUR						EACH OCCURRENCE \$
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$
	☐ POLICY ☐ PROJECT ☐ LOC						PRODUCTS - COMP/OP AGG \$
	OTHER:						\$
	AUTOMOBILE LIABILITY						
	☐ ANY AUTO						COMBINED SINGLE LIMIT (Ea accident) \$
	☐ ALL OWNED AUTOS	☐ SCHEDULED AUTOS					BODILY INJURY (Per person) \$
	☐ HIRED AUTOS	☐ NON-OWNED AUTOS					BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
	UMBRELLA LIAB	☐ OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	☐ CLAIMS-MADE					AGGREGATE \$
	☐ DED ☐ RETENTION \$						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	☐ Y ☐ N					☒ PER STATUTE ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	☒ N	N/A	N	SWC1050980	07/31/2014	07/31/2015
	If yes, describe under DESCRIPTION OF OPERATIONS below						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 (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

NH DHHS
29 Hazen Drive
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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Gadsden Community Health

Mission

*To provide integrated,
comprehensive, quality healthcare,
serving all in our community,
payment for which is based on ability to pay.*

Board Approved on 1-8-2015

**Goodwin Community Health
and Subsidiary**

Financial Report

June 30, 2014

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Accessible
Approachable
Accountable

Independent Auditors' Report

Board of Directors
Goodwin Community Health
and Subsidiary
Somersworth, New Hampshire

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Goodwin Community Health and Subsidiary (the Center) which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

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Board of Directors
Goodwin Community Health and Subsidiary

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Goodwin Community Health and Subsidiary as of June 30, 2014 and 2013, and the consolidated 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 consolidating schedules on pages 17 through 19 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 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.

Magpage LLC

South Portland, Maine
November 25, 2014

Consolidated Statements of Financial Position

June 30,

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 1 and 2)	\$ 655,579	\$ 584,487
Accounts receivable, net (Notes 1 and 3)	417,704	229,940
Grants receivable (Note 4)	145,940	108,182
Current portion of pledges receivable (Note 5)	9,451	25,036
Prepaid expenses	7,693	3,637
Total Current Assets	1,236,367	951,282
Property and Equipment, Net (Notes 1 and 7)	6,276,034	6,547,866
Other Assets		
Goodwill (Note 1)	17,582	17,582
Pledges receivable, net of current portion (Note 5)	8,010	11,494
Total Other Assets	25,592	29,076
Total Assets	\$ 7,537,993	\$ 7,528,224
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 181,237	\$ 260,730
Accrued expenses	363,823	320,772
Lines of credit (Note 8)	193,500	327,280
Current portion of long-term debt (Note 9)	154,716	128,157
Total Current Liabilities	893,276	1,036,939
Long-Term Liabilities		
Long-term debt, net of current portion (Note 9)	869,885	935,100
Total Liabilities	1,763,161	1,972,039
Net Assets		
Unrestricted (deficit)	354,851	(73,807)
Temporarily restricted (Note 11)	5,419,981	5,629,992
Total Net Assets	5,774,832	5,556,185
TOTAL LIABILITIES AND NET ASSETS	\$ 7,537,993	\$ 7,528,224

Consolidated Statement of Activities

Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	Total
Operating Revenue and Support			
Patient service revenue (Notes 1 and 10)	\$ 4,798,980		\$ 4,798,980
Provision for bad debts	(304,004)		(304,004)
Net patient service revenue	4,494,976		4,494,976
Grants, contracts and contributions (Notes 1 and 12)	2,409,793	\$ 66,000	2,475,793
WIC food vouchers (Note 15)	1,572,910		1,572,910
Other	150,554		150,554
	8,628,233	66,000	8,694,233
Net assets released from restrictions	276,011	(276,011)	
Total Operating Revenue and Support	8,904,244	(210,011)	8,694,233
Functional Expenses			
Program services	7,300,409		7,300,409
Fundraising	137,934		137,934
General and administrative	1,050,293		1,050,293
Total Expenses	8,488,636		8,488,636
Change in Net Assets from Operating Activities	415,608	(210,011)	205,597
Non-Operating Revenue and Support			
Rent income	13,050		13,050
Total Change in Net Assets	428,658	(210,011)	218,647
Net Assets (Deficit), Beginning of Year	(73,807)	5,629,992	5,556,185
Net Assets, End of Year	\$ 354,851	\$ 5,419,981	\$ 5,774,832

Consolidated Statement of Activities - Continued

Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Total
Operating Revenue and Support			
Patient service revenue (Notes 1 and 10)	\$ 4,468,027		\$ 4,468,027
Provision for bad debts	(275,559)		(275,559)
Net patient service revenue	4,192,468		4,192,468
Grants, contracts and contributions (Notes 1 and 12)	2,135,975	\$ 35,416	2,171,391
WIC food vouchers (Note 15)	1,644,806		1,644,806
Other	215,425		215,425
	8,188,674	35,416	8,224,090
Net assets released from restrictions	180,296	(180,296)	
Total Operating Revenue and Support	8,368,970	(144,880)	8,224,090
Functional Expenses			
Program services	7,076,642		7,076,642
Fundraising	145,116		145,116
General and administrative	1,020,853		1,020,853
Total Expenses	8,242,611		8,242,611
Change in Net Assets from Operating Activities	126,359	(144,880)	(18,521)
Non-Operating Revenue and Support			
Rent income	12,182		12,182
Class action settlement	148,066		148,066
Change in Net Assets from Non-Operating Activities	160,248		160,248
Total Change in Net Assets	286,607	(144,880)	141,727
Net Assets (Deficit), Beginning of Year	(360,414)	5,774,872	5,414,458
Net Assets (Deficit), End of Year	\$ (73,807)	\$ 5,629,992	\$ 5,556,185

Consolidated Statements of Cash Flows

Years Ended June 30,

	2014	2013
Cash flows from operating activities:		
Change in net assets	\$ 218,647	\$ 141,727
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	271,832	269,624
Provision for bad debt	304,004	275,559
(Increase) decrease in operating assets:		
Accounts receivable	(491,768)	(162,400)
Grants receivable	(37,758)	(22,942)
Pledges receivable	19,069	(10,250)
Cost settlement receivable		38,930
Prepaid expenses	(4,056)	4,363
Increase (decrease) in operating liabilities:		
Accounts payable	(79,493)	(124,437)
Accrued expenses	43,051	13,008
Total adjustments	24,881	281,455
Net cash flows from operating activities	243,528	423,182
Cash flows from investing activities:		
Purchases of equipment		(32,092)
Net cash flows from investing activities		(32,092)
Cash flows from financing activities:		
Net payments on lines of credit	(133,780)	(3,000)
Proceeds from issuance of long-term debt	99,000	
Principal payments on long-term debt	(137,656)	(103,188)
Net cash flows from financing activities	(172,436)	(106,188)
Net change in cash and cash equivalents	71,092	284,902
Cash and cash equivalents, beginning of year	584,487	299,585
Cash and cash equivalents, end of year	\$ 655,579	\$ 584,487
Supplemental disclosure of cash flow information:		
Interest paid during year	\$ 57,245	\$ 70,380

Consolidated Statements of Functional Expenses

Years Ended June 30,

	2014				2013			
	Program	Fundraising	General and Administrative	Total	Program	Fundraising	General and Administrative	Total
Personnel								
Salaries and wages	\$ 3,663,909	\$ 88,625	\$ 504,002	\$ 4,256,536	\$ 3,522,156	\$ 72,307	\$ 499,771	\$ 4,094,234
Payroll taxes and employee benefits (Note 13)	839,916	20,778	184,841	1,045,535	826,250	16,513	149,366	992,129
	<u>4,503,825</u>	<u>109,403</u>	<u>688,843</u>	<u>5,302,071</u>	<u>4,348,406</u>	<u>88,820</u>	<u>649,137</u>	<u>5,086,363</u>
Other								
WIC food vouchers (Note 15)	1,572,910			1,572,910	1,644,806			1,644,806
Depreciation (Note 1)	223,120		48,713	271,833	226,148		43,476	269,624
Equipment leases and supplies	220,923	2,554	34,227	257,704	180,264	2,336	49,474	232,074
Professional fees	112,191	200	77,265	189,656	48,378		89,649	138,027
Medical supplies	131,695			131,695	136,372			136,372
Physician services	114,921			114,921	101,997			101,997
Repairs and maintenance	63,163	490	29,016	92,669	63,903	28,721		92,624
Interest			57,245	57,245			70,380	70,380
Utilities			23,853	70,155			22,715	68,834
Lab and radiology fees	46,302	182	563	73,589	46,119	145	353	65,936
Insurance	72,844				65,438			64,354
Office materials	22,759		30,241	53,000	43,560		20,794	58,661
Postage and shipping	53,563	151	9,952	63,666	44,363	35	14,263	38,929
Telephone and communications	22,033	275	10,499	32,807	26,158	117	12,654	32,879
Dues and subscriptions	37,463		3,828	41,291	27,510		5,369	24,939
Advertising and promotion (Note 1)	15,342	375	12,360	28,077	12,378	430	12,131	26,692
Travel	20,800	20,857	288	41,945	3,877	22,685	130	26,367
Education and training	20,448	668	5,993	27,109	20,449	177	5,741	24,412
Rent (Note 14)	21,783	270	6,396	28,449	15,933	317	8,162	17,036
Service charges	12,170		5,570	17,740	6,176		10,860	16,229
Printing	10,774		3,238	14,012	11,312		4,917	5,776
Real estate taxes	1,380	2,509	835	4,724	3,795	1,333	648	
	<u>2,796,584</u>	<u>28,531</u>	<u>361,450</u>	<u>3,186,565</u>	<u>2,728,936</u>	<u>56,296</u>	<u>371,716</u>	<u>3,156,948</u>
Total Functional Expenses	\$ 7,300,409	\$ 137,934	\$ 1,050,293	\$ 8,488,636	\$ 7,077,342	\$ 145,116	\$ 1,020,853	\$ 8,243,311

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

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Goodwin Community Health, a nonprofit corporation, was incorporated in 1971 in the state of New Hampshire to provide prenatal care, social support and public health services to low-income persons. Goodwin Community Health's revenues come primarily from patient service fees, including third party payers, federal and state government support and non-government organization grants.

These consolidated financial statements also include the financial statements of Great Bay Mental Health Associates, Inc. (Great Bay), a wholly-owned for-profit subsidiary, engaged in providing mental health services in the Strafford County, New Hampshire community through its employees and independent contractors who are qualified and licensed to practice in the State of New Hampshire. All material inter-company transactions and balances have been eliminated in consolidation. Goodwin Community Health and Great Bay are collectively referred to as "the Center".

Basis of Presentation

The consolidated financial statements of the Center have been prepared using the accrual method of accounting in accordance with professional standards. Under those standards, the Center is required to report information regarding its consolidated financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are those that are not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Center has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled or otherwise removed by actions of the Center. Permanently restricted net assets are those that are subject to donor-imposed stipulations that they be maintained permanently by the Center. The Center had no permanently restricted net assets at June 30, 2014 and 2013.

Use of Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Consolidated Statement of Activities

The Center has classified the consolidated statements of activities into two categories, operating and non-operating. The operating category represents the normal recurring activities of the Center. The non-operating activity captures non-recurring activity primarily related to gains and losses from the sale of property and equipment and income from rental activities.

Net Patient Service Revenue

Revenue is recorded at the Center's standard charges for patient services rendered. Under the terms of agreements with Medicare, Medicaid and other third party payors, reimbursement for the care of program beneficiaries may differ from the Center's standard charges. Differences are recorded as contractual adjustments, which are reflected as an adjustment to patient service revenue together with patient discounts. Credit is extended without collateral.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Charity Care

The Center provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Since the Center does not pursue collection of amounts determined to qualify as charity care, these amounts are reported as deductions from revenue (see Note 10).

Grants and Contracts

The Center receives funding from the federal Public Health Service Agency for its medical operations under a Bureau of Primary Health Care (BPHC) grant program. Since the BPHC grant is available for use in the majority of the Center's operations, it is reported as unrestricted in the consolidated financial statements.

Support received under grants and contracts with governmental agencies and private foundations is reported as revenue when terms of the agreement have been met.

Grants received for the purpose of acquiring long-lived assets are reported as support that increases temporarily restricted assets. The Center has adopted a policy of implying a time restriction on such grants that expire over the assets' useful life.

Contributions

Contributions, including pledges, are recognized as revenues in the period received. The Center reports contributions of cash and other assets received with donor-imposed time or purpose restrictions as temporarily restricted support. When a donor restriction expires, i.e., when a stipulated time restriction or purpose restriction ends, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as unrestricted revenues.

Management has evaluated its outstanding pledges at the end of June 30, 2014 and 2013, and has determined that all amounts are fully collectible and an allowance for uncollectible contributions is not considered necessary.

Advertising and Promotion

The Center expenses its advertising and promotion costs as incurred.

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Center considers all unrestricted highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of contractual allowances and of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2014 and 2013, the allowance for doubtful accounts was \$88,420 and \$137,852, respectively.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable – Continued

In evaluating the collectability of accounts receivable, the Center analyzes its past history 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 of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Center 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 includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill, the Center records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Center's allowance for doubtful accounts methodology for self-pay patients remained consistent with prior year. The Center allows for 100% of patient account receivables over 90 days, 75% over 60 days and 50% under 60 days. The Center's allowance account decreased by \$49,432 from fiscal year 2013 to fiscal year 2014. In addition, the Center's provision for bad debts for self-pay patients increased \$28,455 from \$275,559 for fiscal year 2013 to \$304,004 for fiscal year 2014. The changes were the result of positive trends experienced in the collection of amounts from self-pay patients in fiscal year 2014. The Center has not changed its charity care or uninsured discount policies during fiscal years 2014 and 2013.

Property and Equipment

Property and equipment are stated at cost. Depreciation is being provided by use of the straight-line method over the estimated useful lives of assets ranging from three to forty years.

Goodwill

Goodwill represents the excess of cost over fair value of net assets acquired through the acquisition of Great Bay. In accordance with professional standards, no amortization of goodwill will be taken as the Center evaluates the goodwill on an annual basis for potential impairment.

Income Taxes

Goodwin Community Health is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and as such is exempt from federal income taxes on related income pursuant to Section 501(a) of the IRS Code. Great Bay is a nonexempt organization and files applicable Form 1120 (corporate return). No provision for income taxes was necessary as of June 30, 2014 and 2013.

Management evaluated the Center's tax positions and concluded that the Center had taken no uncertain tax positions that required adjustment to the consolidated financial statements. The Center does not expect that unrecognized tax benefits arising from tax positions will change significantly within the next twelve months. The Center is subject to U.S. federal and state examinations by tax authorities for years ended June 30, 2011 through June 30, 2014.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Expenses

The expenses of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, expenses have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly. Other expenses that are common to several functions are allocated according to statistical bases.

Reclassifications

Certain amounts in the 2013 financial statement have been reclassified to conform to the 2014 presentation. There was no effect on the 2013 change in net assets as a result of such reclassifications.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Center maintains cash balances in a local financial institution. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times throughout the year, the Center's cash balances exceeded FDIC insurance. The Center has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

The composition of accounts receivable at June 30, were as follows:

	2014	2013
Medicare	\$ 41,067	\$ 37,570
Medicaid	145,010	17,944
MaineCare	4,576	11,070
Private Insurance	132,783	75,673
Patients	156,782	211,015
Other	<u>25,906</u>	<u>14,520</u>
	506,124	367,792
Less: allowance for doubtful accounts	<u>(88,420)</u>	<u>(137,852)</u>
	<u>\$417,704</u>	<u>\$229,940</u>

NOTE 4 – GRANTS RECEIVABLE

Grants receivable as presented on the consolidated statements of financial position represent payment due on grants and contracts from state and federal agencies and other organizations and are considered fully collectible by management as of June 30, 2014 and 2013.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 5 – PLEDGES RECEIVABLE

Pledges receivable are summarized as follows at June 30:

	2014	2013
General operations	\$ 6,000	\$15,599
Capital campaign	<u>11,461</u>	<u>20,931</u>
	<u>\$17,461</u>	<u>\$36,530</u>
Amounts due in:		
Less than one year	\$ 9,451	\$25,036
One to five years	<u>8,010</u>	<u>11,494</u>
	<u>\$17,461</u>	<u>\$36,530</u>

The discount rate was not material and therefore not applied in 2014 and 2013 and an allowance for uncollectible pledges was not considered necessary at June 30, 2014 and 2013.

NOTE 6 – COST SETTLEMENT – MEDICARE

The Center renders services to individuals who are beneficiaries of the Federal Medicare program. Charges for services to beneficiaries of this program were billed to the Medicare intermediary. Settlements for differences between the interim rates paid by Medicare and the Center's actual cost for rendering care are based on annual cost report filings. The estimated amounts due to or from this program is reflected in the accompanying consolidated financial statements as cost settlement receivable or payable and are recorded as an increase or decrease to patient service revenue in the year the related care is rendered.

Any adjustments to the estimates as a result of final determination by the intermediary are recorded as increases or decreases to patient service revenue in the year of final determination.

NOTE 7 – PROPERTY AND EQUIPMENT

The following summarizes property and equipment at June 30:

	2014	2013
Building and improvements	\$5,670,162	\$5,670,162
Land	718,427	718,427
Equipment and furniture	<u>1,331,701</u>	<u>1,331,701</u>
	7,720,290	7,720,290
Less: accumulated depreciation	<u>(1,444,256)</u>	<u>(1,172,424)</u>
	<u>\$6,276,034</u>	<u>\$6,547,866</u>

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 8 – LINES OF CREDIT

Goodwin Community Health maintained a \$150,000 line of credit with a financial institution. Interest is at the Wall Street Journal prime rate plus 1% with a floor rate of 6.25% (6.25% at June 30, 2014 and 2013, respectively). The line of credit was due on demand and secured by substantially all the assets of Goodwin Community Health. The outstanding balance on the line of credit at June 30, 2013 was \$132,280. The balance was paid in full and the line of credit closed during the year ended June 30, 2014.

Goodwin Community Health maintains a \$200,000 line of credit with Frisbie Memorial Hospital. The line of credit is interest free, unsecured and due on demand. The outstanding balances on the line of credit at June 30, 2014 and 2013 were \$193,500 and \$195,000, respectively.

NOTE 9 – LONG-TERM DEBT

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

	2014	2013
Note payable to a financial institution payable in 240 monthly installments, initial payments of \$4,464 including interest at a fixed rate of 4.75% until December 2018 at which time monthly payments shall be adjusted to reflect changes in interest rates, due December 2029. The note is secured by real estate. **	\$ 584,049	\$ 607,470
Note payable to a financial institution payable in 60 monthly installments of \$596 including variable interest based on People's United Bank Prime Rate plus 1.50 percentage points over the index, currently at 4.75%, due June 2017, secured by all assets of Great Bay and an unlimited corporate guaranty of Goodwin Community Health.	19,307	25,359
Note payable to a not-for-profit corporation. The note is secured by real estate and substantially all the assets of the Center. An allonge dated September 19, 2012 extended the maturity date from July 1, 2014 to September 1, 2017 and converted the payment schedule to monthly principal and interest payments of \$8,069 with interest at 5.25%. **	288,858	368,172
Note payable to a not-for-profit corporation payable in monthly installments of \$1,709 including interest at a fixed rate of 1.00% due July 2016. The note is unsecured.	42,275	62,256
Note payable to a financial institution payable in 60 monthly installments of \$1,860 including interest at a fixed rate of 4.75% due January 2019. The note is secured by all assets. **	90,112	-
	1,024,601	1,063,257
Less: Current portion	154,716	128,157
	<u>\$ 869,885</u>	<u>\$ 935,100</u>

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 9 – LONG-TERM DEBT – CONTINUED

** The notes are subject to various administrative and financial covenants which the Center was in compliance with at June 30, 2014.

Future minimum principal payments as of June 30, 2014 are as follows:

2015	\$ 154,716
2016	163,841
2017	148,442
2018	75,730
2019	43,045
Thereafter	<u>438,827</u>
	<u>\$1,024,601</u>

NOTE 10 – PATIENT SERVICE REVENUE

The Center recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. It recognizes significant amounts of patient service revenue at the time services are rendered even though it does not assess the patient's ability to pay. For uninsured patients who do not qualify for charity care, the Center recognizes revenue on the basis of its standard rates for services provided. On the basis of historical experience, a significant portion of the Center's uninsured patients will be unable or unwilling to pay for the services provided. Accordingly, the Center records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts, recognized in the period from these major payor sources, is as follows:

	2014	2013
Gross patient service revenue	\$6,078,965	\$5,723,972
Contractual adjustments	(737,859)	(619,738)
Charity care	<u>(542,126)</u>	<u>(636,207)</u>
Patient service revenue	<u>\$4,798,980</u>	<u>\$4,468,027</u>

The Center accepts patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies, which define charity services as those services for which no payment is anticipated. In assessing a patient's eligibility for charity care, the Center uses federally established poverty guidelines. The Center is required to provide a full discount to patients with annual incomes at or below 100% of the poverty guidelines. For those patients with income between 100% and 200% of poverty guidelines, fees must be charged in accordance with a sliding scale discount policy based on family size and income. No discounts may be provided to patients with incomes over 200% of federal poverty guidelines.

Charity care is measured based on services provided at established rates but is not included in net patient service revenue. Costs and expenses incurred in providing these services are included in operating expenses. The Center determines the costs associated with providing charity care by calculating a ratio of costs to gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. Under this methodology, the estimated costs of caring for charity care patients for the years ended June 30, 2014 and June 30, 2013 were approximately \$680,000 and \$790,000, respectively. Charges for services rendered to individuals from whom payment is expected and ultimately not received are written off as part of the provision for bad debts.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 11 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30:

	2014	2013
Grants for construction costs	\$5,107,237	\$5,245,938
Grants for equipment	246,178	347,524
Grants for regional network	49,105	
Pledges receivable	17,461	36,530
	<u>\$5,419,981</u>	<u>\$5,629,992</u>

NOTE 12 – GRANTS, CONTRACTS AND CONTRIBUTION REVENUE

Grants, contracts and contributions included in operating revenue and support in the consolidated statements of activities consisted of the following at June 30:

	2014	2013
U.S. Department of Health and Human Services Community Health Center Grant	\$ <u>983,748</u>	\$ <u>808,480</u>
State of New Hampshire		
Family Planning	114,834	130,905
Primary Care	323,005	248,712
Public Health	150,103	
Oral Health	34,778	18,077
Substance Abuse & Prevention		74,237
Breast and Cervical Cancer Screening	37,255	31,102
Woman, Infants, and Children	<u>433,714</u>	<u>452,980</u>
	<u>1,093,689</u>	<u>956,013</u>
Wentworth Douglass Hospital	150,000	125,000
NH Charitable Foundation	50,000	104,554
Other grants and contributions	<u>198,356</u>	<u>177,344</u>
	<u>398,356</u>	<u>406,898</u>
	<u>\$2,475,793</u>	<u>\$2,171,391</u>

NOTE 13 – DEFINED CONTRIBUTION 401(k) PLAN

The Center sponsors a defined contribution 401(k) plan for all eligible employees. Employer discretionary matching contributions are 100% of contributions up to 3% of eligible employees' salaries. In September 2010, the Center temporarily suspended the employer match.

NOTE 14 – LEASES

The Center is lessor under several non-cancelable leases for certain office space in its Somersworth, New Hampshire location. The leases call for monthly rental payments ranging from \$225 to \$863 and expire in April 2016.

The Center leased office space as a tenant at will. Rent expense was \$6,600 for the years ended June 30, 2014 and 2013.

Notes to Consolidated Financial Statements

June 30, 2014 and 2013

NOTE 15 – WIC FOOD VOUCHERS

The Center acts as a conduit for the State of New Hampshire's Special Supplemental Food Program for Women, Infants and Children (WIC). This program is funded by the U.S. Department of Agriculture (C.F.D.A 10.557). The value of food vouchers distributed by the Center was \$1,572,910 and \$1,644,806 for the years ended June 30, 2014 and 2013, respectively. These amounts are included in the accompanying consolidated financial statements.

NOTE 16 – CONTINGENCIES

Notice of Federal Interest

During the year ended June 30, 2011, the Center received federal grant funding totaling \$4,957,300 under the ARRA - Facilities Improvement Program for construction of a new health center building. The project was completed and the building was placed in service in May 2011. In accordance with the grant agreement, a Notice of Federal Interest (NFI) is required to be recorded in the appropriate official records of the jurisdiction in which the property is located. The NFI is designed to notify any prospective buyer or creditor that the Federal Government has a financial interest in the real property acquired under the aforementioned grant; that the property may not be used for any purpose inconsistent with that authorized by the grant program statute and applicable regulations; that the property may not be mortgaged or otherwise used as collateral without the written permission of the Associate Administrator of the Office of Federal Assistance Management, Health Resources and Services Administration (OFAM, HRSA); and that the property may not be sold or transferred to another party without the written permission of the Associate Administrator of OFAM and HRSA.

Mortgage Deed

During the year ended June 30, 2011, the Center was the beneficiary of an award by the New Hampshire Community Development Finance Authority (CDFA) of \$108,000 in the form of Community Development Investment Program (CDIP) funds. The grant was awarded for the purposes of development and construction of a new health center building. On August 4, 2011, a mortgage deed was given to guarantee a long-term benefit to low and moderate-income individuals, by requiring that the property remain in the ownership of the Center, or another non-profit entity approved by CDFA, for a period of ten years. In the event the project property is sold to a third party, not approved by CDFA, an amount equal to the total amount of CDIP funds disbursed by CDFA (\$108,000) will be repaid to CDFA.

NOTE 17 – EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 25, 2014, the date the consolidated financial statements were available to be issued.

Consolidating Schedule of Financial Position

June 30, 2014

ASSETS	Goodwin Community Health	Great Bay	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	\$ 634,174	\$ 21,405		\$ 655,579
Accounts receivable, net	446,806	125,184	\$ (154,286)	417,704
Grants receivable	145,940			145,940
Current portion of pledges receivable	9,451			9,451
Prepaid expenses	5,896	1,797		7,693
Total Current Assets	<u>1,242,267</u>	<u>148,386</u>	<u>(154,286)</u>	<u>1,236,367</u>
Property and Equipment, Net	<u>6,272,158</u>	<u>3,876</u>		<u>6,276,034</u>
Other Assets				
Goodwill	45,000		(27,418)	17,582
Pledges receivable, net of current portion	8,010			8,010
Total Other Assets	<u>53,010</u>		<u>(27,418)</u>	<u>25,592</u>
Total Assets	<u>\$ 7,567,435</u>	<u>\$ 152,262</u>	<u>\$ (181,704)</u>	<u>\$ 7,537,993</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts payable	\$ 180,453	\$ 154,407	\$ (153,623)	\$ 181,237
Accrued expenses	306,222	57,601		363,823
Lines of credit	193,500			193,500
Current portion of long-term debt	148,377	6,339		154,716
Total Current Liabilities	<u>828,552</u>	<u>218,347</u>	<u>(153,623)</u>	<u>893,276</u>
Long-term Liabilities				
Long-term debt, net of current portion	<u>856,917</u>	<u>13,631</u>	<u>(663)</u>	<u>869,885</u>
Total Liabilities	<u>1,685,469</u>	<u>231,978</u>	<u>(154,286)</u>	<u>1,763,161</u>
Net Assets				
Unrestricted (Deficit)	461,985	(79,716)	(27,418)	354,851
Temporarily restricted	5,419,981			5,419,981
Total Net Assets (Deficit)	<u>5,881,966</u>	<u>(79,716)</u>	<u>(27,418)</u>	<u>5,774,832</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,567,435</u>	<u>\$ 152,262</u>	<u>\$ (181,704)</u>	<u>\$ 7,537,993</u>

Consolidating Schedule of Activities of Unrestricted Net Assets

Year Ended June 30, 2014

	Unrestricted Goodwin Community Health	Unrestricted Great Bay	Eliminations	Total
Operating Revenue and Support				
Patient service revenue	\$ 4,057,589	\$ 741,391		\$ 4,798,980
Provision for bad debts	(302,150)	(1,854)		(304,004)
Net patient service revenue	3,755,439	739,537		4,494,976
Grants, contracts and contributions	2,409,793			2,409,793
WIC food vouchers	1,572,910			1,572,910
Other	150,554			150,554
	7,888,696	739,537		8,628,233
Net assets released from restrictions	276,011			276,011
Total Operating Revenue and Support	8,164,707	739,537		8,904,244
Functional Expenses				
Program services	6,733,373	613,197	\$ (46,161)	7,300,409
Fundraising	137,934			137,934
General and administrative	966,043	89,379	(5,129)	1,050,293
Total Expenses	7,837,350	702,576	(51,290)	8,488,636
Change in Unrestricted Net Assets from Operations	327,357	36,961	51,290	415,608
Non-Operating Revenue and Support				
Rent income	64,340		(51,290)	13,050
Total Change in Unrestricted Net Assets	391,697	36,961		428,658
Unrestricted Net Assets (Deficit), Beginning of Year	70,288	(116,677)	(27,418)	(73,807)
Unrestricted Net Assets (Deficit), End of Year	\$ 461,985	\$ (79,716)	\$ (27,418)	\$ 354,851

	Goodwin Community Health			Great Bay Mental Health Associates, Inc.					
	Program	Fundraising	General and Administrative	Total	Program	General and Administrative	Total	Eliminations	Consolidated
Personnel									
Salaries and wages	\$ 3,181,670	\$ 88,625	\$ 462,402	\$ 3,732,697	\$ 482,239	\$ 41,600	\$ 523,839		\$ 4,256,536
Payroll taxes and employee benefits	796,210	20,778	181,659	998,647	43,706	3,182	46,888		1,045,535
	3,977,880	109,403	644,061	4,731,344	525,945	44,782	570,727		5,302,071
Other									
WIC food vouchers	1,572,910			1,572,910					1,572,910
Depreciation	222,916		46,881	269,797	204	1,832	2,036		271,833
Equipment leases and supplies	219,472	2,554	34,066	256,092	1,451	161	1,612		257,704
Professional fees	100,935	200	45,473	146,608	11,256	31,792	43,048		189,656
Medical supplies	131,695			131,695					131,695
Physician services	114,921			114,921					114,921
Repairs and maintenance	63,163	490	29,016	92,669					92,669
Utilities	46,302		23,853	70,155					70,155
Interest			57,006	57,006		239	239		57,245
Lab and radiology fees	72,844	182	563	73,589					73,589
Insurance	11,233		26,647	37,880	11,526	3,594	15,120		53,000
Office materials	46,696	151	9,189	56,036	6,867	763	7,630		63,666
Postage and shipping	18,368	275	10,092	28,735	3,665	407	4,072		32,807
Telephone and communications	34,844		3,537	38,381	2,619	291	2,910		41,291
Dues and subscriptions	15,342	375	12,360	28,077					28,077
Advertising and promotion	20,477	20,857	252	41,586	323	36	359		41,945
Travel	20,448	668	5,993	27,109					27,109
Education and training	21,783	270	6,396	28,449					28,449
Rent	12,170		5,570	17,740	46,161	5,129	51,290	\$ (51,290)	17,740
Service charges	7,594		2,885	10,479	3,180	353	3,533		14,012
Printing	1,380	2,509	835	4,724					4,724
Real estate taxes			1,368	1,368					1,368
	2,755,493	28,531	321,982	3,106,006	87,252	44,597	131,849	(51,290)	3,185,565
Total Functional Expenses	\$ 6,733,373	\$ 137,934	\$ 966,043	\$ 7,837,350	\$ 613,197	\$ 89,379	\$ 702,576	\$ (51,290)	\$ 8,488,636

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See independent auditors' report.

Goodwin Community Health

Name/Address	Occupation
<u>Chair</u> David B. Staples, DDS	Dentist Consumer
<u>Vice Chair</u> Valerie Goodwin	Business Consumer
<u>Board Treasurer</u> Mark Boulanger	CPA
<u>Board Secretary:</u> Kirsten Jones	Service Industry Consumer
Board Members	
Robert F. Kraunz, MD	Retired Physician
Allison Neal	Education Consultant Consumer
Hilton Kelly	Financial Advisor Consumer
Allyson Hicks	Hospital Finance Director
Don Chick	Photographer Consumer
Mathurin Malby, MD	Physician
Timothy M. Harrington, Esq.	Attorney
Jennifer Glidden	DHHS Admin. Supervisor Consumer
Lisa Hall	Retired Accountant

Trisha Mayotte

311 Route 108
Somersworth, NH 03878
(603) 749-2346

Objective

A position as a dental hygienist where I can utilize my my professionalism and experience to focus on patient care in a team environment.

Education

New Hampshire Technical Institute
Graduated May 2001

Concord, NH
graduated with honors

Employment

Goodwin Community Center
Somersworth, NH

2014-present
Dental Hygienist

responsibilities

School based program
taken DMF and def scores
educated children oral hygiene

sealants
prophylaxis
nutritional counseling

Portsmouth Pediatrics Dentistry
Portsmouth, NH

2014-present
Dental Hygienist

responsibilities

pediatric prophylaxis
Digital radiographs

flouride
education

Dr. Stefan Wittner
Rochester, NH

2012-present
Dental Hygienist

responsibilities

family prophylaxis
oral hygiene instruction

radiographs
fluoride

References

Furnished Upon Request

DONNA H. JONES

QUALIFICATIONS:

- 33years of professional experience in the Dental field
- Cardiopulmonary Resuscitation Certification
- State of New Hampshire Sealant certification
- State of New Hampshire X-ray certification
- Certificate of Completion on "How to Avoid Potential Collection Problems"
- Brookhaven Occupational Educational School, Yaphank, NY Dental Assisting Program
- Sinclair Community College
- DISC Seminar
- Anesthesia Assistant National Certification
- DAANCE Certification
- Nitrous Oxide Oxygen Sedation Certification
- CDA Certification
- Coronal Polishing Certification
- OSHA Officer

EXPERIENCE:

Back Office Duties

- Assisting Dentist in all aspects of dentistry including orthodontics and implants
- Preparing instrument trays/sterilizing and disinfecting equipment
- Take digital x-rays/impressions/make bleaching trays, night guards, custom trays, etc.
- Direct Doctor to proper operatories
- Pack cord/make temporary's/pour mount and trim models, organize lab system
- Place sealants/place temporary medicated fillings/change ortho wires
- Ordering of supplies
- Treatment planning
- Full range of Oral Surgery Assisting Duties including implant coordinator

Front Office Duties

- Checking patients in and out
- Answering multi-line phones/Computer scheduling appointments/Recall
- Financial Arrangements/Treatment plans
- Electronic Insurance filing/benefit coverage confirmation/Medicaid
- Implemented New Computer System/ Trained office personnel in Eaglesoft
- Chart auditing/maintaining treatment records on Dentrix , Eaglesoft and OMS
- Bookkeeping/accounts receivable and payable

EMPLOYMENT:

8/2013 to present	Goodwin Community Health, Somersworth NH, Dental Assistant
4/2012 to 8/2013	The Kids Dentist, Rochester NH, Dental Assistant
6/2008 to 7/2011	Seacoast Dental Implant and Oral Surgery Center, Portsmouth and Rochester NH, Surgical Assistant/ Front desk
9/2005 to 6/2008	Wentworth Douglass Community Dental Center, Dover NH, Dental Assistant
9/1999 to 10/2004	Dr. David Ness, Somersworth, NH Dental Assistant
9/1998 to 6/1999	Dr. Cho & Dr. Schmidt, Sacramento, CA Dental Assistant
9/1995 to 4/1998	GCDC, Dr Iwata, Anchorage, AK Dental Assistant
9/1991 to 6/1995	Dr. Mark Blumenschein, Dayton, OH, Assistant
6/1986 to 1/1991	Seacoast Oral Surgery, Dr. Auty, Dr. Clarizio, Dr. Leffingwell, Portsmouth, NH, Dental Assistant, Receptionist, Collections, Financial Advisor

Alison J. Belmore
311 Route 108
Somersworth, New Hampshire 03878
(603) 749-2346

EXPERIENCE

Goodwin Community Health, Somersworth, NH Dental Coordinator Dental Insurance, Billing, Scheduling, Coordinate coverage for dental staff, Oversee dental orders, handle all administrative work for dental grants.	8/2013 - present
Goodwin Community Health, Somersworth, NH Patient Advocate Scheduling, Dental Pain Triage, Cashing out drawers end of day, Patients: 1 st line of contact for billing decisions and assistance	3/2012 – 8/2013
Aroma Joes, Somersworth, NH Work with the public serving coffee and cashier	10/2009 – 3/2012
Belknap Dental Assoc., Dover, NH Part-time office work and assisting with x-rays; hygienist charts; appointment scheduling; etc.	09/2005- 08/2008
Gunstock Ski Resort, Gilford, NH Children's center instructor	11/2204 – 03/2007

EDUCATION

Tufts University School of Dental Medicine Continuing Education - Radiology / X-Ray Course	2011	
New England Dental Assisting School Dental Assisting Certificate Concord, NH	November 2010	
Great Bay Community College Stratham, NH	full time student	January, 2009 – May, 2010
Keene State College Keene, NH	full time student	September, 2008 – December 2008
Dover High School Dover, NH	Diploma	May 2008

OTHER

Rotary RYLA Leadership
Completed camp program

2006

Volunteer
Soup kitchen and babysitting at local church; Toys 4 Tot

References

Ms. Kelly Levy, Operations Manager
Belknap Dental Associates
Dover, NH

603-742-4735

Ms. Jennifer Carberry, Belknap Dental Hygienist

603-742-4735

Ms. Robin Parson, Children's Center Manager
Gunstock Ski Mountain Resort
Gilford, NH

603-293-4341

Whitney E. Goode, DMD
Goodwin Community Health
311 Route 108
Somersworth, NH 03878
wgoode@GoodwinCH.com

Educational Experience

- **Tufts University School of Dental Medicine**, Boston, Massachusetts
DMD May 2007
- **Kalamazoo College**, Kalamazoo, Michigan
Bachelor of Liberal Arts 2003 Major: Chemistry
- **L'Ecole Supérieure de Commerce**, Clermont-Ferrand, France
7 month study abroad program, completed an Inter Cultural Research Project entitled "The ways in which the Secours Catholique helps underprivileged families in French society"

Work Experience

- Goodwin Community Health (Aug 2007- present)
Serve as Dental Director (Aug 2009-present) and dentist in the Somersworth clinic
- Community Health Center of South Dade (May-June 2006)
Participated in a community service externship under the direction of Dr. Sheri Watson
- Kalamazoo College (2002-2003)
Performed research under the direction of Dr. Regina Stevens-Truss
- Karmanos Cancer Institute (June – August 2001)
Acted as a research assistant for Dr. Diane Brown, volunteered at the Walt Breast Clinic
- Kalamazoo College Peer Leader (2000-2001)
Served as a peer leader to the incoming class of 2004
- Port Huron Municipal Marinas (June- September 1999, 2000)
Position: Dock Attendant
- Dr. Goode's Dental Office (Sporadically from 1996-2002)
Discovered the various aspects of a dentist and a dental office's work

Research/Scientific Achievements

- Kalamazoo College
Research project entitled "*Spectrophotometric analysis of nitric oxide synthase: Effects of solvent composition on the heme pocket*" published in 2003
- Karmanos Cancer Institute in cooperation with Wayne State University
Research project entitled "*The effects of spiritual based therapy on the emotional well-being of African American Breast Cancer Patients*" published in 2004
- Assisted in research for a medical publication and debate on orthopedic surgery- "*The Successful Treatment of Cubital Tunnel Syndrome Does Not Require Transposition of the Ulnar Nerve: Proponents Statement*" published in the Journal of Hand Surgery Nov. 1999
- MASTER (math and science technology enriched research) (1995-1999)
 - St. Clair County Science and Engineering Fair (1996-1999)
 - ~ 1996 "*The effects of fluoride on tooth decay*" 2nd place
 - ~1997 "*The effects of wearing orthodontics and the stress on your body*" 1st place
 - ~1999 "*The effects of ethylenediaminetetracetic acid on vitamin B3 deficiency in irradiated poultry*" 1st place
 - ~1998 "*The effects of ethylenediaminetetracetic acid on poultry bacteria's susceptibility to irradiation*" Grand Prize
 - International Science and Engineering Fair, Ft. Worth, Texas (May 1998)
 - ~2nd place with same 1998 project

Other Achievements

- Contributor to New Hampshire Oral Health Workforce Strategic Plan (2010)
- Dental Class Secretary (2003-2004) and (2005-2007)
- Delta Sigma Delta Dental Fraternity Secretary (2005-2006)
- Kalamazoo College Honors Award (four-year merit scholarship)
- Chairperson, National Honor Society 1998 & 1999
- Rotary Exchange Student Williamshaven, Germany (July 1997)

Activities

- Member, ADA (2003- present)

Whitney E. Goode, DMD
Goodwin Community Health
311 Route 108
Somersworth, NH 03878
wgoode@GoodwinCH.com

- Member, New Hampshire Dental Society (2007-present)
- Member, New Hampshire Dental Society Council on Membership (2008-present)
- Member, New Hampshire Dental Society New Dentist Committee (2009-present)
- Member, Smile Squad, Tufts University (2003-2007)
- Member, Delta Sigma Delta, Tufts University (2003-present)
- Member, SAC (Student Activities Committee) Kalamazoo College (1999-2003)
- Member & Secretary, American Chemical Society, Kalamazoo College (1999-2006)
- Volunteer, K Crew (Admissions Office Volunteer) Kalamazoo College (1999-2003)
- Soccer, travel, high school and intramural college (1991- 1999, 2002-2003)
- Volunteer, Red Cross, Kalamazoo, MI and Port Huron, MI (1997- 2001)
- Mentor, Bridge Builders Counseling Center, Port Huron, MI (1997-1999)

Lisa Slaughter, D.M.D.
311 Route 108
Somersworth, NH 03878
(603) 749-2346
lslaughter@goodwinch.org

Objective: Public Health General Dentist

Education:

D.M.D., Tufts University School of Dental Medicine, 2007
B.S., Biology, St. Michael's College, 2002
Mt. Blue High School, 1994-1998

Honors:

Dean's Honor Roll for performance on National Boards Part II, 2006
Tuft's University School of Dental Medicine

Graduated Magna Cum Laude, 2002
St. Michael's College

Skills:

Patient communication and education
Digital radiology
AXIUM and Centricity digital record systems

Work Experience:

General Dentist, January 2009-Present
Goodwin Community Health
Somersworth, NH

Locum Tenens General Dentist, September-October 2010
Tamworth Dental Center
Tamworth, NH

Associate General Dentist, September 2007-September 2008
Paul W. Conrad, D.D.S., P.C. and Associates
Montclair, VA

Dental Extern, November-December 2006
V.A. Hospital dental clinic
Togus, ME

Teaching Assistant, fall 2006
Tufts University School of Dental Medicine
Geriatric Dentistry

References: Available upon request

DOLORES VANMALDEN
311 Route 108
Somersworth, NH 03878
Phone: (603) 749-2346

EMPLOYMENT HISTORY:

2009-Present Goodwin Community Health, Somersworth, NH

Dental Assistant: Duties consisted of taking digital x rays, setting for procedures, sterilization of instruments, taking and pouring impressions, assisting in root canals, crown prep and insertion for this non-profit organization.

2002-2009 Dr. Morton Levin, D.D.S., Gilford, NH

Dental Assistant: Duties included assisting in restorations, root canals, extractions, prophys, coronal polishing, crown prep, sterilization of instruments, room set-up and x rays. Also performed other duties required in an office providing general dentistry and orthodontics

1994-2002 Governor Wentworth School District, Wolfeboro, NH

Part-time Food Service Provider: Duties included cooking and serving lunches to Kingswood High students in grades 9-12. Position involved significant positive interaction with students, as well as faculty. Distinguished as the only food service employee to have been honored with a yearbook dedication.

1985-1994 At-Home Parent for our daughter and son

EDUCATIONAL BACKGROUND:

2002-2009 New Hampshire Technical Institute: Ongoing continuing education courses in dental assisting

CERTIFICATIONS:

Dental X-Ray Technician
Advanced Orthodontics
Coronal Polishing
Chairside Assisting

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Goodwin Community Health

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Janet Laatsch, CEO	\$143,208	0.00%	\$0.00
Whitney Goode, Dental Director	\$149,704	4.86%	\$7,277.25
Erin Ross, CFO	\$91,125	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$7,277.25

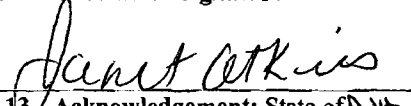
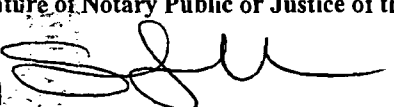
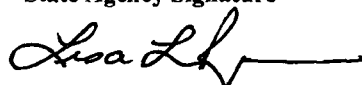
BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$0.00

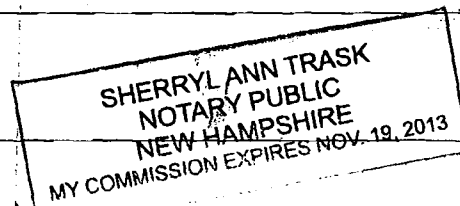
Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel MUST be listed, **even if no salary is paid from the contract.** Provide their name, title, annual salary and percentage of annual salary paid from the agreement.

Subject: Oral health services will be delivered to underserved individuals in Strafford County.**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Goodwin Community Health		1.4 Contractor Address 311 Route 108 Somersworth, NH 03878	
1.5 Contractor Phone Number (603) 953-0065	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$94,896
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Janet Atkins, Executive Director	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Strafford</u> On <u>3-8-13</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Sherry Trask, Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>Karen E. Herrick</u> <u>Karen E. Herrick, Attorney</u> On: <u>28 Mar 2013</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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

Community & School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Goodwin Community Health

ADDRESS: 311 Route 108
Somersworth, NH 03878

Executive Director: Janet Atkins
TELEPHONE: (603) 953-0065

The Contractor shall provide community-based and school-based oral health services as specified below:

I. General Provisions

The contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children and adults within the defined service area who don't have regular access to oral health care.

A. The contractor shall use one of the following models to provide the following services:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

Oral health care services for the targeted population(s) shall include risk assessment, oral screenings with appropriate referrals, oral health education, early diagnosis of oral diseases, preventive care focused on age appropriate dental sealants, links to restorative treatment and disease management. Resources shall be directed to providing evidence-based oral health interventions.

B. Numbers Served

Oral assessments are to be provided to a minimum of 400 students and a minimum of 2,500 individuals in the dental center throughout each year of the contract term.

C. Eligibility and Income Determination

1. The Contractor shall provide oral health services to low-income, uninsured, and underinsured children and adults within the defined service area who don't have regular access to oral health care. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

D. Relevant Policies and Guidelines

The community and school-based oral health program shall:

1. Require no fee for any Medicaid client.
2. Assist eligible families with Medicaid enrollment directly or through referral.
3. Become a Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without Medicaid, SCHIP or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Resources shall be directed to evidence-based interventions.
7. Explore and secure future funding sources.

E. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

F. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

G. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

H. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The community and school-based oral health programs shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individuals at chair side or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the

State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. **New Hires:** The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. **Vacancies:** The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Workplans

1. Performance Workplans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The workplans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Workplan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based workplan with this application for funding and by July 15th of the second contract year.

4. The Contractor shall comply with minor modifications and/or additions to the workplan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Workplans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Workplans and Workplan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. In years when contracts or amendments are not required, the DPHS Budget Form, Budget Justification, Sources of Revenue and Program Staff List forms must be completed according to the relevant instructions and submitted as requested by DPHS and, at minimum, by April 30 of each year.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An annual summary of feedback from school administrators, families and providers obtained during the prior contract year and of the method by which the results were obtained must be submitted with the bi-annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Workplan.

D. Performance Measures

Community-Based Performance Measures

- A minimum of 1,400 pediatric clients (ages 0 <19 years) will receive oral screenings
- A minimum of 1,400 adult clients (19 years and older) will receive oral screenings
- Percent of clients receiving prophylaxis (cleanings)
- Percent of clients receiving restorative treatment
- Percent of children receiving dental sealants
- Percent of broken dental appointments

School-Based Oral Health Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs with children in other states and in the National Oral Health Surveillance System.

- A minimum of 60% of 2nd & 3rd grade students returning consent forms
- A minimum of 300 2nd & 3rd grade students screened in school
- Percent of all 2nd & 3rd grade students screened to assess oral health needs
- Percent of all 2nd & 3rd grade students screened with at least one sealant on a permanent molar
- 100% of all 2nd and 3rd graders screened with untreated decay who are referred for treatment
- Percent of all 2nd & 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

Community & School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Goodwin Community Health

ADDRESS: 311 Route 108, Somersworth, NH 03878

Executive Director: Janet Atkins
TELEPHONE: (603) 953-0065

Vendor #154703-B001

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$94,896 for oral health initiatives funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$94,896

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- ☐ (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- X (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The remainder of this page is intentionally left blank.

18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

David Atkins Executive Director
Contractor Signature Contractor's Representative Title

Goodwin Community Health
Contractor Name

3/13/13
Date

JHA
3/13/13

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

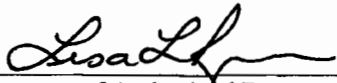
IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name

GOODWIN COMMUNITY HEALTH

Name of Contractor



Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

JANET ATKINS

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

EXECUTIVE DIRECTOR

Title of Authorized Representative

3-30-2013

Date

3-13-13

Date



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Health First Family Care Center (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 841 Central Street, Franklin, NH 03235.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$95,792
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1



New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services

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

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

State of New Hampshire
Department of Health and Human Services

3/24/15
Date

Brook Dupee
Brook Dupee
Bureau Chief

Health First Family Care Center

3-12-2015
Date

NAME
TITLE

Acknowledgement:

State of NH, County of Merrimack on March 12, 2015, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Theresa L. French
Name and Title of Notary or Justice of the Peace

Theresa L. French, Notary Public
My Commission Expires July 16, 2019

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

OFFICE OF THE ATTORNEY GENERAL

Date

4/6/15

Name:

Title:

[Signature]

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:

Title:



Scope of Services

The Contractor shall provide school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children within the defined service area who don't have regular access to oral health care.

1.1. Numbers Served

Oral assessment services are to be provided to a minimum of 300 students throughout each year of the contract term.

1.2. Eligibility and Income Determination

- 1.2.1. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. The contractor shall use one of the following models to provide the following services:

- 1.3.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.3.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

1.4. Oral health care services for the targeted population(s) shall include:

- 1.4.1. risk assessment;
- 1.4.2. oral health education;
- 1.4.3. oral screening;
- 1.4.4. early diagnosis of oral diseases;
- 1.4.5. preventive care focused on age appropriate dental sealants, Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Dental Hygienist, and fluoride varnish application; and
- 1.4.6. care coordination that links children to restorative treatment and disease management in a "dental home".

1.5. Relevant Policies and Guidelines

The school-based oral health program shall:

- 1.5.1. Require no fee for any Medicaid client.
- 1.5.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.5.3. Become a Medicaid provider for qualified clients.



Exhibit A Amendment #1

- 1.5.4. Provide a sliding fee scale for children from families without Medicaid or private dental insurance.
- 1.5.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.5.6. Direct resources to evidence-based interventions.
- 1.5.7. Explore and secure future funding sources.

1.6. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.6.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.6.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.6.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.6.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.6.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.7. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.7.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.7.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.7.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.8. Publications Funded Under Contract

- 1.8.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.8.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.8.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

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Contractor Initials JLW



Exhibit A Amendment #1

1.9. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The school-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individual students at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program, that shall at minimum include the requirements of 1.4.5 above, for children through a school-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.



Exhibit A Amendment #1

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.



Exhibit A Amendment #1

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade target population.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs, with children in other states and in the National Oral Health Surveillance System.

- 3.4.1. School-Based Performance Measures:
 - A minimum of 70% of 2nd and 3rd grade students returning consent forms
 - A minimum of 400 2nd and 3rd grade students shall receive oral screenings
 - Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
 - Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
 - 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
 - Percent of all 2nd and 3rd grade students screened with a history of decay



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$22,808 in SFY 2016 and \$25,088 in SFY 2017 for oral health initiatives, for a total amount of \$47,896.
 - b. Funding is available as follows:
 - \$21,410 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$26,486 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: HealthFirst Family Care Center, Inc.

Statewide Community and School Based Oral
Budget Request for: Health Services

Budget Period: 7/1/15 - 6/30/16

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$3,975.00	\$ 397.50	\$ 4,372.50	For all direct budgets amounts an indirect cost rate of 10% is charged This is simply a cost allocated as a percentage of direct.
2. Employee Benefits	\$ 874.50	\$ 87.45	\$ 961.95	
3. Consultants	\$ 11,900.00	\$ 1,190.00	\$ 13,090.00	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ 1,485.05	\$ 148.50	\$ 1,633.55	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ 1,000.00	\$ 100.00	\$ 1,100.00	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 1,500.00	\$ 150.00	\$ 1,650.00	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 20,734.55	\$ 2,073.45	\$ 22,808.00	

Indirect As A Percent of Direct

10.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: JCW

Date: 12 MAR 2015

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: HealthFirst Family Care Center, Inc.

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$4,100.00	\$ 410.00	\$ 4,510.00	For all direct budgets amounts an indirect cost rate of 10% is charged This is simply a cost allocated as a percentage of direct.
2. Employee Benefits	\$ 902.00	\$ 90.20	\$ 992.20	
3. Consultants	\$ 11,900.00	\$ 1,190.00	\$ 13,090.00	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	For all direct budgets amounts an indirect cost rate of 10% is charged This is simply a cost allocated as a percentage of direct.
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ 2,005.27	\$ 200.53	\$ 2,205.80	For all direct budgets amounts an indirect cost rate of 10% is charged This is simply a cost allocated as a percentage of direct.
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ 2,400.00	\$ 240.00	\$ 2,640.00	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ 1,500.00	\$ 150.00	\$ 1,650.00	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 22,807.27	\$ 2,280.73	\$ 25,088.00	

Indirect As A Percent of Direct

10.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: Jew

Date: 12 Mar 2015



SPECIAL PROVISIONS

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

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



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

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

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



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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. **Renewal:**

- As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.



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

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

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

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

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

Exhibit G- Amendment #1

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

Contractor Initials Jew

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



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

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

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

Contractor Name:

3-12-2015
Date

[Signature]
Name:
Title:

Exhibit G- Amendment #1

Contractor Initials JCW

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



HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I Amendment #1

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

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

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



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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 Amendment #1

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



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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



Exhibit I Amendment #1

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

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

Dept of Health & Human Services

The State

[Signature]

Signature of Authorized Representative

Bruce Dace

Name of Authorized Representative

Board Chair

Title of Authorized Representative

3/24/15

Date

HEALTH FIRST FAMILY CARE CENTER

Name of the Contractor

[Signature]

Signature of Authorized Representative

JAMES C WELLS

Name of Authorized Representative

BOARD CHAIR

Title of Authorized Representative

12 MAR 2015

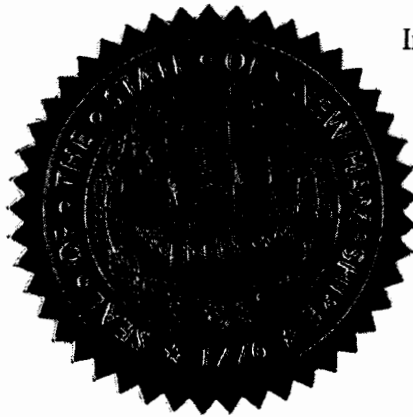
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that Health First Family Care Center is a New Hampshire nonprofit corporation formed April 23, 1996. 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 black ink, appearing to read "William M. Gardner".

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE

I, **Bill Purslow**, do hereby certify that:

1. I am a duly elected Officer of **HealthFirst Family Care Center, Inc.**

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of the Agency duly held on **January 28, 2015**:

RESOLVED: That the **Board Chair**

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of the **12th day of March, 2015**.
(Date Contract Signed)

4. **Jim Wells** is the duly elected **Board Chair** of the Agency.



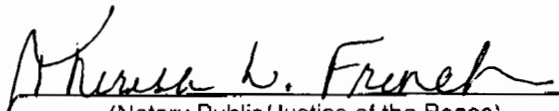
Bill Purslow, Secretary/Treasurer BOD
HealthFirst Family Care Center, Inc.

STATE OF NEW HAMPSHIRE

County of Merrimack

The forgoing instrument was acknowledged before me this 12th day of March, 2015.

By Bill Purslow



(Notary Public/Justice of the Peace)

(NOTARY SEAL)

THERESA L. FRENCH, Notary Public
My Commission Expires July 16, 2019

Commission Expires: _____



CERTIFICATE OF LIABILITY INSURANCE

HEALFIR-01

LMICHALS

DATE (MM/DD/YYYY)

8/18/2014

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 License # AGR8150 Clark Insurance 80 Canal St Manchester, NH 03101		CONTACT NAME: Lorraine Michals PHONE (A/C, No, Ext): (603) 622-2855 FAX (A/C, No): (603) 622-2854 E-MAIL ADDRESS: lmichals@clarkinsurance.com		
INSURED Health First Family Care Center 841 Central St Franklin, NH 03235		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Citizens Ins Co of America		31534
		INSURER B:		
		INSURER C:		
		INSURER D:		
		INSURER E:		
		INSURER F:		

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:		OBVA044172	07/01/2014	07/01/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 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 ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ HIRED AUTOS ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS		OBVA044172	07/01/2014	07/01/2015	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 DED RETENTION \$	☐ OCCUR ☐ CLAIMS-MADE	OBVA044172	07/01/2014	07/01/2015	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000
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 N/A	WBVA044167	07/01/2014	07/01/2015	☒ PER STATUTE ☐ OTH-ER 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 (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

The Division of Public Health Services,
NH DHHS
2E, 29 Hazen Drive
Concord, NH 03301-6504

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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Our Mission

It is the mission of Health First Family Care Center to provide high quality primary healthcare, treatment, prevention and education services required by the residents of the service area, regardless of ability to pay or insurance status, depending upon available Health First resources.

Health First coordinates and cooperates with other community and regional health care providers to assure the people of the region the fullest possible range of health and prevention services.

HEALTH FIRST FAMILY CARE CENTER, INC.
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

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BRAD BORBIDGE, P.A.

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Independent Auditors' Report

Board of Directors
Health First Family Care Center, Inc.
Franklin, New Hampshire

We have audited the accompanying financial statements of Health First Family Care Center, Inc., which comprise the balance sheets as of September 30, 2014 and 2013, the related statements of operations and 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 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.

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 Health First Family Care Center, Inc. as of September 30, 2014 and 2013, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying 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, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 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 January 28, 2015, on our consideration of the Organization'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 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 important for assessing the results of our audit.

A handwritten signature in black ink, appearing to read "A. D. [unclear]".

Concord, New Hampshire
January 28, 2015

HEALTH FIRST FAMILY CARE CENTER, INC.

BALANCE SHEETS

SEPTEMBER 30, 2014 AND 2013

ASSETS

	2014	2013
Current Assets:		
Cash and cash equivalents	\$ 123,183	\$ 179,086
Patient accounts receivable, net of allowance for uncollectible accounts of \$100,000 and \$176,208 at September 30, 2014 and 2013, respectively	502,797	333,824
Grant receivables	96,482	59,805
Other current assets	30,228	18,144
Total Current Assets	752,690	590,859
Assets Limited As To Use	126,539	76,707
Furniture and Equipment, Net	1,486,561	1,564,870
TOTAL ASSETS	\$ 2,365,790	\$ 2,232,436

LIABILITIES AND NET ASSETS

Current Liabilities:		
Line of credit	\$ 88,280	\$ 122,129
Accounts payable and accrued expenses	83,355	74,471
Accrued payroll and related expenses	140,099	134,836
Deferred revenue	21,420	21,229
Due to third party payers	-	124,923
Current maturities on long-term debt	40,927	38,081
Total Current Liabilities	374,081	515,669
Long-term Debt, Less Current Maturities	1,397,383	1,437,064
Total Liabilities	1,771,464	1,952,733
Net Assets:		
Unrestricted	594,326	279,703
TOTAL LIABILITIES AND NET ASSETS	\$ 2,365,790	\$ 2,232,436

(See accompanying notes to these financial statements)

HEALTH FIRST FAMILY CARE CENTER, INC.
STATEMENTS OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Operating Revenue:		
Patient service revenue	\$ 2,269,875	\$ 2,122,638
Provision for bad debts	(376,568)	(312,778)
Net Patient Service Revenue	1,893,307	1,809,860
Grants, contracts, and contributions	1,341,905	1,072,675
Managed grant revenue	9,219	86,927
Other operating revenue	149,130	54,325
Total Operating Revenue	3,393,561	3,023,787
Operating Expenses:		
Salaries and benefits	2,123,644	1,863,187
Other operating expenses	815,589	807,739
Managed grant expense	-	83,599
Depreciation	78,309	91,464
Interest expense	61,396	61,688
Total Operating Expenses	3,078,938	2,907,677
OPERATING INCOME AND EXCESS OF REVENUE OVER EXPENSES	314,623	116,110
Grants Received For Capital Acquisitions	-	5,219
INCREASE IN UNRESTRICTED NET ASSETS	314,623	121,329
Net Assets, Beginning of Period	279,703	158,374
NET ASSETS, END OF PERIOD	\$ 594,326	\$ 279,703

(See accompanying notes to these financial statements)

HEALTH FIRST FAMILY CARE CENTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Cash Flows From Operating Activities:		
Change in net assets	\$ 314,623	\$ 121,329
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for bad debts	376,568	312,778
Depreciation	78,309	91,464
Grants received for capital acquisitions	-	(5,219)
Increase (decrease) in the following assets:		
Patient accounts receivable	(545,541)	(281,381)
Grant receivables	(36,677)	(19,272)
Prepaid expenses	(12,084)	888
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	8,884	(50,328)
Accrued payroll and related expenses	5,263	24,106
Deferred revenue	191	(41,444)
Due to third party payers	(124,923)	124,923
Net Cash Provided by Operating Activities	<u>64,613</u>	<u>277,844</u>
Cash Flows From Investing Activities:		
Capital expenditures	-	(5,219)
Increase in assets limited as to use	(49,832)	(4,740)
Net Cash Used by Investing Activities	<u>(49,832)</u>	<u>(9,959)</u>
Cash Flows From Financing Activities:		
Payments on line of credit	(33,849)	(63,000)
Grants received for capital acquisitions	-	5,219
Principal payment of long-term debt	(36,835)	(36,545)
Net Cash Used by Financing Activities	<u>(70,684)</u>	<u>(94,326)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(55,903)	173,559
Cash and Cash Equivalents, Beginning of Year	179,086	5,527
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 123,183</u>	<u>\$ 179,086</u>
Supplemental Disclosures of Cash Flow Information:		
Cash paid for interest	\$ 61,396	\$ 61,688

(See accompanying notes to these financial statements)

HEALTH FIRST FAMILY CARE CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Health First Family Care Center, Inc., "the Organization," is a non-stock, non-profit corporation organized in New Hampshire. The Organization's is a Federally Qualified Health Center (FQHC) providing high quality primary health care, treatment, prevention and education services required by the residents in the Twin Rivers Region of New Hampshire, commensurate with available resources, and to coordinate and cooperate with other community and regional health care providers to assure the people of the region the fullest possible range of health services.

Income Taxes

The Organization is a public charity under Section 501(c)(3) of the Internal Revenue Code. As a public charity, the Organization 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 Organization's tax position and concluded that the Organization has no unrelated business income or uncertain tax positions that require adjustment to the financial statements. Management believes the Organization is no longer subject to income tax examinations for years prior to 2011.

Use of Estimates

The preparation of financial statements in conformity with accounting standards generally accepted in the United States of America require 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization analyzes its past history and identifies trends for all funding sources in the aggregate and fully reserves for patient balances over 180 days, in accordance with the Organization's collection policy. 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 Organization has not changed its methodology for estimating the allowance for doubtful accounts.

A reconciliation of the allowance for doubtful accounts follows:

	<u>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 176,208	\$ 170,000
Provision	376,568	312,778
Write-offs	<u>(452,776)</u>	<u>(306,570)</u>
Balance, end of year	<u>\$ 100,000</u>	<u>\$ 176,208</u>

Decrease in allowance is primarily due to as part of the implementation of a new billing system, all balances in the previous system were written off.

Assets Limited as to Use

Assets limited as to use include assets set aside under loan agreements for repairs and maintenance on the real property collateralizing the loan and assets designated by the board of directors.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gifts of Long-lived Assets

Gifts of long-lived assets, such as land, buildings, 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 or used to extinguish debt related to 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, expiration of donor restrictions are reported when the donated, acquired long-lived assets are placed in service, or when gifts of cash are used for the extinguishment of debt related to the long-lived assets.

Patient Service Revenue

The Organization has agreements with third-party payers that provide for payments to the Organization at amounts different from its established rates. A summary of the payment arrangements with major third-party payers follows:

- Medicare -- Primary care services rendered to Medicare program beneficiaries are reimbursed under cost reimbursement methodology. The Organization is reimbursed at a tentative encounter rate with final settlement determined after submission of annual cost reports by the Organization and audits thereof by the Medicare administrative contractor. The Organization's Medicare cost reports have been retroactively settled through June 30, 2012.
- Other payers -- The Organization also has entered into payment agreements with Medicaid certain commercial insurance carriers, health maintenance Organizations and preferred provider Organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per visit and discounts from established charges.

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 Organization 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 other operating revenue in the year that such amounts become known.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
Patient Service Revenue (Continued)

The Organization recorded a favorable change from prior year third party cost report estimates amounting to \$22,224 and \$30,493 for the years ended September 30, 2014 and 2013, respectively.

The Organization, as a FQHC, began participating in the 340B pharmacy program during 2013 through a contractual relationship with local pharmacies. The program requires drug manufacturers to provide outpatient drugs to FQHC's and other identified entities at a reduced price. Local pharmacies dispense drugs to eligible patients of the Organization and bill Medicare and commercial insurances on behalf of the Organization. Reimbursement received by the pharmacies is remitted to the Organization, less dispensing and administrative fees. Gross revenue generated from the program is included in patient service revenue. Expenses incurred related to the program are included in other operating expenses.

Excess of Revenue Over Expenses

The statement of operations includes excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenue over expenses, consistent with industry practice, includes 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 ASSETS LIMITED AS TO USE

Assets limited as to use consisted cash and cash equivalents at September 30, 2014 and 2013 as follows:

	<u>2014</u>	<u>2013</u>
United States Department of Agriculture Rural Development loan agreements	\$ 74,536	\$ 64,706
Designated by the governing board for:		
Working capital	40,000	-
Capital acquisition and maintenance	<u>12,003</u>	<u>12,001</u>
Total	<u>\$ 126,539</u>	<u>\$ 76,707</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 FURNITURE AND EQUIPMENT

The cost and accumulated depreciation of furniture and equipment at September 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
Buildings and improvements	\$ 1,684,182	\$ 1,684,182
Leasehold improvements	129,687	129,687
Equipment	381,884	381,884
Furniture and fixtures	<u>85,133</u>	<u>85,133</u>
Total cost	2,280,886	2,280,886
Less, accumulated depreciation	<u>794,325</u>	<u>716,016</u>
Property and Equipment, Net	<u>\$ 1,486,561</u>	<u>\$ 1,564,870</u>

NOTE 4 LINE OF CREDIT

The Organization has a \$300,000 line of credit with a local bank, payable on demand, through March 2015, with interest of 6.25% at September 30, 2014. The balance outstanding at September 30, 2014 and 2013 amounted to \$88,280 and \$122,129, respectively. Borrowings on the line of credit are secured by all of the Organization's business assets, including accounts receivable. The line of credit contains a minimum debt service coverage covenant requirement which was met at September 30, 2014.

NOTE 5 LONG-TERM DEBT

A summary of notes payable at September 30, 2014 and 2013 follows:

	<u>2014</u>	<u>2013</u>
A 4.125% promissory note, which matures in March 2037, paid in monthly installments of \$8,186, which includes interest, to the U.S. Department of Agriculture. The note is secured by all tangible property owned by the Organization.	\$ 1,438,310	\$ 1,475,145
Less current maturities	<u>40,927</u>	<u>38,081</u>
Long-term Debt Excluding Current Maturities	<u>\$ 1,397,383</u>	<u>\$ 1,437,064</u>

NOTE 5 LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on long-term debt for the next five years and thereafter follows:

2015	\$ 40,927
2016	41,373
2017	43,112
2018	44,925
2019	46,813
Thereafter	<u>1,221,160</u>
Total	<u>\$ 1,438,310</u>

NOTE 6 PATIENT SERVICE REVENUE

The following is an analysis of patient service revenue for the years ended September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Gross charges	\$ 2,737,340	\$ 2,809,478
Less: contractual adjustments	(409,993)	(429,372)
free care	<u>(327,508)</u>	<u>(433,178)</u>
Medical patient service revenue	1,999,839	1,946,928
340B pharmacy revenue	<u>270,036</u>	<u>175,710</u>
Total Patient Service Revenue	<u>\$ 2,269,875</u>	<u>\$ 2,122,638</u>

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, the revenue is recorded net of the free care allowance. The Organization estimates the costs associated with providing charity care by calculating the ratio of total cost to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated cost of providing services to patients under the Organization's charity care policy amounted to \$344,058 and \$433,178 for the years ended September 30, 2014 and 2013, respectively.

The Organization 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 and United Way and municipal appropriations.

NOTE 7 FUNCTIONAL EXPENSES

The Organization provides various services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2014, and 2013 follows:

	<u>2014</u>	<u>2013</u>
Program services	\$ 2,538,550	\$ 2,388,525
Administrative and general	<u>540,388</u>	<u>519,152</u>
Total	<u>\$ 3,078,938</u>	<u>\$ 2,907,677</u>

NOTE 8 RETIREMENT PLAN

The Organization has a contributory defined contribution plan covering eligible employees. The Organization contributed \$26,298 and \$18,461 to the plan for the years ended September 30, 2014 and 2013, respectively.

NOTE 9 OPERATING LEASE COMMITMENTS

The following is a schedule by years of future minimum rental payments required under operating leases for facilities that have initial or remaining non-cancellable lease terms in excess of one year:

<u>Year Ending September 30,</u>	<u>Minimum Lease Payments</u>
2015	\$ 61,230
2016	62,631
2017	64,061
2018	65,519
2019	67,007
Thereafter	<u>192,025</u>
Total	<u>\$ 512,473</u>

Rental expense on operating leases was \$59,514 and \$60,075 for the years ended September 30, 2014 and 2013, respectively.

NOTE 10 CONCENTRATION OF RISK

The Organization grants credit without collateral to its patients, most of whom are local residents in the towns served by the Organization and are insured under third-party payer agreements. At September 30, 2014, Medicaid and Medicare represented 39% and 20%, respectively, of account receivables. No other individual payer source exceeded 10% of the gross accounts receivable balance.

NOTE 11 MALPRACTICE INSURANCE

The Organization is protected from medical malpractice risk as a FQHC under the Federal Tort Claims Act (FTCA). The Organization has additional medical malpractice insurance, on a claims-made basis, for coverage outside the scope of the protection of the FTCA. As of the year ended September 30, 2014, there were no known malpractice claims outstanding which in the opinion of management, will be settled for amounts in excess of both FTCA and medical malpractice insurance coverage; nor are there any unasserted claims or incidents which require loss accrual. The Organization intends to renew medical malpractice insurance coverage on a claims-made basis and anticipates that such coverage will be available.

NOTE 12 SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through January 28, 2015, which is the date the financial statements were available to be issued.

HEALTH FIRST FAMILY CARE CENTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Direct programs			
Health Center Cluster	93.224		\$ 678,008
Small Health Care Provider Quality Improvement	93.912		<u>21,230</u>
Total direct programs			<u>699,238</u>
Passed through programs from:			
State of New Hampshire Department of Health and Human Services			
Breast and Cervical Cancer Screening	93.283	102-500731/90080081	11,325
Oral Health	93.991	102-500731/90072003	9,772
Primary Care	93.994	102-500731/90080000	18,753
Bi-State Primary Care Association, Inc.			
Oral Health	93.236		33,706
Cooperative Agreement to Support Navigators in Federally-Facilitated and state Partnership exchange	93.750		<u>26,933</u>
Total pass-through programs			<u>100,489</u>
Total Expenditures of Federal Awards			<u>\$ 799,727</u>

The accompanying notes are an integral part of this schedule.

HEALTH FIRST FAMILY CARE CENTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, "the Schedule", includes the federal grant activity of Health First Family Care Center, Inc., "the Organization", under programs of the federal government for the year ended September 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

197 LOUDON ROAD, SUITE 350

CONCORD, NEW HAMPSHIRE 03301

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Independent Auditors' Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Health First Family Care Center, Inc.
Franklin, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Health First Family Care Center, Inc., which comprise the balance sheets as of September 30, 2014, and the related statements of operations, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Findings

Management's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Concord, New Hampshire
January 28, 2015

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 Auditors' Report on Compliance for Each Major Federal
Program and Report on Internal Control Over Compliance**

Board of Directors
Health First Family Care Center, Inc.
Franklin, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Health First Family Care Center, 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 the Organization's major federal programs for the year ended September 30, 2014. 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.

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 the Organization'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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

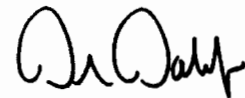
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001 that we consider to be a significant deficiency.

Management's Response to Findings

Management's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of this Report

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.

A handwritten signature in black ink, appearing to read "D. D. D.", is located in the lower right quadrant of the page.

Concord, New Hampshire
January 28, 2015

HEALTH FIRST FAMILY CARE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section I – Summary of Auditors’ Results

A. Financial Statements:

1. Type of auditors’ report issued	Unmodified
2. Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	Yes
3. Noncompliance material to financial statements noted?	No

B. Federal Awards:

1. Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	Yes
2. Type of auditors’ report issued on compliance for major programs	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes

C. Major Programs:

Health Center Cluster	93.224

D. Dollar threshold used to distinguish between Type A and Type B programs	\$300,000

E. Auditee qualified as low-risk auditee?	Yes

HEALTH FIRST FAMILY CARE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section II – Findings and Questioned Costs

A. Financial Statements

2014-001 Accounts Receivable and Revenue Recognition

Criteria:

Generally accepted accounting principles require financial statements be fairly presented. For financial statements to be fairly presented, patient accounts receivable and revenue should be recorded at the net amount expected to be received.

Condition:

Patient accounts receivable and related revenue were not recorded at the net amount expected to be received. Certain encounters were recorded and billed twice and other encounters were not recorded at the appropriate amount.

Effects:

The financial statements, including patient accounts receivable, patient service revenue and bad debts, may not be fairly presented.

Cause:

The Organization implemented a new billing system during the year with a direct interface with the Organization's electronic medical records system (EMR). Certain actions occurring within the EMR were resulting in duplicate encounters to be generated and inadvertently billed as well as certain services carrying forward to the claims inaccurately.

Questioned Costs:

None noted.

Recommendations:

With the new interface between the Organization's EMR and billing systems, we believe a detailed review of each claim and related patient activity prior to claim submission is important and recommend management modify billing procedures to incorporate the necessary steps to sufficiently review claims and related patient activity to ensure accurate billing.

HEALTH FIRST FAMILY CARE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section II – Findings and Questioned Costs (Continued)

A. Financial Statements (Continued)

2014-001 Accounts Receivable and Revenue Recognition (Continued)

Management Response:

Management recognizes the importance of accurate billing and related impact on the financial statements and has made it a top fiscal priority to establish the necessary billing procedures to ensure claims and related patient activity is sufficiently reviewed prior to claim submission.

B. Federal Awards

2014-001 Accounts Receivable and Revenue Recognition

Same as financial statement findings reported above.

2014-002 Governing Board Compliance Requirement of the Health Center Cluster

Criteria:

The Health Center Cluster grant requires the board of directors to be composed of individuals, a majority of whom are being served by the center and who, as a group, represent the individuals being served by the center.

Condition:

The majority of the members of the Organization's governing board are not clients of the Organization.

Effects:

It can be perceived that a governing board that is not representative of the individuals the Organization serves may impair the board's ability to govern the Organization and its operation of the health center.

Cause:

The Organization's governing board is out of compliance as the result of member resignations during the year.

HEALTH FIRST FAMILY CARE CENTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Section II – Findings and Questioned Costs (Continued)

B. Federal Awards (Continued)

2014-002 Governing Board Compliance Requirement of the Health Center Cluster
(Continued)

Questioned Costs:

None noted.

Recommendations:

We recommended management continued to actively engage in new member recruitment, with an emphasis on clients of the Organization.

Management Response:

Management recognizes the importance of the board composition and is actively recruiting new members with an emphasis on clients of the Organization.

Section III – Prior Findings and Questioned Costs for the Year Ended September 30, 2013

There were no prior financial statement or federal award audit findings for the year ended September 30, 2013.

HEALTH FIRST FAMILY CARE CENTER

Board of Directors

Revised 12/2014

Phyllis Benson, Client Representative 567 Hill Road [Redacted] [Redacted]@mail.com Phone: 603-455-4508 Started: 9/2014	Michael Stanley, Vice-Chair - Client Representative [Redacted] Started: 07/2012
Henry Lipman, Agency Representative LRGHealthcare 80 Highland Ave. Laconia, NH 03246 E-mail: Phone: 603-524-3211 Fax: 603-527-2887 Started: 09/2014	Bill Purslow, Secretary/Treasurer - Community Rep [Redacted] Started: 06/2014
Julie Ellerbeck, Client Representative 40 Turnpike Road [Redacted] Started: 08/2012	Jim Wells, Board Chair - Client Representative [Redacted] Started: 03/2005
Sarah Gagnon, Agency Representative Director Riverbend Mental Health Svcs. 53 Kendall Street Franklin, NH 03235 E-mail: [Redacted] Phone: 603-934-3400 Fax: 603-934-3459 Started: 02/26/2014	Jane White, Agency Representative Executive Director VNA of Franklin 75 Chestnut Street Franklin, NH 03235 E-mail: jw[Redacted] Phone: 603-934-3400 Fax: 603-934-3459 Started: 02/2012
Agency Representative, To Be Named Child & Family Services PO Box 448 Manchester, NH 03105 Phone: 800-640-6486	Susan Wnuk, Agency Representative Director Community Health & Nutrition Services CAP, Belknap-Merrimack Counties, Inc. PO Box 1016 Concord, NH 03302-1016 E-mail: [Redacted] Phone: [Redacted] Fax: 603-223-1000 Started: 03/2009
Open, Client Representative	Open, Client Representative

*Officers of the Board of Directors are indicated in bold.

Elizabeth Kantowski



Health First Family Care Center

March 2002 – Present - Administrative Services/Human Resources Manager

Staff recruitment; benefit enrollment; advise staff on personnel issues; physician credentialing; prepare supporting grant application and report documents; administer the School Based Oral Health Program; coordinate administrative support to executive director and staff of two non-profit organizations; attend Board of Director meetings and record minutes; supervision of one staff member.

MacNeill Worldwide, Inc., ISO 9001 – October 1996 to November 2001

Human Resources Manager

Responsible for staffing recruitment and selection; advising staff of human resource policies and state and federal employment laws; creating and conducting new staff orientation; conducting and arranging staff training; managing department budget; monthly staffing reports; payroll and benefit programs; worker compensation; conflict resolution; safety committee member; staff morale programs; supervision of one staff member.

Nickerson Assembly – September 1994 to August 1996

Human Resources Manager/Administrative Assistant to President

Staffing recruitment and selection; payroll preparation; ISO implementation team; benefits administration, safety committee chair; newsletter editor; administered and interpreted the Benzinger Thinking Styles Assessment, supervision of one staff member.

Sunny Knoll Retirement Home – May 1993 to February 1994

Office Manager

Responsible for accounts payable, receivable and payroll; Home administrator on a rotating basis for off hours and weekends.

HomeBank – December 1991 to May 1993

Administrative Assistant to Assets Manager – Bank closed by RTC

Catholic Medical Center – September 1991 to December 1991

Per Diem Human Resources Assistant

Education/Training/Membership

- Notre Dame College – 128 credits
- Human Resources Internship – Catholic Medical Center
- Dynamic Leadership – Effective Personal Productivity
- Dale Carnegie – Public Speaking and Human Relations
- Society for Human Resources Management
- Certified Human Resource Professional, 2000-2004

References will be provided upon request

Richard D. Silverberg MSSW, LICSW

841 Central St. Franklin NH 03235
(603) 934-0177 e-mail: rsilverberg@ccntr.org

EXPERIENCE

- 1995-Present Caring Community Network of the Twin Rivers/Health First Family Care Center, Franklin, NH
Managing Director Caring Community Network of the Twin Rivers
Executive Director Health First Family Care Center
- 1994-Present Synergy Works Consulting
Principal
- 1979-1994 Central New Hampshire Community Mental Health, Concord, New Hampshire
(1987-1994) **Vice-President**, Planning, Program Development and Community Support
(1979-1987) **Director**, Community Housing, Consultation and Education, EAPs
- 1978-1979 Consortium for Youth of South Central Connecticut, New Haven, Connecticut
Community Systems Developer
- 1975-1978 Human Services and Resources Center, West Haven, Connecticut
Community Based Social Worker
- 1979-Present Appalachian Mountain Club
Director: Winter and Spring and Fall Mountain Safety Schools for New Hampshire Chapter

TEACHING EXPERIENCE

- 1994-2007 University of New Hampshire, Graduate School of Social Work
Instructor: "Social Welfare Policy", "Community Organization", and "SW Management"
- 1994-Present University of New Hampshire, Graduate School of Social Work
Field Instructor
- 1977-1993 UCONN, UNE, Plymouth State College and Boston University
Field Supervisor and guest lecturer to graduate social work students

EDUCATION

BS, 1974, Major Biology and Social Work, University of Wisconsin Madison Wisconsin
MSSW, 1975, Master of Science and Social Work, University of Wisconsin, Madison

MEMBERSHIPS/CERTIFICATIONS

NASW, National Association Social Workers, ACSW, Certified since 1978, LICSW, 1994
Appalachian Mountain Club, New Hampshire Chapter, Concord Community Players (Theater group)
Association of Experiential Education

COMMUNITY BOARDS

- 1988-2004 Founding member of Concord Area Trust for Community Housing (CATCH)
1995-Present Caring Community Network of the Twin Rivers
1997-Present Community Health Access Network (CHAN)
2000-2009 Endowment for Health Advisory council
1999-Present BiState Primary Care Assn.
2008-Present Bridges 2 Prevention Alcohol and Drug Abuse Prevention board

Richard D. Silverberg MSSW, LICSW
841 Central St. Franklin NH 03234
(603) 934-0177 E-Mail: rsilverberg@ccntr.org

SKILLS

MANAGEMENT AND ADMINISTRATION

- Directed integrated health and human services network
- Executive Director, start up, community primary health care center (FQHC)
- Managed nine departments combined staff of 75 with budget of \$5 million
- Administered direct service programs for adults and children
- Director consultation, education and Employee Assistance Programs
- Led major program reorganization and systems change efforts
- Wrote proposals and administered grant funded programs
- Recruited, trained and supervised diverse professional staff, students and volunteers
- Prepared budgets and administered financial/service contract compliance for positive bottom line
- Worked with diverse funding, Medicaid, Medicare, HMO, self pay, and capitated contracts, cost based

PROGRAM PLANNING AND DEVELOPMENT

- Established interdisciplinary teams of professionals to provide comprehensive services
- Conducted comprehensive, citizen participatory, regional needs assessment and planning process
- Designed and administered community consultation, education and training program
- Worked with community groups, schools, agencies, business and industry to assess needs and develop contracts for consultation and training services
- Designed and developed community housing continuum (150 beds)
- Developed primary health care and prevention programs in the community
- Marketed and developed Managed Care and Employee Assistance programs
- Organized multi-agency consortia and affiliate networks to streamline service delivery

DIRECT SERVICE

- Initiated group services which utilized adaptive Outward Bound adventure challenge techniques
- Delivered direct community needs assessment, education, consultation, and training services
- Carried caseload for individual, family and group treatment, and provided crises intervention service
- Planned and instituted conferences and community prevention programs

TECHNICAL SKILLS

- Facilitates planning, all aspects of site selection and design considerations for specified clinical usage
- Proposal and bid package development and review, negotiating contracts for construction
- Knowledgeable of building, life safety, licensing and JCAHO requirements
- Fixed assets management, including buildings vehicles and computers
- Computer systems, Windows, MACs, Networks, spreadsheets, relational data bases, web sites
- Designed and developed networked computerized clinical database systems, EMR/EHR

OTHER

Married, two children, hiker, camper, cross country skier, snowshoer, woodworker, built own house, volunteers to design and build stage settings with local theatre groups. Instructor in outdoor leadership.

SUMMARY

Thirty-six years of management and direct experience with agencies, organizations, business, community systems, Networks, groups and individuals. Outstanding skills in community systems analysis, program planning and new starts, linking innovative human and technological solutions.

Ted Bolognani

Professional Summary

- Experienced senior manager with international organizations specializing in accounting, budget development, financial planning & forecasting, internal audit, HR management, and IT systems.
- Proven record of building strong operational & financial support systems for overseas project operations.
- Strong knowledge of federal rules & regulations including OMB circulars, CDC, USAID and FAR & FASB compliance issues as well as A-133 audit requirements.
- Skilled in developing and implementing standardized operating policies and procedures for all aspects of administration, accounting, grants & sub-awarding under USAID and other Federal agency rules.
- Over 10 years experience working internationally in Africa, Asia & Eastern Europe.

Experience

Health First Family Care Center

Job Title: **Chief Financial Officer**

2011 - Present

- Direct the business operations of two health center locations; duties include; general ledger accounting, A/P, A/R & billing dept., cash management, budgets, procurement, facilities, risk and federal compliance.
- Prepare financial & compliance reports to the Board of Directors, State Agencies and Federal Agencies.
- Provide financial analysis & forecast data to CEO and manage the agency budget and federal grants.
- Develop policy & procedures for improving grant management & accounting operations (SAGE Fund Acct).
- Oversee external financial statement audit, A-133 audit and IRS 990 preparation.

World Learning

2008 - 2011

Job Title: **Director of Finance**

- Directed a team of financial analyst in organization wide process for development of annual and project based budgets (\$130M annual company budget, \$70M international federal grant & contract funds).
- Lead analyst team in financial planning, quantitative analysis, multi-year forecasting and compliance reporting.
- Develop policy/procedures to improve domestic & international accounting operations, cash flow, forecasting, FX hedging, indirect cost recovery and international grant/project management & reporting (Datatel ERP).
- Assisted CFO in treasury operations, international banking, foreign exchange hedging and endowment portfolio.
- Assisted CFO on federal indirect cost control issues, granting & contracting processes and project compliance.
- Prepared board & senior management reports on budget, investments, forecasts and financial performance.
- Directed process and system improvements including implementation of budget & reporting software, field accounting software, HR & payroll information systems and web based technology for management reports.

The American Youth Foundation

2005 - 2008

Job Title: **Director of Finance**

- Directed the student registrar office, accounting team, human resource functions, audit, risk management, facilities staff and general administrative functions for 3 locations (MO, MI & NH).
- Directed the information technology (IT) services for company's 3 office network, including installation of new email and communication systems and moving financial systems to web platform & Citrix desktop.
- As senior management, participated in strategic planning, policy formation and major decision making with CEO & Board of Directors.
- Served Foundation's Board on all financial, audit & investment matters.

Institute for Sustainable Communities

2003 - 2005

Job Title: Director of Finance & International Operations

- Directed administration, HR, finance & business services for headquarters and 10 country offices.
- Managed A-133 audits and responsible to insure USAID, FAR & OMB rules/regulation compliance on projects.
- Developed and implemented cost allocation plans, policies and procedures for overseas operations insuring approval of USAID indirect cost rate (NICRA) and consistent application of cost recovery on grants & IQCs.
- Directed international finance staff in country offices to insure compliance on USAID sub-award programs.
- Implemented a new ERP & accounting system for headquarters and provided overseas training in QuickBooks.
- Lead financial person for agency, presented financial statements to Board, audit committee & donors.

Global Health Council

1998 - 2003

Job Title: Finance Director

- Directed agency functions & policy for facilities, accounting, human resources & information technology.
- Directed grant & contract reporting & compliance on federal & privately funded projects and programs. Developed agencies first indirect cost allocation plan and negotiated indirect cost rate with USAID.
- Implemented new fund accounting package (Blackbaud Fund Accounting – switched from QuickBooks).
- Directly managed employee benefit programs, including 403(b) pension, health, dental & life insurances.
- Provided oversight on hiring & firing decisions, payroll and employee evaluations, pay-raise & merit award system and welfare matters.
- Oversaw development and directed agencies IT systems & web-site implementation, includes VOIP system using dedicated PTP, administer the VPN frame relay, provided direct PC & LAN/WAN hardware support for WinNT/2000 servers, MS BackOffice & Exchange Server.

Southeastern Vermont Community Action

1993 - 1998

Job Title: Director of Finance

- Directed all administrative, personnel, IT & financial management functions.
- Primary liaison to Board of Directors, funders and public donors on financial matters.
- Directed agency accounting, grant reporting, Medicaid & Medicare billing, and federal & state compliance program.
- Directed grant reporting & compliance on federal, state & privately funded projects and programs.
- Managed HR systems, employee benefits, insurance and 403(b) pension plan.

CARE, International Development Agency

1988 - 1993

Job Title: Deputy Country Director, Administration and Finance - Uganda

- Directed HR, IT and accounting/financial functions for country-wide operations. Took lead in agency planning and major grant, contract & business negotiations
- Directed grant reporting & compliance on federal, state & privately funded projects.
- Developed training programs in HR, procurement, inventory control, planning & budgeting to comply with federal funding requirements.

Job Title: Controller CARE Emergency Relief Office in Mogadishu - Somalia,

- Supervise Accounting, HR and IT systems & Administrative staff for relief operations in 4 major refugee camps throughout Somalia.
- Prepared and audited monthly financial documents for reporting to headquarter on an annual budget of US 78.9 million. Managed all balance sheet & income statement accounts

Education:

- **Masters of International Administration**, World Learning's School for International Training
 - **US Peace Corps**, Philippines
 - **B.S. Business Administration**, University of Vermont
-



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



6/19/13
93

May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

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

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 4 of 4

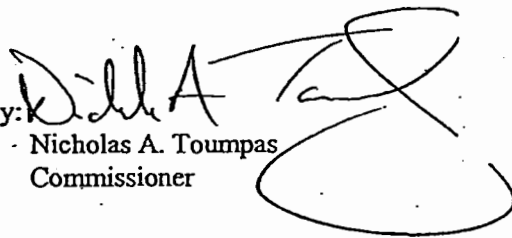
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



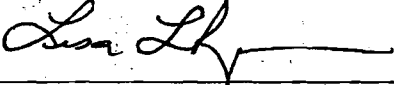
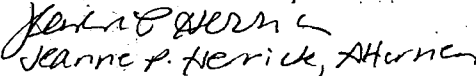
Nicholas A. Toumpas
Commissioner

Subject: School-based oral health services for underserved students in the Twin Rivers Region and Laconia, NH

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Health First Family Care Center		1.4 Contractor Address 841 Central Street Franklin, NH 03235	
1.5 Contractor Phone Number (603) 934-0177 ext. 106	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$47,896
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Glenna Goodman, BOD Chair	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Belknap</u> On <u>3/15/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace ELIZABETH KANTOWSKI, Notary Public My Commission Expires September 14, 2016			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Jeanne P. Herick, Attorney On: <u>28 May 2013</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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Health First Family Care Center

ADDRESS: 841 Central Street, Franklin, NH 03235

Director: Richard D. Silverberg

TELEPHONE: (603) 934-0177

The Contractor shall provide school-based oral health services as specified below:

I. General Provisions:

The contractor shall provide oral health assessment, preventive services, and referrals for restorative treatment for low-income, uninsured, and underinsured children within the defined service area who don't have regular access to oral health care.

A. Numbers Served

Oral assessment services are to be provided to a minimum of 300 students throughout each year of the contract term.

B. The contractor shall use one of the following models:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic referral model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

C. Eligibility and Income Determination

1. Low-income children and families are defined as $\leq 185\%$ of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year), in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in NH Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

D. Oral health services for the targeted population(s) shall include:

1. risk assessment;
2. oral health education;
3. oral screening;
4. early diagnosis of oral diseases;
5. preventive care focused on age appropriate dental sealants and fluoride application;
6. and care coordination that links children to restorative treatment and disease management in a "dental home."

E. Relevant Policies and Guidelines

The school-based oral health program shall:

1. Require no fee for any NH Medicaid client.
2. Assist eligible families with NH Medicaid enrollment directly or through referral.
3. Become a NH Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without NH Medicaid or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Direct resources to evidence-based interventions.
7. Explore and secure future funding sources.

F. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

G. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161-F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

H. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

I. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

II. Minimal Scope of Core Services

A. Service Requirements

The school-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individual students at chairside or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. **New Hires:** The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
2. **Vacancies:** The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

III. Quality or Performance Improvement (QI/PI)

A. Work Plans

1. Performance Work Plans are required annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work Plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Work Plan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the contract year.

4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work Plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work Plans and Work Plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade population targeted for dental sealants.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale provided to participating students' families shall be submitted on request to the DPHS Oral Health Program. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Work Plan.

D. Performance Measures

School-Based Oral Health Performance Measures

- A minimum of 70% of 2nd and 3rd grade students returning consent forms
- A minimum of 400 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- 100% of all 2nd and 3rd grade students screened with untreated decay who are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Health First Family Care Center

ADDRESS: 841 Central Street, Franklin, NH 03235

Director: Richard D. Silverberg
TELEPHONE: (603) 934-0177

Vendor #158221-B001

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$47,896 for school-based oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$47,896

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. Insurance: Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- X (1) The contractor certifies that it IS a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does not exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. Renewal:

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

Glenn Huber *BOD Chair*
Contractor Signature Contractor's Representative Title

Health First Family Care Center *3/15/13*
Contractor Name Date

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

(3) Obligations and Activities of Business Associate.

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

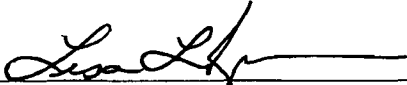
(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

BUREAU CHIEF

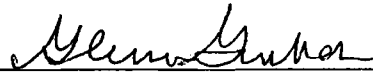
Title of Authorized Representative

3/30/2013

Date

HEALTH FIRST FAMILY CARE CENTER

Name of Contractor



Signature of Authorized Representative



Name of Authorized Representative

BOD Chair

Title of Authorized Representative

3/15/13

Date

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: HealthFirst Family Care Center, Inc.

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Richard Silverberg - Executive Director	\$140,750	0.00%	\$0.00
Ted Bolognani - Chief Financial Officer	\$105,500	0.00%	\$0.00
Elizabeth Kantowski - HR Director	\$79,500	5.00%	\$3,975.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$3,975.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Richard Silverberg - Executive Director	\$150,750	0.00%	\$0.00
Ted Bolognani - Chief Financial Officer	\$110,500	0.00%	\$0.00
Elizabeth Kantowski - HR Director	\$82,000	5.00%	\$4,100.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$4,100.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel MUST be listed, **even if no salary is paid from the contract.** Provide their name, title, annual salary and percentage of annual salary paid from the agreement.



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Lamprey Health Care, Inc. (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 207 Main Street, Newmarket, NH 03857.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$96,394
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

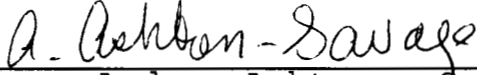
IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

3/24/15
Date

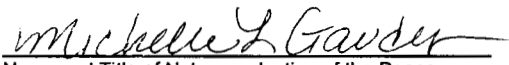
State of New Hampshire
Department of Health and Human Services

Brook Dupee
Bureau Chief

3/6/15
Date

Lamprey Health Care, Inc.

NAME Audrey Ashton - Savage
TITLE President, Board of Directors

Acknowledgement:
State of NH, County of Rockingham on 3/6/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.
Signature of Notary Public or Justice of the Peace


Name and Title of Notary or Justice of the Peace
Michelle Gaudet, Notary Public

MICHELLE L. GAUDET, Notary Public
My Commission Expires August 22, 2017

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

OFFICE OF THE ATTORNEY GENERAL

Date 4/8/15

Name: Megan A. [Signature]
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date _____

Name: _____
Title: _____



Scope of Services

The Contractor shall provide school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children within the defined service area who don't have regular access to oral health care.

1.1. Numbers Served

Oral assessment services are to be provided to a minimum of 2,000 students throughout each year of the contract term.

1.2. Eligibility and Income Determination

- 1.2.1. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. The contractor shall use one of the following models to provide the following services:

- 1.3.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.3.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

1.4. Oral health care services for the targeted population(s) shall include:

- 1.4.1. risk assessment;
- 1.4.2. oral health education;
- 1.4.3. oral screening;
- 1.4.4. early diagnosis of oral diseases;
- 1.4.5. preventive care focused on age appropriate dental sealants, Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Dental Hygienist, and fluoride varnish application; and
- 1.4.6. care coordination that links children to restorative treatment and disease management in a "dental home".

1.5. Relevant Policies and Guidelines

The school-based oral health program shall:

- 1.5.1. Require no fee for any Medicaid client.
- 1.5.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.5.3. Become a Medicaid provider for qualified clients.

AMZ



Exhibit A Amendment #1

- 1.5.4. Provide a sliding fee scale for children from families without Medicaid or private dental insurance.
- 1.5.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.5.6. Direct resources to evidence-based interventions.
- 1.5.7. Explore and secure future funding sources.

1.6. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.6.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.6.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.6.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.6.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.6.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.7. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.7.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.7.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.7.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.8. Publications Funded Under Contract

- 1.8.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.8.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.8.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

Exhibit A Amendment #1

Contractor Initials

AMS



Exhibit A Amendment #1

1.9. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The school-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individual students at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program, that shall at minimum include the requirements of 1.4.5 above, for children through a school-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.



Exhibit A Amendment #1

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

ANS



Exhibit A Amendment #1

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade target population.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs, with children in other states and in the National Oral Health Surveillance System.

- 3.4.1. School-Based Performance Measures:
 - A minimum of 70% of 2nd and 3rd grade students returning consent forms
 - A minimum of 400 2nd and 3rd grade students shall receive oral screenings
 - Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
 - Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
 - 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
 - Percent of all 2nd and 3rd grade students screened with a history of decay

AFAS



Exhibit B Amendment #1

Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$25,367 in SFY 2016 and \$22,830 in SFY 2017 for oral health initiatives, for a total amount of \$48,197.
 - b. Funding is available as follows:
 - \$21,544 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$26,653 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

AAS

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Lamprey Health Care, Inc

**Statewide Community and School Based Oral
Budget Request for: Health Services**

Budget Period: 7/1/15 - 6/30/16

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 20,807.00	\$ -	\$ 20,807.00	
2. Employee Benefits	\$ 4,560.00	\$ -	\$ 4,560.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 25,367.00	\$ -	\$ 25,367.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: *AS*

Date: 3/6/15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Lamprey Health Care, Inc.

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

Line Item	Direct Incremental	Indirect Fixed	Total	Allocation Method for Indirect/Fixed Cost
1. Total Salary/Wages	\$ 18,721.00	\$ -	\$ 18,721.00	
2. Employee Benefits	\$ 4,109.00	\$ -	\$ 4,109.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ -	\$ -	\$ -	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ -	\$ -	\$ -	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 22,830.00	\$ -	\$ 22,830.00	

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: AAS

Date: 3/6/15



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;

MAS



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

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

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



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.
18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.
- (b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- (c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.
- When the Contractor delegates a function to a subcontractor, the Contractor shall do the following:
- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
 - 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
 - 19.3. Monitor the subcontractor's performance on an ongoing basis

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



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



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. Renewal:

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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

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

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

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

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

Exhibit G- Amendment #1

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

Contractor Initials

AMS

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



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

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

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

Contractor Name: Lamprey Health Care, Inc.

3/6/15
Date

A. Ashton-Savage
Name: Audrey Ashton - Savage
Title: President, Board of Directors

Exhibit G- Amendment #1

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

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

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Contractor Initials AS

Date 3/6/15



Exhibit I - Amendment #1

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 Amendment #1

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

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

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

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Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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 Amendment #1

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

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

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Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

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Exhibit I Amendment #1

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

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

NH Health & Human Services
The State
Brian Depe
Signature of Authorized Representative
Brian Depe
Name of Authorized Representative
Brian Depe
Title of Authorized Representative
3/24/15
Date

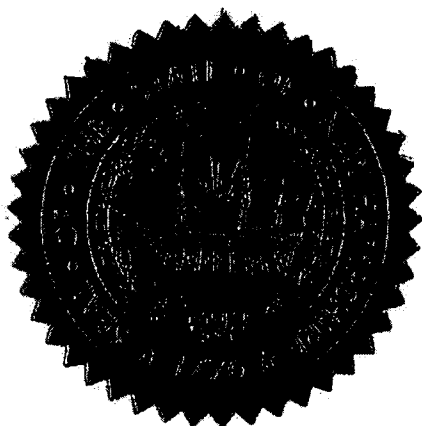
Lamprey Health Care, Inc.
Name of the Contractor
A. Ashton-Savage
Signature of Authorized Representative
Audrey Ashton - Savage
Name of Authorized Representative
President, Board of Directors
Title of Authorized Representative
3/6/15
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that LAMPREY HEALTH CARE, INC. is a New Hampshire nonprofit corporation formed August 16, 1971. 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 4th 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, Janis Reams, do hereby certify that:
(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Lamprey Health Care, Inc.
(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of
the Agency duly held on February 25, 2015:
(Date)

RESOLVED: That the President
(Title of Contract Signatory)

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

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of
the 6 day of March, 2015.
(Date Contract Signed)

4. Audrey Ashton - Savage is the duly elected President
(Name of Contract Signatory) (Title of Contract Signatory)

of the Agency.

Janis C. Reams
(Signature of the Elected Officer)

STATE OF NEW HAMPSHIRE

County of Rockingham

The forgoing instrument was acknowledged before me this 6th day of MARCH, 2015.

By Janis Reams
(Name of Elected Officer of the Agency)

Michelle L. Gaudet
(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: MICHELLE L. GAUDET, Notary Public
My Commission Expires August 22

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/18/2014

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 HUB Healthcare Solutions HUB International New England, LLC 136 Turnpike Road, Suite 105 Southborough, MA 01772	CONTACT NAME: Amanda Keaveney PHONE (A/C, No, Ext): 508-303-9470 FAX (A/C, No): 508-303-9476 E-MAIL ADDRESS: amanda.keaveney@hubinternational.com																					
INSURED LAMPREY HEALTH CARE, INC. 207 SOUTH MAIN STREET Newmarket, NH 03857	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr> <tr> <td>INSURER A:</td><td>Philadelphia Indemnity</td><td></td></tr> <tr> <td>INSURER B:</td><td>Atlantic Charter</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:	Philadelphia Indemnity		INSURER B:	Atlantic Charter		INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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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.

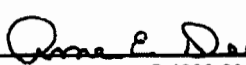
INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			PHPK1191125	07/01/2014	07/01/2015	EACH OCCURRENCE \$1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000
	☐ CLAIMS-MADE ☒ OCCUR						MED EXP (Any one person) \$20,000
							PERSONAL & ADV INJURY \$1,000,000
							GENERAL AGGREGATE \$3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$3,000,000
	☐ POLICY ☐ PROJECT ☐ LOC						\$
A	AUTOMOBILE LIABILITY			PHPK1191125	07/01/2014	07/01/2015	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			PHUB463239	07/01/2014	07/01/2015	EACH OCCURRENCE \$5,000,000
	☐ EXCESS LIAB						AGGREGATE \$5,000,000
	☐ DED ☒ RETENTION \$10,000						\$
	☒ OCCUR ☐ CLAIMS-MADE						
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			WCA00545402	07/01/2014	07/01/2015	☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N	N/A				E.L. EACH ACCIDENT \$500,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$500,000
							E.L. DISEASE - POLICY LIMIT \$500,000

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

Policy contains 60 Days Notice of Cancellation except 10 Days for Non-Payment of Premium.

CERTIFICATE HOLDER

CANCELLATION

Director Division of Public Health Services; NH DHHS 29 Hazen Drive 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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LAMPREY HEALTH CARE

Our Mission

The mission of Lamprey Health Care is to provide high quality primary medical care and health related services, with an emphasis on prevention and lifestyle management, to all individuals regardless of ability to pay.

We seek to be a **leader in providing access** to medical and health services that improve the health status of the individuals and families in the communities we serve.

Our mission is to **remove barriers that prevent access to care**; we strive to eliminate such barriers as language, cultural stereotyping, finances and/or lack of transportation.

Lamprey Health Care's **commitment to the community** extends to providing and/or coordinating access to a full range of comprehensive services.

Lamprey Health Care is committed to achieving the highest level of patient satisfaction through a personal and caring approach and **exceeding standards of excellence in quality and service.**

Our Vision

We will be the **outstanding primary care choice** for our patients, our communities and our service area, and the standard by which others are judged.

We will continue as **pacesetter** in the use of new knowledge for lifestyle improvement, quality of life.

We will be a **center of excellence** in service, quality and teaching.

We will be **part of an integrated system** of care to ensure access to medical care for all individuals and families in our communities.

We will be an **innovator** to foster development of the best primary care practices, adoption of the tools of technology and teaching.

We will **establish partnerships**, linkages, networks and referrals with other organizations to provide access to a full range of services to meet our communities' needs.

Our Values

We exist to **serve the needs of our patients.**

We value a positive **caring approach** in delivering patient services.

We are committed to **improving the health** and total well-being of our communities.

We are committed to **being proactive** in identifying and meeting our communities' health care needs.

We provide a supportive environment for **the professional and personal growth, and healthy lifestyles of our employees.**

We provide an **atmosphere of learning** and growth for both patients and employees as well as for those seeking training in primary care.

We succeed by utilizing a **team approach** that values a positive, constructive commitment to Lamprey Health Care's mission.

LAMPREY HEALTH CARE, INC.
AND
FRIENDS OF LAMPREY HEALTH CARE, INC.
AUDITED CONSOLIDATED 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
FAX 603/224-2397

Independent Auditor's Report on Consolidated Financial Statements

Board of Directors
Lamprey Health Care, Inc. and
Friends of Lamprey Health Care, Inc.
Newmarket, New Hampshire

We have audited the accompanying consolidated financial statements of Lamprey Health Care, Inc. and Friends of Lamprey Health Care, Inc., 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 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 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 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 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 opinions.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lamprey Health Care, Inc. and Friends of Lamprey Health Care, Inc. as of September 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements 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 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 auditing standards generally accepted in the United States of America. In our opinion, the consolidating statements are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying 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, Audits of States, Local Governments, and Non-Profit Organizations, 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 information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 19, 2013, on our consideration of the Association'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 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 important for assessing the results of our audit.

A handwritten signature in black ink, appearing to read "A. D. [unclear]".

Concord, New Hampshire
December 19, 2013

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.

CONSOLIDATED BALANCE SHEETS

SEPTEMBER 30, 2013 AND 2012

ASSETS

	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$ 2,141,018	\$ 1,645,176
Accounts receivable, less allowance for doubtful accounts of \$136,707 and \$133,624 at September 30, 2013 and 2012, respectively	697,315	770,908
Grants receivable	2,342,884	2,251,407
Other receivables	285,546	372,770
Other current assets	<u>101,303</u>	<u>109,491</u>
Total Current Assets	5,568,066	5,149,752
Assets Limited As To Use	1,983,526	1,613,108
Property And Equipment, Net	<u>8,247,061</u>	<u>8,539,363</u>
TOTAL ASSETS	<u>\$ 15,798,653</u>	<u>\$ 15,302,223</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable and accrued expenses	\$ 172,258	\$ 317,177
Accrued salaries and related expenses	1,004,995	852,333
Due to third party payers	73,250	73,250
Deferred revenue	2,547,702	2,457,045
Current maturities of long-term debt	<u>106,330</u>	<u>101,378</u>
Total Current Liabilities	3,904,535	3,801,183
Long-term Debt, Less Current Maturities	<u>2,738,135</u>	<u>2,900,729</u>
Total Liabilities	<u>6,642,670</u>	<u>6,701,912</u>
Net Assets		
Unrestricted	8,733,063	8,084,907
Temporarily restricted	<u>422,920</u>	<u>515,404</u>
Total Net Assets	<u>9,155,983</u>	<u>8,600,311</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,798,653</u>	<u>\$ 15,302,223</u>

(See accompanying notes to these consolidated financial statements)

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Operating Revenue		
Patient service revenue	\$ 6,801,083	\$ 6,692,069
Provision for bad debts	<u>(401,602)</u>	<u>(324,237)</u>
Net patient service revenue	6,399,481	6,367,832
Grants, contracts, and contributions, net	3,933,920	4,376,140
Other operating revenue	2,470,950	1,056,114
Interest income	<u>1,879</u>	<u>1,812</u>
Total Operating Revenue	<u>12,806,230</u>	<u>11,801,898</u>
Operating Expenses		
Payroll and related expenses	9,366,421	8,893,431
Other operating expenses	2,495,061	2,349,344
Depreciation	379,796	381,313
Interest expense	<u>134,376</u>	<u>127,818</u>
Total Operating Expenses	<u>12,375,654</u>	<u>11,751,906</u>
OPERATING INCOME AND EXCESS OF REVENUE OVER EXPENSES PRIOR TO LOSS FROM FLOOD DAMAGE	430,576	49,992
Loss From Flood Damage, Net	<u>-</u>	<u>(154,501)</u>
EXCESS (DEFICIT) OF REVENUE OVER EXPENSE AFTER LOSS FROM FLOOD DAMAGE	<u>\$ 430,576</u>	<u>\$ (104,509)</u>

(See accompanying notes to these consolidated financial statements)

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Unrestricted Net Assets:		
Excess (Deficit) of revenue over expenses after loss from flood damage	\$ 430,576	\$ (104,509)
Grant for capital acquisitions	-	2,000
Change in fair value of financial instrument	56,115	(59,678)
Net assets released from restrictions for capital acquisitions	<u>161,465</u>	<u>9,229</u>
Increase (Decrease) in Unrestricted Net Assets	<u>648,156</u>	<u>(152,958)</u>
Temporarily Restricted Net Assets:		
Contributions	68,981	108,377
Net assets released from restrictions for capital acquisitions	<u>(161,465)</u>	<u>(9,229)</u>
(Decrease) Increase in Temporarily Restricted Net Assets	<u>(92,484)</u>	<u>99,148</u>
Change in Net Assets	555,672	(53,810)
Net assets, beginning of year	<u>8,600,311</u>	<u>8,654,121</u>
NET ASSETS, END OF YEAR	<u><u>\$ 9,155,983</u></u>	<u><u>\$ 8,600,311</u></u>

(See accompanying notes to these consolidated financial statements)

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
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	\$ 555,672	\$ (53,810)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for bad debt	401,602	324,237
Depreciation	379,796	381,313
Grant for capital acquisitions	-	(2,000)
Change in fair value of financial instrument	(56,115)	59,678
Restricted contributions	(68,981)	(108,377)
(Increase) decrease in the following assets:		
Patients accounts receivable	(328,009)	(356,141)
Grants receivable	(91,477)	509,778
Other receivables	87,224	(83,653)
Other current assets	8,188	16,815
Increase (decrease) in the following liabilities:		
Accounts payable and accrued expenses	(144,919)	(169,082)
Accrued payroll and related expenses	152,662	(66,570)
Deferred revenue	<u>90,657</u>	<u>6,256</u>
Net Cash Provided by Operating Activities	<u>986,300</u>	<u>458,444</u>
Cash Flows From Investing Activities:		
Increase in assets limited as to use	(370,418)	(141,815)
Capital expenditures	<u>(87,494)</u>	<u>(286,215)</u>
Net Cash Used by Investing Activities	<u>(457,912)</u>	<u>(428,030)</u>

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Financing Activities		
Grants for capital acquisition	-	2,000
Restricted contributions	68,981	108,377
Principal payments on long-term debt	<u>(101,527)</u>	<u>(93,815)</u>
Net Cash (Used) Provided by Financing Activities	<u>(32,546)</u>	<u>16,562</u>
Net Increase in Cash and Cash Equivalents	495,842	46,976
Cash and Cash Equivalents, Beginning of Year	<u>1,645,176</u>	<u>1,598,200</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,141,018</u></u>	<u><u>\$ 1,645,176</u></u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 134,376	\$ 127,818

(See accompanying notes to these consolidated financial statements)

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Lamprey Health Care, Inc. "LHC" is a private non-stock, non-profit corporation organized in New Hampshire. LHC's primary purpose is to provide quality based family health and medical services to residents of Southern New Hampshire without regard to the patient's ability to pay for these services.

Subsidiary

Friends of Lamprey Health Care, Inc. "FLHC" is a non-stock, non-profit corporation organized in New Hampshire. FLHC's primary purpose is to support Lamprey Health Care, Inc. FLHC is also the property owner of LHC's Newmarket administrative and program offices. LHC is the sole member of FLHC.

Principles of Consolidation

The consolidated financial statements include the accounts of LHC and its subsidiary, FLHC. These agencies are collectively referred to as "the Organization." All significant intercompany balances and transactions have been eliminated in consolidation.

Income Taxes

Both LHC and FLHC are public charities under Section 501(c)(3) of the Internal Revenue Code. As public charities, the entities are 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 each entity's tax position and concluded that there is no unrelated business income or uncertain tax positions that require adjustment to the consolidated 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 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.

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Organization 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 and payor mix 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 Organization has not changed its methodology for estimating the allowance for doubtful accounts during the years ended September 30, 2013 and 2012.

A reconciliation of the allowance for doubtful accounts follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 133,624	\$ 158,384
Provision	401,602	324,237
Write-offs	<u>(398,519)</u>	<u>(348,997)</u>
Balance, end of year	<u>\$ 136,707</u>	<u>\$ 133,624</u>

Assets Limited As to Use

Assets limited as to use include assets set aside under loan agreements for repairs and maintenance on the real property collateralizing the loan and assets designated by the board of directors and donor restricted contributions.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets include contribution and grants for which donor-imposed restrictions have not been met. Assets are released from restrictions as expenditures are made in line with restrictions called for under the terms of the donor.

Permanently restricted net assets are restricted by donors to be maintained by the Organization in perpetuity. There were no permanently restricted net assets.

Gifts of Long-lived Assets

Gifts of long-lived assets, such as land, buildings, 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 or used to extinguish debt related to 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, expiration of donor restrictions are reported when the donated, acquired long-lived assets are placed in service, or when gifts of cash are used for the extinguishment of debt related to the long-lived assets.

Patient Service Revenue

The Organization has agreements with third party payers, including Medicare and Medicaid, that provide for payments to the Organization at amounts different from its established rates. Standard charges for services to all patients are recorded as revenue when services are rendered. Clients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Organization's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

Medicare, under the Federally Qualified Health Center "FQHC" program, reimburses the Organization based on a cost reimbursement formula. The Organization estimates and recognizes the difference, if any, between full charge and third-party defined cost in the period services are rendered. Ordinary differences, if any, between the Organization's estimate of the contractual allowance and the final settlement by Medicare and Medicaid are recognized in the period of final settlement. The Organization's Medicare cost reports have been retroactively settled through 2011.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Organization 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 other operating revenue in the year that such amounts become known. The Organization recorded a favorable change from prior year third party cost report estimates amounting to \$208,822 and \$57,280 for the years ended September 30, 2013 and 2012, respectively.

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, the revenue is recorded net of the free care allowance. The Organization estimates the costs associated with providing charity care by calculating the ratio of total cost to total gross charges, and then multiplying that ratio by the gross uncompensated charges associated with providing care to patients eligible for free care. The estimated cost of providing services to patients under the Organization's charity care policy amounted to \$1,787,696 and \$1,806,778 for the years ended September 30, 2013 and 2012, respectively.

The Organization 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 and United Way and municipal appropriations.

Excess (Deficit) of Revenue Over Expenses

The statement of operations includes excess (deficit) of revenue over expenses. Changes in unrestricted net assets, which are excluded from excess of revenue over expenses, consistent with industry practice, include the change in fair value of financial instruments and contributions of long-lived assets (including assets acquired using contributions and grants 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 Organization adopted the amendment as of October 1, 2012 and retrospectively applied the amendment for the year ended September 30, 2012.

NOTE 2 ASSETS LIMITED AS TO USE

Assets limited as to use is composed of cash and cash equivalents and consisted of board designated and donor restricted funds at September 30, 2013 and 2012 as follows:

	<u>2013</u>	<u>2012</u>
United States Department of Agriculture Rural Development loan agreements	\$ 167,094	\$ 158,724
Designated by the governing board		
Capital	210,000	210,000
Working capital (federal monies)	507,000	507,000
Medicaid settlements	-	242,000
Nashua capital purchases	-	58,181
Succession planning	-	61,000
Transportation	26,882	22,565
Ann Peters health care access	6,085	-
ICD-10 implementation	796,082	-
Donor restricted:		
Temporarily (Note 6)	<u>270,383</u>	<u>353,638</u>
Total	<u>\$ 1,983,526</u>	<u>\$ 1,613,108</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 property and equipment at September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 1,138,520	\$ 1,095,740
Building and improvements	10,331,023	10,331,023
Furniture and equipment	<u>1,842,019</u>	<u>1,813,444</u>
Total Cost	13,311,562	13,240,207
Less, accumulated depreciation	<u>5,064,501</u>	<u>4,700,844</u>
Total Property and Equipment, Net	<u>\$ 8,247,061</u>	<u>\$ 8,539,363</u>

NOTE 4 LINE OF CREDIT

The Organization has an available \$300,000 revolving line of credit from a local bank through May 2015, with an effective interest rate of 3.25%. The line of credit is secured by all business assets. There was no outstanding balance at September 30, 2013 and 2012, respectively.

NOTE 5 LONG-TERM DEBT

A summary of notes payable at September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Promissory note payable to TD Bank, N.A. See terms outlined below	\$ 973,273	\$ 1,046,228
A 4.375% promissory note payable to the Rural Development Organization, paid in monthly installments of \$5,000, which includes interest through December 2036. The note is secured by all tangible property owned by the Organization.	872,676	893,991

NOTE 5 LONG-TERM DEBT (CONTINUED)

	<u>2013</u>	<u>2012</u>
A 5.375% promissory note payable to the Rural Development Organization, paid in monthly installments of \$4,949, which includes interest through June 2026. The note is secured by real estate owned by the Organization.	547,142	576,283
A 4.75% promissory note payable to the Rural Development Organization, paid in monthly installments of \$1,892, which includes interest, through November 2033. The note is secured by real estate owned by the Organization.	293,610	302,148
A 6.00% promissory note payable to the Rural Development Organization, paid in monthly installments of \$3,000, which includes interest, through November 2019. The note is secured by real estate owned by the Organization.	<u>157,764</u>	<u>183,457</u>
Total Long-term Debt	2,844,465	3,002,107
Less current maturities	<u>106,330</u>	<u>101,378</u>
Long-term Debt Excluding Current Maturities	<u>\$ 2,738,135</u>	<u>\$ 2,900,729</u>

During 2012, the Organization obtained a \$1,000,000 promissory note with TD Bank, N.A. to finance the construction of the medical facility in Nashua, New Hampshire. The note is secured by the real estate. Payments of interest only at 4.25% were due on the note during the construction phase of the note through January 2012, at which time the note converted to a ten year balloon note to be paid at the amortization rate of 30 years with monthly principal payments of \$1,345 plus interest at 85% of the one month LIBOR rate plus 2.125% through January 2022 when the balloon payment is due. During 2012, the Organization obtained an interest rate swap agreement for the ten year period that limits the potential rate fluctuation and essentially fixes the rate at 4.13%. The fair market value of the interest rate swap agreement was a liability of \$3,563 and \$59,678 at September 30, 2013 and 2012, respectively.

NOTE 5 LONG-TERM DEBT (CONTINUED)

New Hampshire Health and Educational Facilities Authority (NH HEFA) is participating in the lending for thirty percent of the promissory note, amounting to \$300,000. Under the NH HEFA program, the interest rate on that portion is not subject to the swap agreement and is a variable rate based on 50% of the interest rate charged by the local banking institution, which is 85% of the one month LIBOR rate plus 2.125%.

The Organization is required to meet certain annual minimum covenants as defined in the loan agreement with TD Bank. The covenants were met at September 30, 2013.

Scheduled principal repayments on long-term debt for the next five years and thereafter follows:

<u>September 30,</u>	
2014	\$ 106,330
2015	111,527
2016	116,995
2017	122,751
2018	128,806
Thereafter	<u>2,258,056</u>
Total	<u>\$ 2,844,465</u>

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Temporarily restricted for:		
Diabetes	\$ 20,303	\$ 20,303
Capital acquisitions	<u>402,617</u>	<u>495,101</u>
Total	<u>\$ 422,920</u>	<u>\$ 515,404</u>

The composition of temporarily restricted net assets at September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Assets limited as to use	\$ 270,383	\$ 353,638
Property and equipment	<u>152,537</u>	<u>161,766</u>
Total	<u>\$ 422,920</u>	<u>\$ 515,404</u>

NOTE 7 FUNCTIONAL EXPENSES

The Organization provides various services to residents within its geographic location. Expenses related to providing these services for the years ended September 30, 2013 and 2012 follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 10,572,681	\$ 10,180,749
Administrative and general	<u>1,802,973</u>	<u>1,571,157</u>
Total	<u>\$ 12,375,654</u>	<u>\$ 11,751,906</u>

NOTE 8 RETIREMENT PLAN

The Organization sponsors a defined contribution plan under Section 403(b) of the Internal Revenue Code. Contributions to the plan amounted to \$361,208 and \$465,522 for the years ended September 30, 2013 and 2012, respectively.

NOTE 9 CONCENTRATION OF RISK

The Organization has cash deposits in major financial institutions in excess of \$250,000, which exceeds 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 Organization purchases overnight securities backed by the Federal Government on a daily basis. Funds are re-deposited with interest the following business morning.

At September 30, 2013, Medicare represented 19% and Medicaid represented 14% of gross accounts receivable. No other individual payer source exceeded 10% of the gross accounts receivable balance.

NOTE 10 MALPRACTICE INSURANCE

The Organization is protected from medical malpractice risk as a FQHC under the Federal Tort Claims Act (FTCA). The Organization has additional medical malpractice insurance, on a claims-made basis, for coverage outside the scope of the protection of the FTCA. As of the year ended September 30, 2013, there were no known malpractice claims outstanding which in the opinion of management, will be settled for amounts in excess of both FTCA and insurance coverage; nor are there any unasserted claims or incidents which require loss accrual. The Organization intends to renew insurance coverage on a claims-made basis and anticipates that such coverage will be available.

NOTE 11 LITIGATION

The Organization is involved in a legal dispute arising from the normal course of operations. Since it is impossible to assess the outcome of the dispute and the amount of monetary damages, if any, no liability has been reflected in the financial statements at September 30, 2013.

NOTE 12 SUBSEQUENT EVENTS

For financial reporting purposes, subsequent events have been evaluated by management through December 19, 2013, which is the date the financial statements were available to be issued.

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2013

ASSETS

	Lamprey Health Care, Inc.	Friends of Lamprey Health Care, Inc.	Eliminations	Totals
Current Assets				
Cash and cash equivalents	\$ 1,580,568	\$ 560,450	\$ -	\$ 2,141,018
Accounts receivable, net	697,315	-	-	697,315
Grants receivable	2,342,884	-	-	2,342,884
Other receivables	285,546	-	-	285,546
Other current assets	101,303	-	-	101,303
Total Current Assets	5,007,616	560,450	-	5,568,066
Assets Limited As To Use	1,864,232	119,294	-	1,983,526
Property And Equipment, Net	5,919,099	2,327,962	-	8,247,061
TOTAL ASSETS	\$ 12,790,947	\$ 3,007,706	\$ -	\$ 15,798,653

LIABILITIES AND NET ASSETS

Current Liabilities				
Accounts payable and accrued expenses	\$ 172,258	\$ -	\$ -	\$ 172,258
Accrued payroll and related expenses	1,004,995	-	-	1,004,995
Due to third party payers	73,250	-	-	73,250
Deferred revenue	2,547,702	-	-	2,547,702
Current maturities of long-term debt	47,886	58,444	-	106,330
Total Current Liabilities	3,846,091	58,444	-	3,904,535
Long-term Debt, Less Current Maturities	1,472,529	1,265,606	-	2,738,135
Total Liabilities	5,318,620	1,324,050	-	6,642,670
Net Assets				
Unrestricted	7,069,710	1,663,353	-	8,733,063
Temporarily restricted	402,617	20,303	-	422,920
Total Net Assets	7,472,327	1,683,656	-	9,155,983
TOTAL LIABILITIES AND NET ASSETS	\$ 12,790,947	\$ 3,007,706	\$ -	\$ 15,798,653

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATING BALANCE SHEET

SEPTEMBER 30, 2012

ASSETS

	Lamprey Health Care, Inc.	Friends of Lamprey Health Care, Inc.	Eliminations	Totals
Current Assets				
Cash and cash equivalents	\$ 1,168,284	\$ 476,892	\$ -	\$ 1,645,176
Accounts receivable, net	770,908	-	-	770,908
Grants receivable	2,251,407	-	-	2,251,407
Other receivables	372,770	-	-	372,770
Other current assets	109,491	-	-	109,491
Total Current Assets	4,672,860	476,892	-	5,149,752
Assets Limited As To Use	1,502,082	111,026	-	1,613,108
Property And Equipment, Net	6,115,325	2,424,038	-	8,539,363
TOTAL ASSETS	\$ 12,290,267	\$ 3,011,956	\$ -	\$ 15,302,223

LIABILITIES AND NET ASSETS

Current Liabilities				
Accounts payable and accrued expenses	\$ 317,177	\$ -	\$ -	\$ 317,177
Accrued payroll and related expenses	852,333	-	-	852,333
Due to third party payers	73,250	-	-	73,250
Deferred revenue	2,457,045	-	-	2,457,045
Current maturities of long-term debt	45,883	55,495	-	101,378
Total Current Liabilities	3,745,688	55,495	-	3,801,183
Long-term Debt, Less Current Maturities	1,576,628	1,324,101	-	2,900,729
Total Liabilities	5,322,316	1,379,596	-	6,701,912
Net Assets				
Unrestricted	6,472,850	1,612,057	-	8,084,907
Temporarily restricted	495,101	20,303	-	515,404
Total Net Assets	6,967,951	1,632,360	-	8,600,311
TOTAL LIABILITIES AND NET ASSETS	\$ 12,290,267	\$ 3,011,956	\$ -	\$ 15,302,223

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Lamprey Health Care, Inc.	Friends of Lamprey Health Care, Inc.	Eliminations	Totals
Operating Revenue				
Patient service revenue	\$ 6,801,083	\$ -	\$ -	\$ 6,801,083
Provision for bad debts	(401,602)	-	-	(401,602)
Net patient service revenue	6,399,481	-	-	6,399,481
Rental income	-	227,916	(227,916)	-
Grants, contracts, and contributions, net	3,933,920	-	-	3,933,920
Other operating revenue	2,470,950	-	-	2,470,950
Net assets released from restriction	-	-	-	-
Interest income	1,746	133	-	1,879
Total Operating Revenue	12,806,097	228,049	(227,916)	12,806,230
Operating Expenses				
Payroll and related expenses	9,366,421	-	-	9,366,421
Other operating expenses	2,705,458	17,519	(227,916)	2,495,061
Depreciation	283,720	96,076	-	379,796
Interest expense	71,218	63,158	-	134,376
Total Operating Expenses	12,426,817	176,753	(227,916)	12,375,654
OPERATING INCOME AND EXCESS OF REVENUE OVER EXPENSES	\$ 379,280	\$ 51,296	\$ -	\$ 430,576

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATING STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Lamprey Health Care, Inc.	Friends of Lamprey Health Care, Inc.	Eliminations	Totals
Operating Revenue				
Patient service revenue	\$ 6,692,069	\$ -	\$ -	\$ 6,692,069
Provision for bad debts	(324,237)	-	-	(324,237)
Net patient service revenue	6,367,832	-	-	6,367,832
Rental income	-	227,916	(227,916)	-
Grants, contracts, and contributions, net	4,376,140	-	-	4,376,140
Other operating revenue	1,056,114	-	-	1,056,114
Net assets released from restriction	-	-	-	-
Interest income	1,593	219	-	1,812
Total Operating Revenue	11,801,679	228,135	(227,916)	11,801,898
Operating Expenses				
Payroll and related expenses	8,893,431	-	-	8,893,431
Other operating expenses	2,556,053	21,207	(227,916)	2,349,344
Depreciation	285,237	96,076	-	381,313
Interest expense	61,861	65,957	-	127,818
Total Operating Expenses	11,796,582	183,240	(227,916)	11,751,906
OPERATING INCOME AND EXCESS OF REVENUE OVER EXPENSES PRIOR TO LOSS FROM FLOOD DAMAGE	5,097	44,895	-	49,992
Loss from Flood Damage, Net	(154,501)	-	-	(154,501)
(DEFICIT) EXCESS OF REVENUE OVER EXPENSES AFTER LOSS FROM FLOOD DAMAGE	\$ (149,404)	\$ 44,895	\$ -	\$ (104,509)

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Lamprey Health Care, Inc.	Friends of Lamprey Health Care, Inc.	Eliminations	Consolidated Totals
Unrestricted Net Assets:				
Excess of revenue over expenses	\$ 379,280	\$ 51,296	\$ -	\$ 430,576
Change in fair value of financial instrument	56,115	-	-	56,115
Net assets released from restrictions for capital acquisitions	161,465	-	-	161,465
Increase in Unrestricted Net Assets	596,860	51,296	-	648,156
Temporarily Restricted Net Assets:				
Contributions, net	68,981	-	-	68,981
Net assets released from restrictions for capital acquisitions	(161,465)	-	-	(161,465)
Decrease in Temporarily Restricted Net Assets	(92,484)	-	-	(92,484)
Change in Net Assets	504,376	51,296	-	555,672
Net Assets, Beginning of Year	6,967,951	1,632,360	-	8,600,311
NET ASSETS, END OF YEAR	\$ 7,472,327	\$ 1,683,656	\$ -	\$ 9,155,983

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
CONSOLIDATING STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Lamprey Health Care, Inc.	Friends of Lamprey Health Care, Inc.	Eliminations	Consolidated Totals
Unrestricted Net Assets:				
(Deficit) excess of revenue over expenses after loss from flood damage	\$ (149,404)	\$ 44,895	\$ -	\$ (104,509)
Grant for capital acquisition	2,000	-	-	2,000
Change in fair value of financial instrument	(59,678)	-	-	(59,678)
Net assets released from restrictions for capital acquisitions	9,229	-	-	9,229
(Decrease) Increase in Unrestricted Net Assets	(197,853)	44,895	-	(152,958)
Temporarily Restricted Net Assets:				
Contributions, net	108,377	-	-	108,377
Net assets released from restrictions for capital acquisitions	(9,229)	-	-	(9,229)
Increase in Temporarily Restricted Net Assets	99,148	-	-	99,148
Change in Net Assets	(98,705)	44,895	-	(53,810)
Net Assets, Beginning of Year	7,066,656	1,587,465	-	8,654,121
NET ASSETS, END OF YEAR	\$ 6,967,951	\$ 1,632,360	\$ -	\$ 8,600,311

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Federal Grantor Pass-through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Direct Programs			
Health Center Cluster	93.224		<u>\$ 2,171,865</u>
Pass-through programs from:			
State of New Hampshire Department of Health and Human Services			
Minority Nursing Student Support Program	93.006	102-500731	15,000
Family Planning	93.217	102-500734	102,630
Breast and Cervical Cancer Program	93.283	102-500731	64,048
Temporary Assistance for Needy Families	93.558	502-500891	30,014
Oral Health	93.991	102-500731	12,369
Primary Care	93.994	102-500731	40,115
The Homemakers Health Services			
Bureau of Elderly and Adult Services Grant	93.044	540-800382	31,598
Dartmouth College			
Model State-Supported Area Health Education Centers	93.107	1107	68,571
Public Health Training Center	93.249	795	<u>150,000</u>
Total pass-through programs			<u>514,345</u>
Total U.S. Department of Health and Human Services			<u>2,686,210</u>
U.S. Department of Transportation			
Pass-through programs from:			
Cooperative Alliance for Seacoast Transportation			
Federal Transit Formula Grant	20.507		<u>59,389</u>
Total U.S. Department of Transportation			<u>59,389</u>
Total Expenditures of Federal Awards			<u>\$ 2,745,599</u>

The accompanying notes are an integral part of this schedule.

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, "the Schedule", includes the federal grant activity of Lamprey Health Care, Inc. and Friends of Lamprey Health Care, Inc., "the Organization", under programs of the federal government for the year ended September 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

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FAX 603/224-2397

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*

Board of Directors
Lamprey Health Care, Inc. and
Friends of Lamprey Health Care, Inc.
Newmarket, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Lamprey Health Care, Inc and Friends of Lamprey Health Care, Inc., which comprise the balance sheet as of September 30, 2013, and 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, and have issued our report thereon dated December 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

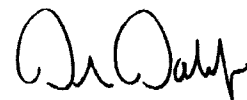
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "McDuffy", is located in the lower right area of the page.

Concord, New Hampshire
December 19, 2013

BRAD BORBIDGE, P.A.

CERTIFIED PUBLIC ACCOUNTANTS
197 LOUDON ROAD, SUITE 350
CONCORD, NEW HAMPSHIRE 03301

TELEPHONE 603/224-0849
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Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control Over Compliance

Board of Directors
Lamprey Health Care, Inc. and
Friends of Lamprey Health Care, Inc.
Newmarket, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Lamprey Health Care, Inc. and Friends of Lamprey Health Care, 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 the Organization's major federal programs for the year ended September 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.

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 the Organization'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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2013.

Report on Internal Control Over Compliance

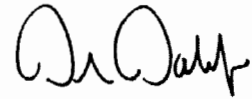
Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.

A handwritten signature in black ink, appearing to read "A. O'Neil", is positioned to the right of the "Purpose of this Report" section.

Concord, New Hampshire
December 19, 2013

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section I – Summary of Auditor’s Results

A. Financial Statements

1. Type of auditor’s report issued	Unmodified
2. Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	No
3. Noncompliance material to financial statements noted?	No

B. Federal Awards

1. Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified?	No
2. Type of auditor’s report issued on compliance for major programs	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	No

C. Major Programs

Health Center Cluster	93.224

D. Dollar threshold used to distinguish between Type A and Type B programs	\$300,000

E. Auditee qualified as low-risk auditee?	Yes

LAMPREY HEALTH CARE, INC.
AND FRIENDS OF LAMPREY HEALTH CARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Section II – Findings and Questioned Costs

A. Financial Statements

There were no financial statement findings for the year ended September 30, 2013.

B. Federal Awards

There were no federal awards findings for the year ended September 30, 2013.

Section III – Prior Findings and Questioned Costs

There were no prior financial statement or federal award audit findings for the year ended September 30, 2012.

LAMPREY HEALTH CARE

Board of Directors 2014 – 2015

Audrey Ashton-Savage

(President)

Term Ends 2015

George D. Donovan, Jr.

(Vice President)

Term Ends 2016

Carol LaCross

(Treasurer)

Term Ends 2015

Janis Reams

(Secretary)

Term Ends 2016

Elizabeth Crepeau

Immediate Past President

Term ends 2015

Thomas "Chris" Drew

Term Ends 2016

Raymond Goodman, III

Term ends 2016

Frank Goodspeed

Term Ends 2017

Mark E. Howard, Esq.

Term Ends 2017

Amanda Pears Kelly

Term Ends 2017

Michael Merenda

Term Ends 2015

NANCY W. SNOW, RDH



Employment History:

August 2008 – Present: **Self Employed** , Conducting Oral Health, height and weight screenings on students in Strafford and Rockingham Counties for 2009 Third Grade Oral Health/BMI Survey.

April 2008 to Present:

School-Based Dental Hygiene Program Coordinator for Lamprey Health Care. In this position, I am responsible for all dental education, dental screenings, prophylaxis, sealants, and fluoride application for students in 9 area elementary schools. As Program Coordinator, I handle all the purchasing for this program, including dental and office supplies. I administer all paperwork sent home to parents, and generate all reports needed by the schools and the State, including those sent to the NH Board of Dental Examiners. I also have successfully written two grant proposals which have resulted in monetary donations to the School Based Dental Program.

September 2003-April 2008

Richard Farina, DMD, Rochester, NH
Employed as Registered Dental Hygienist

Duties Included: Provide prophylactic treatments to patients, sealant placement, fluoride application, provided personalized oral hygiene instruction, periodontal charting and scaling.

Expose and monitor radiographs and intraoral photographs

Update and review patient's medical history, take blood pressure when indicated.

Assist the doctor in treatment planning all phases of dentistry needed.

Schedule all hygiene appointments.

Proficient in the use of the Dentrix Dental Program.

January 2003-September 2003

Dr. Leslie Bouvier, Somersworth, NH

Employed as Registered Dental Hygienist

September 1997 – January 2003

John Maloney, DDS, Seabrook, NH

Employed as Registered Dental Hygienist

September 1995 – 1997

Walter Maziarz, DMD, MAGD, Concord, NH

Employed as Registered Dental Hygienist

Education:

New Hampshire Technical Institute, Concord, NH

Associates Degree in Dental Hygiene 1995, Graduated With Honors

Course work included: Community Dental Health, Nutrition, Radiology, Sealant Placement, Psychology, Sociology, Dental Instrumentation, Chemistry, Biology, Anatomy and Physiology, Pharmacology, Oral Anatomy and Periodontology.

Continuing Education:

Over 240 hours of continuing education since 1995, including but not limited to:

CPR, Chart Documentation and Record Keeping, OSHA Practices, Oral and Maxillofacial Pathology, Oral Exams on One Year Olds, Periodontology, Advanced Instrumentation, Chemotherapeutic Placement.

References:

Available upon request.



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



6/19/13
93

May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

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

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education, or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 3 of 4

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 4 of 4

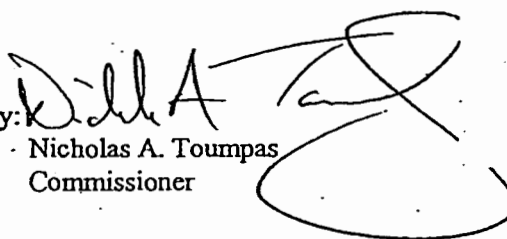
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

Subject: School-based oral health services for students in the Lamprey Health Care Service Area**AGREEMENT**

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Lamprey Health Care, Inc.		1.4 Contractor Address 207 Main Street Newmarket, NH 03857	
1.5 Contractor Phone Number (603) 659-2494	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$48,197
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature <i>EL Crepeau</i>		1.12 Name and Title of Contractor Signatory Elizabeth Crepeau, President of the Board of Directors	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Rockingham</u> On <u>3/11/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [Seal] <i>Michelle L. Gaudet</i>		MICHELLE L. GAUDET, Notary Public My Commission Expires August 22, 2017	
1.13.2 Name and Title of Notary or Justice of the Peace <i>Michelle Gaudet, Executive Assistant / Grant Writer, Notary</i>			
1.14 State Agency Signature <i>Lisa L. Bujno</i>		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <i>Jeane P. Herrick, Attorney</i> On: <i>28 May 2013</i>			
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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Lamprey Health Care, Inc.

ADDRESS: 207 South Main Street, Newmarket, NH 03857

Chief Executive: Ann H. Peters

TELEPHONE: (603) 659-2494

The Contractor shall provide school-based oral health services as specified below:

I. General Provisions:

The contractor shall provide oral health assessment, preventive services, and referrals for restorative treatment for low-income, uninsured, and underinsured children within the defined service area who don't have regular access to oral health care.

A. Numbers Served

Oral assessment services are to be provided to a minimum of 2,500 students throughout each year of the contract term.

B. Eligibility and Income Determination

1. Low-income children and families are defined as $\leq$ 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year), in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in NH Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. The contractor shall use one of the following models:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic referral model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

D. Oral health services for the targeted population(s) shall include:

1. risk assessment;
2. oral health education;
3. oral screening;
4. early diagnosis of oral diseases;
5. preventive care focused on age appropriate dental sealants and fluoride application;
6. and care coordination that links children to restorative treatment and disease management in a "dental home."

E. Relevant Policies and Guidelines

The school-based oral health program shall:

1. Require no fee for any NH Medicaid client.
2. Assist eligible families with NH Medicaid enrollment directly or through referral.
3. Become a NH Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without NH Medicaid or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Direct resources to evidence-based interventions.
7. Explore and secure future funding sources.

F. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

G. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161-F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

H. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

I. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The school-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individual students at chairside or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires

The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

2. Vacancies

The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Work Plans

1. Performance Work Plans are required annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work Plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Work Plan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.

3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the contract year.
4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work Plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work Plans and Work Plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade population targeted for dental sealants.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale provided to participating students' families shall be submitted on request to the DPHS Oral Health Program. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Work Plan.

D. Performance Measures

School-Based Oral Health Performance Measures

- A minimum of 70% of 2nd and 3rd grade students returning consent forms
- A minimum of 400 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- 100% of all 2nd and 3rd grade students screened with untreated decay who are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Lamprey Health Care, Inc.

ADDRESS: 207 South Main Street, Newmarket, NH 03857

Chief Executive: Ann H. Peters

TELEPHONE: (603) 659-2494

Vendor #177677-R001

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$48,197 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.283) and 55.3% from General funds.

TOTAL: \$48,197

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- X (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- ☐ (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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

<u>EL Crepeau</u>	<u>Elizabeth Crepeau, President of the Board of Directors</u>
Contractor Signature	Contractor's Representative Title

<u>Lamprey Health Care, Inc.</u>	<u>3.11.2013</u>
Contractor Name	Date

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

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

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name

Lamprey Health Care, Inc.

Name of Contractor



Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

Elizabeth Crepeau

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

President of the Board of Directors

Title of Authorized Representative

3-30-2013

Date

3.11.2013

Date

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

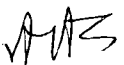
Agency Name: Lamprey Health Care, Inc.

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Gregory White - Chief Executive Office	\$164,398	0.00%	\$0.00
Sandra K. Pardus - Chief Fiscal Office	\$114,712	0.00%	\$0.00
Nicole Watson - Clinical Director	\$91,390	0.00%	\$0.00
Nancy Snow - School Based Dental program Coordinator	\$66,460	31.31%	\$20,807.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$20,807.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Gregory White - Chief Executive Office	\$167,686	0.00%	\$0.00
Sandra K. Pardus - Chief Fiscal Office	\$117,006	0.00%	\$0.00
Nicole Watson - Clinical Director	\$93,218	0.00%	\$0.00
Nancy Snow - School Based Dental program Coordinator	\$67,789	27.60%	\$18,721.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$18,721.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, even if no salary is paid from the contract. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.


 3/6/15



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Monadnock Community Hospital (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 452 Old Street Road, Peterborough, NH 03458.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 10, 2013, (Item #48), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$95,792
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1

New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services



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

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

4/15/15
Date

State of New Hampshire
Department of Health and Human Services

Brook Dupee
Bureau Chief

3-5-15
Date

Monadnock Community Hospital

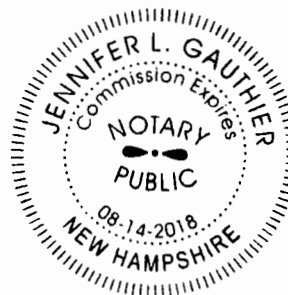
NAME Richard D. Scheinkman
TITLE CFO

Acknowledgement:

State of New Hampshire, County of Hillsborough on March 5, 2015, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace

Jennifer L. Gauthier
Name and Title of Notary or Justice of the Peace



Contractor Initials: AS
Date: 3-5-15

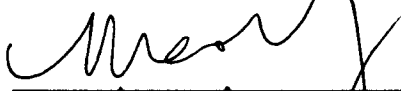


New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services

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

4/22/15
Date

OFFICE OF THE ATTORNEY GENERAL


Name: Megan A. Lapin
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:

Contractor Initials: 
Date: 3-5-15



Scope of Services

The Contractor shall provide school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children within the defined service area who don't have regular access to oral health care.

1.1. Numbers Served

Oral assessment services are to be provided to a minimum of 2,000 students throughout each year of the contract term.

1.2. Eligibility and Income Determination

- 1.2.1. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. The contractor shall use one of the following models to provide the following services:

- 1.3.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.3.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

1.4. Oral health care services for the targeted population(s) shall include:

- 1.4.1. risk assessment;
- 1.4.2. oral health education;
- 1.4.3. oral screening;
- 1.4.4. early diagnosis of oral diseases;
- 1.4.5. preventive care focused on age appropriate dental sealants, Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Dental Hygienist, and fluoride varnish application; and
- 1.4.6. care coordination that links children to restorative treatment and disease management in a "dental home".

1.5. Relevant Policies and Guidelines

The school-based oral health program shall:

- 1.5.1. Require no fee for any Medicaid client.
- 1.5.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.5.3. Become a Medicaid provider for qualified clients.

[Signature]
3.5.15



Exhibit A Amendment #1

- 1.5.4. Provide a sliding fee scale for children from families without Medicaid or private dental insurance.
- 1.5.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.5.6. Direct resources to evidence-based interventions.
- 1.5.7. Explore and secure future funding sources.

1.6. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.6.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.6.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.6.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.6.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.6.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.7. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.7.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.7.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.7.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.8. Publications Funded Under Contract

- 1.8.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.8.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.8.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

Exhibit A Amendment #1

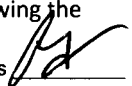
Contractor Initials 



Exhibit A Amendment #1

1.9. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The school-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individual students at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program, that shall at minimum include the requirements of 1.4.5 above, for children through a school-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.


3-5-18



Exhibit A Amendment #1

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

RS
3-5-15



Exhibit A Amendment #1

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade target population.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs, with children in other states and in the National Oral Health Surveillance System.

- 3.4.1. School-Based Performance Measures:
 - A minimum of 65% of 2nd and 3rd grade students returning consent forms
 - A minimum of 400 2nd and 3rd grade students shall receive oral screenings
 - Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
 - Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
 - 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
 - Percent of all 2nd and 3rd grade students screened with a history of decay



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$22,808 in SFY 2016 and \$25,088 in SFY 2017 for oral health initiatives, for a total amount of \$47,896.
 - b. Funding is available as follows:
 - \$21,410 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$26,486 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Monadnock Healthy Teeth to Toes

**Statewide Community and School Based Oral
Budget Request for: Health Services**

Budget Period: 7/1/15 - 6/30/16

1. Total Salary/Wages	\$ 22,808.00	\$ -	\$ 22,808.00
2. Employee Benefits	\$ -	\$ -	\$ -
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ -	\$ -	\$ -
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL		\$ -	\$ 22,808.00

Indirect As A Percent of Direct

#DIV/0!

NH DHHS
Exhibit B-1 Budget

Contractor Initials: 

Date: 3-5-15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Monadnock Healthy Teeth to Toes

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

1. Total Salary/Wages	\$ 25,088.00	\$ -	\$ 25,088.00
2. Employee Benefits	\$ -	\$ -	\$ -
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ -	\$ -	\$ -
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL		\$ -	\$ 25,088.00

Indirect As A Percent of Direct

#DIV/0!

NH DHHS
Exhibit B-1 Budget

Contractor Initials: 

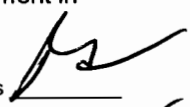
Date: 3-5-15



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;


3-5-15



- 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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3-5-15



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or

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3-5-15



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

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



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. **Renewal:**

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

[Handwritten Signature]
3-5-15



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

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

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

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

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

Exhibit G- Amendment #1

Contractor Initials

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

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



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

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

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

3-5-15
Date

Contractor Name:


Name: Richard D. Scherink
Title: CFO

Exhibit G- Amendment #1

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

Contractor Initials





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]
3-5-14



Exhibit I Amendment #1

- 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.

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

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



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

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

[Signature]
3-5-15



Exhibit I Amendment #1

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

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

[Handwritten Signature]
3-5-15



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

[Signature]
3-5-15



Exhibit I Amendment #1

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

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

NH DHHS
The State
[Signature]
Signature of Authorized Representative
Brook Dupre
Name of Authorized Representative
Bureau Chief
Title of Authorized Representative
3/15/15
Date

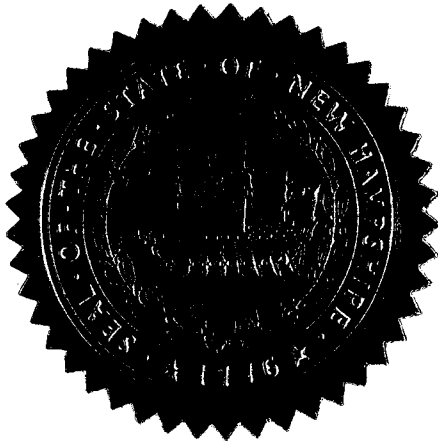
The Monadnock Community Hospital
Name of the Contractor
[Signature]
Signature of Authorized Representative
Richard D. Scheinbaum
Name of Authorized Representative
CFO
Title of Authorized Representative
3-5-15
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that The Monadnock Community Hospital is a New Hampshire nonprofit corporation formed March 25, 1919. 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 March A.D. 2015

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

William M. Gardner
Secretary of State



CERTIFICATE OF VOTE

(Corporation with Seal)

I, Norman H. Makechnie, Secretary of Monadnock Community Hospital Board of Trustees, do hereby certify that:

- (1) I am the duly elected and acting Secretary of the Board of Trustees of Monadnock Community Hospital, a New Hampshire non-profit corporation (the "Corporation");
- (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 Trustees of the Corporation via request of electronic vote of the said Board of Trustees on 11th day of March, 2015, which was duly executed in accordance with New Hampshire law and the by-laws of the Corporation:

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 oral health 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:

Cynthia K. McGuire, President & CEO
Richard D. Scheinblum, Vice President & CFO
Jamie Trowbridge, Treasurer

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary of Monadnock Community Hospital Board of Trustees and have affixed its corporate seal this 16th day of March, 2015.

Norman Makechnie
Secretary, Board of Trustees

(Seal)

STATE OF New Hampshire

COUNTY OF Hillsborough

On this the 16th day of March, 2015, before me, Jennifer L. Gauthier, the under-signed officer, personally appeared Norman H. Makechnie, who acknowledged himself to be the Secretary, of The Board of Trustees of Monadnock Community Hospital, a corporation, and that he, as Secretary, of The Board of Trustees of Monadnock Community Hospital, being authorized to do so, executed the foregoing instrument for Monadnock Community Hospital purposes therein contained, by signing the name of the corporation by himself as Secretary, of The Board of Trustees of Monadnock Community Hospital.

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

Jennifer L. Gauthier
Notary Public/Justice of the Peace

My Commission expires: August 14, 2018



Client#: 5847

MONADNOC

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/07/2014

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 470 Atlantic Avenue Boston, MA 02210		CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL: ADDRESS:		FAX (A/C, No):	
		INSURER(S) AFFORDING COVERAGE		NAIC #	
		INSURER A: National Fire & Marine Insurance		20079	
		INSURER B: New Hampshire Employers Insurance			
		INSURER C: Federal Insurance Company			
		INSURER D:			
		INSURER E:			
		INSURER F:			

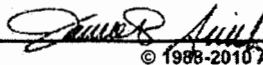
COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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 GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PROJECT ☐ LOC AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS			HN002507	10/01/2014	10/01/2015	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 \$3,000,000 \$ 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 \$			EN002507	10/01/2014	10/01/2015	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
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	ECC60040001242014A	10/01/2014	10/01/2015	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
A	Hospital Professional & Physician Liab			HN002507	10/01/2014	10/01/2015	\$1,000,000 Each Claim \$3,000,000 Aggregate Claims Made Coverage

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

(See Attached Descriptions)

CERTIFICATE HOLDER NH DHHS Division of Public Health Service Attn: Director 29 Hazen Drive 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 



Our Mission

We are committed to improving the health and well-being of our community.

Our Vision

We create exceptional experiences that engage and inspire our community to achieve the highest level of health and well-being.

Our Values

Performance ~ Respect ~ Integrity ~
Service ~ Compassionate Care ~
Collaboration ~ Creativity

The Monadnock Community Hospital

Audited Financial Statements

*Years Ended September 30, 2014 and 2013
With Independent Auditors' Report*

THE MONADNOCK COMMUNITY HOSPITAL

Audited Financial Statements

Years Ended September 30, 2014 and 2013

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BAKER NEWMAN NOYES

INDEPENDENT AUDITORS' REPORT

Board of Trustees
The Monadnock Community Hospital

We have audited the accompanying financial statements of The Monadnock Community Hospital (the Hospital), which comprise the balance sheets as of September 30, 2014 and 2013, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Hospital as of September 30, 2014 and 2013, and the results of its operations, 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.

Baker Newman & Noyes

Manchester, New Hampshire
January 19, 2015

Limited Liability Company

THE MONADNOCK COMMUNITY HOSPITAL

BALANCE SHEETS

September 30, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 16,293,747	\$15,759,546
Accounts receivable, net (notes 2 and 4)	6,513,721	5,773,955
Current portion of notes receivable	88,928	117,345
Other receivables (note 10)	498,654	679,961
Current portion of pledges receivable, net (note 5)	116,223	154,421
Inventories	1,257,506	1,242,787
Prepaid expenses	<u>682,936</u>	<u>867,448</u>
Total current assets	25,451,715	24,595,463
Assets limited as to use (notes 4, 6 and 16)	39,667,700	35,170,397
Medical office building and related assets, net of accumulated depreciation of \$1,689,788 in 2014 and \$1,592,553 in 2013	1,729,836	1,827,071
Property and equipment, net (notes 7 and 8)	36,707,355	36,249,045
Notes receivable, less current portion	69,839	122,839
Other:		
Pledges receivable, less current portion, net (note 5)	561,618	638,661
Debt issuance costs, net	160,168	197,606
Other assets	<u>180,255</u>	<u>681,182</u>
	<u>902,041</u>	<u>1,517,449</u>
Total assets	<u>\$104,528,486</u>	<u>\$99,482,264</u>

LIABILITIES AND NET ASSETS

	<u>2014</u>	<u>2013</u>
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,723,861	\$ 3,734,969
Accrued payroll and amounts withheld	3,376,609	3,038,531
Estimated third-party payor settlements (note 3)	7,805,066	8,127,025
Current portion of long-term debt and capital lease obligations	<u>719,633</u>	<u>750,578</u>
Total current liabilities	15,625,169	15,651,103
Long-term debt and capital lease obligations, less current portion (note 8)	26,850,900	27,026,217
Interest rate swap agreements (notes 8 and 16)	<u>2,677,591</u>	<u>2,794,651</u>
Total liabilities	45,153,660	45,471,971
Commitments and contingencies (note 12)		
Net assets:		
Unrestricted net assets	47,964,278	43,706,147
Temporarily restricted net assets (note 9)	3,455,314	2,677,614
Permanently restricted net assets (note 9)	<u>7,955,234</u>	<u>7,626,532</u>
Total net assets	59,374,826	54,010,293
Total liabilities and net assets	<u>\$104,528,486</u>	<u>\$99,482,264</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF OPERATIONS

Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted revenue and other support:		
Net patient service revenue, net of contractual allowances and discounts (notes 3 and 10)	\$73,896,495	\$73,476,212
Provision for bad debts	<u>(4,465,396)</u>	<u>(4,467,531)</u>
Net patient service revenue, less provision for bad debts	69,431,099	69,008,681
Other revenue (notes 3 and 10)	5,886,915	4,081,287
Net assets released from restrictions for operations (note 9)	<u>188,951</u>	<u>167,616</u>
Total unrestricted revenue and other support	75,506,965	73,257,584
Expenses (note 14):		
Salaries and benefits (note 11)	40,444,191	39,235,788
Supplies and other	24,377,302	23,708,276
Insurance (note 12)	562,555	603,406
Depreciation and amortization (note 7)	4,521,689	4,961,382
Interest (note 8)	1,181,275	1,210,343
New Hampshire Medicaid enhancement tax (note 3)	<u>3,402,383</u>	<u>2,553,243</u>
Total expenses	<u>74,489,395</u>	<u>72,272,438</u>
Income from operations	1,017,570	985,146
Nonoperating gains (losses):		
Investment income (note 6)	1,065,649	350,440
Unrestricted contributions, net of fundraising expenses (note 14)	(76,518)	(141,543)
Loss on extinguishment of debt	—	(230,285)
Other income (expense)	<u>16,327</u>	<u>(26,980)</u>
Nonoperating gains (losses), net	<u>1,005,458</u>	<u>(48,368)</u>
Excess of revenue, support and nonoperating gains (losses) over expenses	2,023,028	936,778
Net unrealized gains on investments (note 6)	1,961,815	2,492,126
Increase in fair value of interest rate swap agreements, qualifying as hedges (note 8)	117,060	1,720,515
Net assets released from restrictions used to purchase property and equipment	<u>156,228</u>	<u>66,928</u>
Increase in unrestricted net assets	<u>\$ 4,258,131</u>	<u>\$ 5,216,347</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF CHANGES IN NET ASSETS

Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted net assets:		
Excess of revenue, support and nonoperating gains (losses) over expenses	\$ 2,023,028	\$ 936,778
Net unrealized gains on investments (note 6)	1,961,815	2,492,126
Increase in fair value of interest rate swap agreements, qualifying as hedges (note 8)	117,060	1,720,515
Net assets released from restrictions used to purchase property and equipment	<u>156,228</u>	<u>66,928</u>
Increase in unrestricted net assets	4,258,131	5,216,347
Temporarily restricted net assets:		
Contributions (note 5)	526,809	1,127,458
Net investment income (note 6)	40,794	40,669
Net realized gains (losses) on investments (note 6)	108,240	(22,577)
Net unrealized gains on investments (note 6)	447,036	530,398
Net assets released from restrictions for operations (note 9)	(188,951)	(167,616)
Net assets released from restrictions used to purchase property and equipment	<u>(156,228)</u>	<u>(66,928)</u>
Increase in temporarily restricted net assets	777,700	1,441,404
Permanently restricted net assets:		
Net unrealized gains on perpetual trusts (note 6)	<u>328,702</u>	<u>271,232</u>
Increase in permanently restricted net assets	<u>328,702</u>	<u>271,232</u>
Increase in net assets	5,364,533	6,928,983
Net assets, beginning of year	<u>54,010,293</u>	<u>47,081,310</u>
Net assets, end of year	<u>\$59,374,826</u>	<u>\$54,010,293</u>

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

STATEMENTS OF CASH FLOWS

Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Increase in net assets	\$ 5,364,533	\$ 6,928,983
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	4,521,689	4,961,382
Loss on disposal of property and equipment	3,507	26,980
Realized and unrealized gains on investments, net	(3,481,287)	(3,180,850)
Interest rate swaps	(117,060)	(1,720,515)
Decrease in interest rate swap loan	(48,000)	(48,000)
Provision for bad debts	4,465,396	4,467,531
Loss on extinguishment of debt	—	230,285
Restricted contributions and investment income	(567,603)	(1,168,127)
Changes in operating assets and liabilities:		
Accounts receivable	(5,205,162)	(4,714,386)
Inventories	(14,719)	43,944
Prepaid expenses	184,512	(294,316)
Notes and other receivables	262,724	(217,268)
Other assets	500,927	(54,587)
Accounts payable and accrued expenses	(11,108)	694,032
Accrued payroll and amounts withheld	338,078	158,440
Estimated third-party payor settlements	<u>(321,959)</u>	<u>1,626,374</u>
Net cash provided by operating activities	5,874,468	7,739,902
Cash flows from investing activities:		
Purchases of property and equipment	(4,355,020)	(3,472,327)
Proceeds from sale of property and equipment	500	—
Proceeds on sale of investments	490,711	283,311
Purchases of investments	<u>(1,506,727)</u>	<u>(943,886)</u>
Net cash used by investing activities	(5,370,536)	(4,132,902)
Cash flows from financing activities:		
Proceeds from issuance of debt	—	27,240,000
Principal payments on long-term debt and capital lease obligations	(652,575)	(27,856,611)
Bond issuance costs	—	(203,736)
Restricted contributions and investment income	<u>682,844</u>	<u>536,620</u>
Net cash provided (used) by financing activities	<u>30,269</u>	<u>(283,727)</u>
Net increase in cash and cash equivalents	534,201	3,323,273
Cash and cash equivalents at beginning of year	<u>15,759,546</u>	<u>12,436,273</u>
Cash and cash equivalents at end of year	<u>\$16,293,747</u>	<u>\$ 15,759,546</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,181,275</u>	<u>\$ 1,210,343</u>

Supplemental disclosure of noncash investing and financing activities:
 In 2014 and 2013, the Hospital entered into capital lease obligations in the amount of \$679,756 and \$135,867, respectively. In 2014, the Hospital also terminated a capital lease obligation in the amount of \$185,443. These items are not included in the above statements of cash flows for 2014 and 2013.

See accompanying notes.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Organization and Summary of Significant Accounting Policies

Organization

The Monadnock Community Hospital (the Hospital) is a not-for-profit, acute care hospital located in Peterborough, New Hampshire.

The accounting policies that affect the more significant elements of the financial statements are summarized below:

Basis of Accounting

The accompanying financial statements have been prepared on an accrual basis of accounting.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates. The most significant areas which are affected by the use of estimates are the allowance for doubtful accounts and contractual adjustments, the allowance for uncollectible pledges, estimated third-party payor settlements and insurance reserves.

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts and investments with original maturities of three months or less when purchased, excluding assets limited as to use. The Hospital maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Hospital has not experienced any losses on such accounts.

Accounts Receivable and the Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectibility of accounts receivable, the Hospital analyzes its past history 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 of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Inventories

Inventories of supplies and pharmaceuticals are carried at the lower of cost or market. Costs are determined on the first-in, first-out (FIFO) basis.

Assets Limited as to Use

Assets limited as to use include assets held by trustees under indenture agreements, designated assets set aside by the Board of Trustees, over which the Board retains control and may, at its discretion, subsequently use for other purposes, and donor-restricted investments.

Investments

Investments are carried at fair value in the accompanying balance sheets. The Hospital has recorded net unrealized gains/losses on investments in the accompanying statements of operations and changes in net assets as a component of the change in net assets, but not as a component of the excess of revenue, support and nonoperating gains (losses) over expenses. Declines in fair value below the cost of investments are evaluated to determine if they are other-than-temporary. If such declines are determined to be other-than-temporary, an impairment charge is recognized within nonoperating losses. Realized gains and losses are determined on the specific identification method, however, mutual fund realized gains and losses are determined on the average cost method.

Investment Policies

The Hospital's investment policies provide guidance for the prudent and skillful management of invested assets with the objective of preserving capital and maximizing returns. The invested assets include endowment, specific purpose and board designated (unrestricted) funds.

Endowment funds are identified as permanent in nature, intended to provide support for current or future operations and other purposes identified by the donor. These funds are managed with disciplined longer-term investment objectives and strategies designed to accommodate relevant, reasonable, or probable events.

Specific purpose funds are temporary in nature, restricted as to time or purpose as identified by the donor or grantor. These funds have various intermediate/long-term time horizons associated with specific identified spending objectives.

Board designated funds have various intermediate/long-term time horizons associated with specific spending objectives as determined by the Board of Trustees.

Management of these assets is to increase, with minimum risk, the inflation adjusted principal and income of the endowment funds over the long term. The Hospital targets a diversified asset allocation that places emphasis on achieving its long-term return objectives within prudent risk constraints.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost or, if donated, at fair value at the date of donation, less accumulated depreciation. The Hospital's policy is to capitalize expenditures for major improvements and charge maintenance and repairs currently for expenditures which do not extend the life of the related assets. When assets are retired or disposed of, the assets and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in the accompanying statements of operations.

Depreciation is computed using the straight-line method in a manner intended to amortize the cost of the assets over their estimated useful lives. Equipment under capital lease is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Costs of construction and acquisition of assets not yet placed in service are included in capital improvements and no depreciation expense is recorded.

Bond Issuance Costs/ Original Issue Discount or Premium

Bond issuance costs are being amortized using an accelerated amortization method, which approximates the effective interest method, over the life of the respective bonds. Bond premiums and discounts are amortized over the term of the bond using primarily the straight-line method which is not materially different than the level yield method.

Earned Time

The Hospital provides and accrues for paid time off for vacation, holiday and sick leave under an earned time system for nonexempt employees. Hours earned, but not used, are capped and vested with the employee.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Hospital has been limited by donors to a specified time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Hospital in perpetuity. Investment income, as well as realized and unrealized gains from permanently restricted net assets, is available for various uses as prescribed by the donors.

In accordance with the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), the Hospital 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.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Spending Policy for Appropriation of Assets for Expenditure

Spending policies may be adopted by the Hospital, from time to time, to provide a stream of funding for the support of key programs. The spending policies are structured in a manner to ensure that the purchasing power of the assets is maintained while providing the desired level of annual funding to the programs. The Hospital evaluates its spending policies on an annual basis.

Donor-Restricted Contributions

Donated investments, supplies and equipment are reported at fair value at the date of receipt. Unconditional promises to give cash and other assets are reported at fair value at the date of the receipt of the promise. All gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of 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 accompanying statements of operations and changes in net assets 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.

Excess of Revenue, Support and Nonoperating Gains (Losses) Over Expenses

The accompanying statements of operations include excess of revenue, support and nonoperating gains (losses) over expenses. Changes in unrestricted net assets which are excluded from excess of revenue, support and nonoperating gains (losses) over expenses, consistent with industry practice, include net assets released from restrictions used for the purposes of acquiring long-lived assets, net unrealized gains/losses on investments and the changes in the fair value of interest rate swap agreements deemed to be effective hedges.

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Changes in these estimates are reflected in the accompanying financial statements in the year in which they occur. During 2014 and 2013, net patient service revenue in the accompanying statements of operations (decreased) increased approximately \$(958,000) and \$994,000, respectively, due to changes in prior year estimates. Services rendered to individuals from whom payment is expected and ultimately not received is written off and included as part of the provision for bad debts.

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients, the Hospital provides a discount approximately equal to that of its largest private insurance payors. On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Activities directly associated with services related to acute and ancillary care services are considered to be operating activities and are included as patient service revenue. Revenue which is not related to patient medical care and which is normal to the day-to-day operations of the Hospital is included in other revenue.

Financial Assistance Program

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a financial assistance patient by reference to certain established policies of the Hospital. Essentially, these policies define the financial assistance program as those services for which no payment is anticipated. In assessing a patient's inability to pay, the Hospital utilizes federally established poverty guidelines. The financial assistance program is measured based on the Hospital's established rates. These charges are not included in net patient service revenue. The costs and expenses incurred in providing these services are included in operating expenses. See note 15.

Self-Insurance Programs

The Hospital self-insures its employee health and dental benefits and has estimated and accrued amounts to meet its expected obligations under the program. The plan is administered by an insurance company which assists in determining the current funding requirements of participants under the terms of the plan and the liability for claims and assessments that would be payable at any given point in time. The Hospital recognizes revenue for services provided to employees of the Hospital during the year. Stop loss insurance coverage is in effect which mitigates the Hospital's exposure to loss on an individual and aggregate basis. Estimated unpaid claims, and those claims incurred but not reported at September 30, 2014 and 2013, have been recorded as a liability of approximately \$750,000 and \$600,000, respectively, within accrued payroll and amounts withheld in the accompanying balance sheets.

Income Taxes

The Hospital is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. Management evaluated the Hospital's tax positions and concluded the Hospital has maintained its tax-exempt status, does not have any significant unrelated business income and had taken no uncertain tax positions that require adjustment to or disclosure in the accompanying financial statements. With few exceptions, the Hospital is no longer subject to tax examination by the U.S. federal or state tax authorities for years prior to 2011.

Advertising Costs

The Hospital expenses advertising costs as incurred, and such costs totaled approximately \$73,000 and \$61,000 for the years ended September 30, 2014 and 2013, respectively.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

1. Description of Organization and Summary of Significant Accounting Policies (Continued)

Derivatives and Hedging Activities

The interest rate swap agreements held by the Hospital meet the definition of derivative instruments and, consequently, the Hospital is required to record as an asset or liability the fair value of the interest rate swap agreements described in Note 8. The Hospital is exposed to repayment loss equal to any net amounts receivable under the swap agreements (not the notional amounts) in the event of nonperformance of the other parties to the swap agreements. However, the Hospital does not anticipate nonperformance and does not obtain collateral from the other parties.

Subsequent Events

Management has evaluated subsequent events occurring between the end of its fiscal year and January 19, 2015, the date the financial statements were available to be issued.

2. Accounts Receivable

Accounts receivable are stated net of estimated contractual allowances and allowances for doubtful accounts. Accounts receivable consists of the following at September 30:

	<u>2014</u>	<u>2013</u>
Accounts receivable	\$17,636,668	\$16,160,900
Estimated contractual allowances	(6,284,758)	(5,430,584)
Estimated allowance for doubtful accounts	(4,838,189)	(4,956,361)
	<u>\$ 6,513,721</u>	<u>\$ 5,773,955</u>

The Hospital's allowance for doubtful accounts for self-pay patients decreased from 88% of self-pay accounts receivable at September 30, 2013 to 87% of self-pay accounts receivable at September 30, 2014. The Hospital's self-pay bad debt writeoffs increased \$698,866 from \$3,877,503 in 2013 to \$4,576,369 in 2014. The increase in the allowance as a percentage of self-pay accounts receivable and bad debt writeoffs was a result of collection trends.

3. Estimated Third-Party Settlements

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Estimated Third-Party Settlements (Continued)

Medicare

The Hospital was granted critical access hospital (CAH) designation on December 27, 2004. As a result of this designation, the Hospital is entitled to cost-based reimbursement from Medicare for services provided to Medicare beneficiaries. Inpatient acute care services rendered to Medicare program beneficiaries are paid under a cost reimbursement methodology. Outpatient services are paid based on a combination of rate schedules and reimbursed cost. The Hospital is reimbursed for cost reimbursable items at an interim rate 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 settled through September 30, 2010.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology subject to certain limitations. The Hospital is reimbursed at an interim rate with final settlement determined after submission of annual costs reported by the Hospital and audits thereof by the State of New Hampshire Division of Audit. The Hospital's Medicaid cost reports have been final settled through September 30, 2010.

Anthem

Inpatient and outpatient services rendered to Anthem subscribers are reimbursed at submitted charges less a discount withholding or through a per diem or fee schedule. The amounts paid to the Hospital are not subject to any retroactive adjustments.

Other

The Hospital has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, per diems and discounts from established charges.

The Hospital has made a provision in the financial statements for estimated final settlements to be paid as a result of the retroactive provision for third-party reimbursement programs.

Medicaid Enhancement Tax and Medicaid Disproportionate Share

Under the State of New Hampshire's tax code, the State imposes a Medicaid Enhancement Tax (MET) equal to 5.5% of the Hospital's net patient service revenues, with certain exclusions. The amount of tax incurred by the Hospital for fiscal 2014 and 2013 was \$3,402,383 and \$2,553,243, respectively. The Hospital has accrued \$852,594 and \$860,568 in MET at September 30, 2014 and 2013, respectively, within estimated third-party payor settlements in the accompanying balance sheets.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

3. Estimated Third-Party Settlements (Continued)

In the fall of 2010, in order to remain in compliance with stated federal regulations, the State of New Hampshire adopted a new approach related to Medicaid disproportionate share funding retroactive to July 1, 2010. Unlike the former funding method, the State's approach led to a payment that was not directly based on, and did not equate to, the level of tax imposed. As a result, the legislation created some level of losses at certain New Hampshire hospitals, while other hospitals realized gains. In 2014 and 2013, the Hospital recognized disproportionate share revenues totaling \$3,573,806 and \$3,971,738, respectively. Currently, the State of New Hampshire makes disproportionate share hospital payments to support up to 75% of the actual uncompensated care costs for New Hampshire's hospitals with critical access designation.

During 2014, the Centers for Medicare and Medicaid Services (CMS) began an audit of the State's program and the disproportionate share payments made by the State in 2011, the first year that those payments reflected the amount of uncompensated care provided by New Hampshire hospitals. It is possible that subsequent years will also be audited by CMS. At the date of these financial statements, CMS's audit was still in process, and the Hospital has received no indication of adjustments, if any, that may be made to disproportionate share payments received in prior years. As such, no amounts have been reflected in the accompanying financial statements related to this contingency.

The Hospital has amended MET returns for State fiscal years 2009 through 2011 based upon further guidance provided that certain exclusions can be deducted from net patient service revenue. The State Department of Revenue Administration settled this dispute with the Hospital during 2014 and issued a credit to the Hospital in the amount of \$1,609,596. This amount is reflected within other revenues in the accompanying statement of operations for the year ended September 30, 2014.

4. Concentration of Credit Risk

Financial instruments which subject the Hospital to credit risk consist of cash and cash equivalents, accounts receivable and investments. The risk with respect to cash equivalents is minimized by the Hospital's policy of investing in financial instruments with short-term maturities issued by highly rated financial institutions. There were no investments that exceeded 10% of total investments as of September 30, 2014 or 2013.

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The Hospital's accounts receivable are primarily due from third-party payors, and amounts are presented net of expected contractual allowances and uncollectible amounts. The mix of gross patient accounts receivable at September 30, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
Medicare	33%	34%
Medicaid	8	5
Anthem	7	8
Other third-party payors	23	22
Patients	<u>29</u>	<u>31</u>
	<u>100%</u>	<u>100%</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

5. Pledges Receivable

Pledges receivable consist of unconditional promises for contributions receivable in subsequent years. The following represents amounts promised to be contributed to the Hospital during the years ended September 30:

	<u>2014</u>	<u>2013</u>
In one year or less	\$ 477,536	\$ 559,448
Between one and five years	516,394	370,595
After five years	<u>225,000</u>	<u>500,000</u>
	1,218,930	1,430,043
Present value discount	(109,458)	(156,311)
Allowance for uncollectible pledges (\$361,313 and \$405,027 of which is allocated to the current portion of pledges receivable at September 30, 2014 and 2013, respectively)	<u>(431,631)</u>	<u>(480,650)</u>
	<u>\$ 677,841</u>	<u>\$ 793,082</u>

6. Assets Limited as to Use and Restricted Funds

The composition of assets limited as to use at September 30, 2014 and 2013 is set forth in the following table. Investments are stated at fair value.

	<u>2014</u>	<u>2013</u>
Board designated, donor restricted and long-term investments:		
Cash and cash equivalents	\$ 2,615,690	\$ 1,839,617
Marketable equity securities	23,547,307	20,508,967
Mutual funds	1,062,562	1,131,290
U.S. Treasury obligations	8,508,951	8,018,068
Corporate and foreign bonds	197,398	265,365
Interests in perpetual trusts	<u>3,735,792</u>	<u>3,407,090</u>
	<u>\$39,667,700</u>	<u>\$35,170,397</u>

As a result of bequests, the Hospital is the beneficiary of two trust funds, one of which is administered by an outside trustee and the other administered by the Hospital. The terms of the perpetual trusts require that income or a percentage of income be paid to the Hospital in perpetuity; however, distribution of principal is not permitted under the terms of the trusts. The amounts recorded in the accompanying balance sheets represent the fair values of the assets upon notification of the trusts' existence, which are adjusted annually to reflect the appreciation or depreciation in the fair value of the assets. Offsetting amounts are included in permanently restricted net assets. Income distributed to the Hospital from these trusts is included in the accompanying statements of operations as investment income.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

6. Assets Limited as to Use and Restricted Funds (Continued)

Investment income and realized and unrealized gains (losses) on investments are summarized as follows:

	<u>2014</u>	<u>2013</u>
Unrestricted:		
Investment income	\$ 430,155	\$ 440,769
Net realized gains (losses) on investments	635,494	(90,329)
Net unrealized gains on investments	<u>1,961,815</u>	<u>2,492,126</u>
	<u>3,027,464</u>	<u>2,842,566</u>
Restricted:		
Investment income	40,794	40,669
Net realized gains (losses) on investments	108,240	(22,577)
Net unrealized gains on investments	447,036	530,398
Net unrealized gains on perpetual trusts	<u>328,702</u>	<u>271,232</u>
	<u>924,772</u>	<u>819,722</u>
	<u>\$3,952,236</u>	<u>\$3,662,288</u>

The following table summarizes the aggregate unrealized losses on investments held at September 30, 2014 and 2013:

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
<u>2014</u>						
Marketable equity securities	\$ 538,494	\$ (18,007)	\$ 796,661	\$ (121,336)	\$ 1,335,155	\$ (139,343)
Mutual funds	16,767	(1,169)	—	—	16,767	(1,169)
Fixed income	<u>1,599,500</u>	<u>(5,065)</u>	<u>1,042,740</u>	<u>(8,447)</u>	<u>2,642,240</u>	<u>(13,512)</u>
	<u>\$2,154,761</u>	<u>\$ (24,241)</u>	<u>\$1,839,401</u>	<u>\$ (129,783)</u>	<u>\$3,994,162</u>	<u>\$ (154,024)</u>
<u>2013</u>						
Marketable equity securities	\$ 392,631	\$ (10,739)	\$ 766,579	\$ (151,418)	\$ 1,159,210	\$ (162,157)
Mutual funds	17,489	(16)	71,647	(6,712)	89,136	(6,728)
Fixed income	<u>2,380,536</u>	<u>(24,271)</u>	<u>75,797</u>	<u>(808)</u>	<u>2,456,333</u>	<u>(25,079)</u>
	<u>\$2,790,656</u>	<u>\$ (35,026)</u>	<u>\$ 914,023</u>	<u>\$ (158,938)</u>	<u>\$3,704,679</u>	<u>\$ (193,964)</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

6. Assets Limited as to Use and Restricted Funds (Continued)

Unrealized losses within marketable equity securities of \$139,343 at September 30, 2014, due mainly to market fluctuations, consists of five securities, of which two had unrealized losses for more than twelve months. Unrealized losses within mutual funds of \$1,169 at September 30, 2014, due mainly to market fluctuations, consists of one fund. Other unrealized losses in the Hospital's fixed income portfolio of \$13,512 at September 30, 2014 are attributed to market fluctuations and the impact movements in market interest rates have had in comparison to the underlying yields on these securities.

Management of the Hospital, in addition to considering current trends and economic conditions that may affect the quality of individual securities within the Hospital's investment portfolio, also considers the Hospital's ability and intent to hold such securities to maturity or recovery. Management does not believe any of the Hospital's securities with unrealized losses as described above are other than temporarily impaired at September 30, 2014 and 2013.

7. Property and Equipment

Property and equipment consists of the following at September 30:

	<u>2014</u>	<u>2013</u>
Land and land improvements	\$ 4,686,848	\$ 4,597,987
Building and building improvements	28,363,802	28,354,964
Equipment, including capital leases	47,027,942	43,477,404
Capital improvements in progress	<u>1,075,595</u>	<u>544,547</u>
	81,154,187	76,974,902
Less accumulated depreciation and amortization	<u>(44,446,832)</u>	<u>(40,725,857)</u>
	<u>\$ 36,707,355</u>	<u>\$ 36,249,045</u>

The cost of assets recorded under capital leases totaled \$1,255,057 and \$1,114,054 at September 30, 2014 and 2013, respectively. The cost of these assets have been included with property and equipment, and accumulated amortization included with accumulated depreciation. Accumulated amortization associated with these leases was \$546,208 and \$720,679 at September 30, 2014 and 2013, respectively.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

8. Long-Term Debt and Capital Lease Obligations

Long-term debt consists of the following at September 30:

	<u>2014</u>	<u>2013</u>
New Hampshire Business Finance Authority (NHBFA) in conjunction with Revenue Bonds Series 2013 with variable rate interest, as described below	\$26,450,980	\$26,909,344
Interest rate swap loan (see below)	284,000	332,000
Capital lease obligations with interest rates of 3.25%, due in monthly installments ranging from \$5,773 to \$15,727, with maturity dates ranging from March 2015 to May 2019, collateralized by equipment	<u>835,553</u>	<u>535,451</u>
	27,570,533	27,776,795
Less current portion	<u>(719,633)</u>	<u>(750,578)</u>
	<u>\$26,850,900</u>	<u>\$27,026,217</u>

On January 1, 2013, the Hospital refinanced its existing 2007 Series Bonds outstanding in the amount of \$17,810,000 and its 2009 Series Bonds outstanding in the amount of \$9,424,908 through the issuance of \$27,240,000 in 2013 Series Bonds with NHBFA. The initial interest rate on the bonds through January 1, 2023 is a variable rate equal to 75% of the one-month LIBOR plus 1.3125%. The interest rate at September 30, 2014 was 1.42%. The final maturity of the bonds is January 1, 2043. On January 1, 2023, the bonds must be remarketed upon a stipulated mandatory redemption. The Hospital is also required to comply with certain financial and other covenants and has granted as security all gross receipts, together with all real and personal property, as defined. The Series 2013 Revenue Bonds require payments ranging from \$408,605 to \$1,589,792 per year.

Concurrent with the 2009 NHBFA bond issuance, the Hospital executed an interest rate swap agreement to hedge its exposure to the volatility of interest payments on its variable rate Series 2009 Revenue Bonds. During 2013, the Series 2009 Revenue Bonds were refinanced through the issuance of Series 2013 Revenue Bonds, as previously discussed. All existing terms of the swap remained in effect. At September 30, 2014, an interest rate swap agreement was outstanding at a notional amount totaling approximately \$9.1 million. The swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 2.9%. The swap agreement, which expires in October 2019, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in unrestricted net assets. The swap agreement had a fair value of \$(714,145) and \$(875,135) as of September 30, 2014 and 2013, respectively.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

8. Long-Term Debt and Capital Lease Obligations (Continued)

Concurrent with the 2007 NHBFA bond issuance, the Hospital executed an interest rate swap agreement to hedge its exposure to the volatility of interest payments on a portion of its variable rate Series 2007 Revenue Bonds. During 2013, the Series 2007 Revenue Bonds were refinanced through the issuance of Series 2013 Revenue Bonds, as previously discussed. All existing terms of the swap remained in effect. At September 30, 2014, an interest rate swap agreement was outstanding at a notional amount totaling approximately \$10.4 million. The swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 3.57%. The swap agreement, which expires in October 2033, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in unrestricted net assets. The swap agreement had a fair value of \$(1,721,199) and \$(1,639,240) as of September 30, 2014 and 2013, respectively.

The Hospital had a third interest rate swap agreement with a financial institution, which was originally issued in connection with the 2004 New Hampshire Health and Education Facilities Authority (NHHEFA) bonds, which were refunded during 2008. During 2010, the Hospital replaced this 2004 swap agreement with a new 2010 swap agreement that effectively hedged a portion of the 2007 NHBFA bonds. This newly issued swap agreement contains an additional interest rate spread, which in turn provides that the issuing bank make a cash payment to fund the payoff of the 2004 swap agreement on behalf of the Hospital. Accordingly, the Hospital recognized an interest rate swap loan liability of \$480,000 during 2010, which represents the fair value of the 2004 swap at the time it was replaced. This loan is being amortized by the Hospital over the life of the new swap agreement. At September 30, 2014, an interest rate swap agreement was outstanding relating to the 2010 swap at a notional amount totaling approximately \$6.9 million. The 2010 swap agreement hedges the Hospital's interest exposure by effectively converting interest payments from variable rates to a fixed rate of 2.76%. The swap agreement, which expires September 2020, is designated as a cash flow hedge of the underlying variable rate interest payments, and changes in the fair value of the swap agreement are reported as a change in unrestricted net assets. The swap agreement had a fair value of \$(242,247) and \$(280,276) as of September 30, 2014 and 2013, respectively.

During the year, the Hospital pays or receives the difference between the fixed and variable rates applied to the notional amounts of the above interest rate swap agreements. During 2014 and 2013, the Hospital incurred interest expense of \$749,586 and \$763,873, respectively.

In connection with the 2013 NHBFA bonds, the Hospital is required to comply with certain restrictive financial covenants including, but not limited to, debt service coverage and debt to equity ratios. At September 30, 2014, the Hospital was in compliance with these restrictive covenants.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

8. Long-Term Debt and Capital Lease Obligations (Continued)

The scheduled gross principal payments on long-term debt for the next five years are as follows:

	Long-Term Debt	Capital Lease Obligations	Total
2015 (included in current liabilities)	\$ 527,182	\$192,451	\$ 719,633
2016	548,946	198,799	747,745
2017	571,699	205,357	777,056
2018	595,484	141,814	737,298
2019	620,351	97,132	717,483
Thereafter	<u>23,871,318</u>	<u>—</u>	<u>23,871,318</u>
	<u>\$26,734,980</u>	<u>\$835,553</u>	<u>\$ 27,570,533</u>

The Hospital also has an available \$3,000,000 revolving demand line of credit with a financial institution. The line of credit bears no interest unless drawn at the Hospital's option in which case the rate is equal to the prime rate or 1, 2 or 3 month LIBOR plus 2.5% (3.25% at September 30, 2014). There was no balance outstanding under this agreement at September 30, 2014 or 2013. The line of credit is subject to renewal on March 31, 2015.

9. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	2014	2013
Health care services:		
Purchase of equipment	\$ 842,264	\$ 586,651
Health education	341,381	259,329
Pledges receivable	677,841	793,082
Capital appreciation on endowment funds:		
Accumulated realized gains	350,359	242,119
Unrealized gains	<u>1,243,469</u>	<u>796,433</u>
	<u>\$3,455,314</u>	<u>\$2,677,614</u>

Permanently restricted net assets of \$7,955,234 and \$7,626,532 at September 30, 2014 and 2013, respectively, are to be held in perpetuity and include two perpetual trusts (Note 6). The income and dividends on permanently restricted net assets are generally expendable to support health care services and capital purchases at the discretion of the Hospital and are principally recorded as net assets released from restrictions for the purchase of property and equipment.

During the years ended September 30, 2014 and 2013, \$188,951 and \$167,616, respectively, have been reclassified from temporarily restricted net assets to unrestricted net assets (recorded as net assets released from restrictions for operations).

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

9. Temporarily and Permanently Restricted Net Assets (Continued)

Activity in fiscal 2014 and 2013 related to endowment funds was as follows:

	Temporarily Restricted <u>Net Assets</u>	Permanently Restricted <u>Net Assets</u>
<u>2014</u>		
Balances, beginning of year	\$ 1,038,552	\$ 4,220,482
Interest and dividends	155,946	—
Realized and unrealized gains on investments	555,276	—
Appropriation for expenditure	<u>(155,946)</u>	<u>—</u>
Balances, end of year	<u>\$ 1,593,828</u>	<u>\$ 4,220,482</u>
<u>2013</u>		
Balances, beginning of year	\$ 530,731	\$ 4,220,482
Interest and dividends	70,657	—
Realized and unrealized gains on investments	507,821	—
Appropriation for expenditure	<u>(70,657)</u>	<u>—</u>
Balances, end of year	<u>\$ 1,038,552</u>	<u>\$ 4,220,482</u>

10. Net Patient Service Revenue

Net patient service revenue consists of the following for the years ended September 30:

	<u>2014</u>	<u>2013</u>
Gross patient service charges:		
Routine services	\$ 19,440,588	\$ 16,992,254
Ancillary services	<u>111,084,133</u>	<u>106,407,429</u>
	130,524,721	123,399,683
Deductions from revenue:		
Contractual adjustments and administrative write offs	(56,417,052)	(50,449,428)
Financial assistance program	(3,784,980)	(3,445,781)
Disproportionate share funding (note 3)	<u>3,573,806</u>	<u>3,971,738</u>
	<u>(56,628,226)</u>	<u>(49,923,471)</u>
Net patient service revenue, net of contractual allowances and discounts	<u>\$ 73,896,495</u>	<u>\$ 73,476,212</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

10. Net Patient Service Revenue (Continued)

An estimated breakdown of patient service revenue, net of contractual allowances, discounts and provision for bad debts recognized in 2014 and 2013 from these major payor sources, is as follows:

	Gross Patient Service Revenue	Contractual Allowances and Discounts	Provision for Bad Debts	Net Patient Service Revenue Less Provision for Bad Debts
2014				
Private payors (includes coinsurance and deductibles)	\$ 56,183,024	\$(16,958,869)	\$(3,191,057)	\$36,033,098
Medicaid	8,587,040	(5,615,768)	(100,944)	2,870,328
Medicare	56,566,166	(27,835,105)	(154,632)	28,576,429
Self-pay	<u>9,188,491</u>	<u>(6,218,484)</u>	<u>(1,018,763)</u>	<u>1,951,244</u>
	<u>\$ 130,524,721</u>	<u>\$(56,628,226)</u>	<u>\$(4,465,396)</u>	<u>\$69,431,099</u>
2013				
Private payors (includes coinsurance and deductibles)	\$ 56,080,997	\$(16,629,874)	\$(2,913,395)	\$36,537,728
Medicaid	7,272,192	(4,735,061)	(63,623)	2,473,508
Medicare	50,807,374	(22,800,253)	(157,303)	27,849,818
Self-pay	<u>9,239,120</u>	<u>(5,758,283)</u>	<u>(1,333,210)</u>	<u>2,147,627</u>
	<u>\$ 123,399,683</u>	<u>\$(49,923,471)</u>	<u>\$(4,467,531)</u>	<u>\$69,008,681</u>

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties and exclusion from the Medicare and Medicaid programs.

Electronic Health Records Incentive Payments

The CMS Electronic Health Records (EHR) incentive programs provide a financial incentive for the "meaningful use" of certified EHR technology to achieve health and efficiency goals. To qualify for incentive payments, eligible organizations must successfully demonstrate meaningful use of certified EHR technology through various stages defined by CMS. During 2014 and 2013, the Hospital filed its meaningful use attestations with CMS. Revenue totaling approximately \$480,000 and \$771,000 associated with these meaningful use attestations was recorded as other revenues for the years ended September 30, 2014 and 2013, respectively. In addition, a receivable in the amount of \$181,000 was recorded within other receivables at September 30, 2013. No such receivable was recorded at September 30, 2014.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

11. Employee Benefit Plans

The Hospital has a tax-sheltered annuity plan covering substantially all of its employees. Participating employees become eligible for employer contributions following the completion of two years of service, as defined, and attainment of age 21. Employer contributions are determined based on a percentage of employees' salaries. Benefit expense related to this plan for the years ended September 30, 2014 and 2013 amounted to approximately \$500,000.

The Hospital also offers to certain physicians the option to participate in an Internal Revenue Code Section 457 deferred compensation plan to which the Hospital may make a discretionary contribution. The Hospital made no contributions to the Plan for the years ended September 30, 2014 and 2013.

12. Commitments and Contingencies

Operating Leases

The Hospital has various operating leases relative to certain equipment and various office facilities. Future annual minimum lease payments under these noncancellable leases as of September 30, 2014 are as follows:

Year ending September 30:

2015	\$ 285,422
2016	158,669
2017	115,469
2018	87,339
2019	36,000

Rent expense was approximately \$484,000 and \$639,000 for the years ended September 30, 2014 and 2013, respectively.

Malpractice Loss Contingencies

The Hospital maintains malpractice insurance coverage on a claims-made basis. The claims-made policies, which are subject to retrospective adjustment and renewal on an annual basis, cover only claims made during the term of the policies, but not those occurrences for which claims may be made after expiration of the policies. The Hospital intends to renew its coverage and has no reason to believe that it will be prevented from renewing such coverage.

In accordance with Accounting Standards Updates No. 2010-24, *"Health Care Entities" (Topic 954): Presentation of Insurance Claims and Related Recoveries*, the Hospital is required to record a liability related to estimated professional liability losses and also a receivable related to estimated recoveries under insurance coverage for recoveries of potential losses. At September 30, 2014 and 2013, management of the Hospital estimated that the Hospital did not have any significant exposure arising from estimated professional liability losses or significant estimated recoveries under insurance coverage for recoveries of potential losses.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

13. Volunteer Services (Unaudited)

In 2014 and 2013, total volunteer service hours received by the Hospital were approximately 14,900 and 15,300, respectively. The volunteers provide nonspecialized services to the Hospital, none of which have been recognized as revenue or expense in the statements of operations.

14. Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses, excluding the New Hampshire Medicaid enhancement tax, related to providing these services are as follows for the years ended September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Health care services	\$61,751,956	\$61,321,398
General and administrative, including interest	<u>9,335,056</u>	<u>8,397,797</u>
	<u>\$71,087,012</u>	<u>\$69,719,195</u>

Fundraising related expenses were approximately \$440,000 and \$434,000 for the years ended September 30, 2014 and 2013, respectively.

15. Financial Assistance Program and Community Benefits (Unaudited)

The Hospital maintains records to identify and monitor the level of financial assistance it provides. These records include the amount of charges foregone for services and supplies furnished under its financial assistance program, the estimated cost of those services and supplies, and equivalent service statistics. The following information measures the level of financial assistance provided during the years ended September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Charges foregone, based on established rates (note 1)	<u>\$3,785,000</u>	<u>\$3,446,000</u>
Estimated costs incurred to provide financial assistance	<u>\$2,079,000</u>	<u>\$1,956,000</u>
Equivalent percentage of financial assistance services to all services	<u>2.90%</u>	<u>2.79%</u>

In addition to the financial assistance identified above, the Hospital does not receive full payment from the Medicare and Medicaid programs for the cost of services to certain poor and elderly patients served. In 2014 and 2013, the Hospital incurred costs in excess of payments in these programs amounting to approximately \$3,401,000 and \$4,497,000, respectively.

The Hospital also provides other services to the community at no cost or reduced cost, such as screenings, clinics, etc. The cost of providing these services was approximately \$2,081,000 and \$2,544,000 for the years ended September 30, 2014 and 2013, respectively.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

16. 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 the measurement date. In determining fair value, the Hospital uses various methods including market, income and cost approaches. Based on these approaches, the Hospital often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Hospital utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Hospital is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

In determining the appropriate levels, the Hospital performs a detailed analysis of the assets and liabilities that are subject to fair value measurements. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

For the fiscal year ended September 30, 2014, the application of valuation techniques applied to similar assets and liabilities has been consistent with prior years.

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

16. Fair Value of Financial Instruments (Continued)

The following presents the balances of assets and liabilities measured at fair value on a recurring basis at September 30:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2014</u>				
Assets:				
Assets limited as to use:				
Cash and cash equivalents	\$ 2,615,690	\$ 1,168,881	\$1,446,809	\$ —
U.S. Treasury obligations	8,508,951	8,508,951	—	—
U.S. common stock:				
Technology	2,785,815	2,785,815	—	—
Healthcare	3,325,723	3,325,723	—	—
Consumer goods	6,682,084	6,682,084	—	—
Basic materials	4,157,304	4,157,304	—	—
Industrial goods	2,102,090	2,102,090	—	—
Services	4,494,291	4,494,291	—	—
Mutual funds:				
Domestic	373,553	373,553	—	—
International	689,009	689,009	—	—
Fixed income	197,398	—	197,398	—
Investments in perpetual trusts	<u>3,735,792</u>	<u>—</u>	<u>3,735,792</u>	<u>—</u>
	<u>\$39,667,700</u>	<u>\$34,287,701</u>	<u>\$5,379,999</u>	<u>\$ —</u>
Liabilities:				
Interest rate swap agreements	<u>\$ 2,677,591</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,677,591</u>
<u>2013</u>				
Assets:				
Assets limited as to use:				
Cash and cash equivalents	\$ 1,839,617	\$ 829,216	\$1,010,401	\$ —
U.S. Treasury obligations	8,018,068	8,018,068	—	—
U.S. common stock:				
Technology	2,695,605	2,695,605	—	—
Healthcare	2,699,688	2,699,688	—	—
Consumer goods	5,528,372	5,528,372	—	—
Basic materials	3,223,003	3,223,003	—	—
Industrial goods	1,957,136	1,957,136	—	—
Services	4,405,163	4,405,163	—	—
Mutual funds:				
Domestic	349,729	349,729	—	—
International	693,740	693,740	—	—
Closed end	87,821	87,821	—	—
Fixed income	265,365	—	265,365	—
Investments in perpetual trusts	<u>3,407,090</u>	<u>—</u>	<u>3,407,090</u>	<u>—</u>
	<u>\$35,170,397</u>	<u>\$30,487,541</u>	<u>\$4,682,856</u>	<u>\$ —</u>
Liabilities:				
Interest rate swap agreements	<u>\$ 2,794,651</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$2,794,651</u>

THE MONADNOCK COMMUNITY HOSPITAL

NOTES TO FINANCIAL STATEMENTS

September 30, 2014 and 2013

16. Fair Value of Financial Instruments (Continued)

The valuation of the interest rate swap agreements is estimated by a third party based on the anticipated cash flows under the swap agreements over their duration at market interest rates at September 30, 2014 and 2013.

The following presents the change in Level 3 instruments for the years ended September 30:

	<u>Interest Rate Swaps</u>	
	<u>2014</u>	<u>2013</u>
Balance, beginning of period	\$ (2,794,651)	\$ (4,515,166)
Total unrealized gains, included in changes in net assets	<u>117,060</u>	<u>1,720,515</u>
Balance, end of period	<u>\$ (2,677,591)</u>	<u>\$ (2,794,651)</u>

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. As such, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying balance sheets and statements of operations.

The following methods and assumptions were used by the Hospital in estimating the "fair value" of other financial instruments in the accompanying financial statements and notes thereto:

Cash and cash equivalents: The carrying amounts reported in the accompanying statements of financial position for these financial instruments approximate their fair values.

Accounts and other receivables, pledges receivable, notes receivable, accounts payable and estimated third-party payor settlements: The carrying amounts reported in the accompanying statements of financial position approximate their respective values as these financial instruments have short-term maturities or are recorded at amounts that approximate fair value.

Long-term debt: The fair value of substantially all long-term debt approximates its carrying value due to the variable rate interest terms.

**Monadnock Community Hospital
Board of Trustees a/o January 28, 2015**

OFFICERS

Name	Seat	Terms (all have full voting privileges)
Norman H. Makechnie, Esquire Blodgett, Makechnie & Lawrence PLLC	TRUSTEE	Board Seat: Currently 3 rd year of 2 nd term Term expires: Dec. 2015 Elected: Jan. '10, Jan. '13 Action: Re-elect Jan. '16 for 3 rd term
	SECRETARY	Officer Seat: Annual election required Elected: Jan. '14, Jan. '15 Action: Re-elect Option Jan. '16 for 1 year term
Carole Monroe Broadband Planning Consultant	TRUSTEE	Board Seat: Expired Term expired: Dec. 2014 Elected: Jan. '06, Jan. '09, Jan. '12 Action: None available
	CHAIR	Officer Seat: Currently 2 nd year of 1 st term Elected: Jan. '14 Action: Re-elect Option Jan. '16 for final 2 yr term
Steven H. Reynolds Financial Advisor	TRUSTEE	Board Seat: Currently 3 rd year of 3 rd term Term expires: Dec. 2015 Elected: Jan. '07, Jan. '10, Jan. '13 Action: None available
	VICE CHAIR	Officer Seat: Currently 2 nd year of 1 st term Elected: Jan. '14 Action: Re-elect Option Jan. '16 for final 2 yr term
Jamie Trowbridge Yankee Publishing, Inc.	TRUSTEE	Board Seat: Currently 1 st year of 2 nd term Term expires: Dec. 2017 Elected: Jan. '12, Jan. '15 Action: Re-elect Jan. '18 (3 rd term)
	TREASURER	Officer Seat: Annual election required Elected: Jan. '14, Jan. '15 Action: Re-elect Option Jan. '16 for 1 year term

ELECTED MEMBERS

Name	Seat	Terms (all have full voting privileges)
Robert Boyd	Trustee	Board Seat: Currently 1 st year of 1 st term Term expires: Dec. 2017 Elected: Jan. '15 Action: Re-elect Jan. '18 (2 nd term)
Cynthia Burgess	Trustee	Board Seat: Currently 2 nd year of 3 rd term Term expires: Dec. 2016 Elected: Jan. '08, Jan. '11, Jan. '14 Action: Final term expires December 2016
Barbara R. Duckett	Trustee	Board Seat: Currently 2 nd year of 2 nd term Term expires: Dec. 2016 Elected: Jan. '11, Jan. '14 Action: Re-elect Jan. '16 (3 rd term)
Robert L. Edwards	Trustee	Board Seat: Currently 2 nd year of 3 rd term Term expires: Dec. 2016 Elected: May '08, Jan. '11, Jan. '14 Action: Final term expires December 2016
Peter L. Forssell, MD	Trustee	Board Seat: Currently 3 rd year of 1 st term Term expires: Dec. 2015 Elected: Jan '13 Action: Re-elect Jan. '16 (2 nd term)
William James, Jr. "Bill"	Trustee	Board Seat: Currently 1 st year of 1 st term Term expires: Dec. 2017 Elected: Jan. '15 Action: Re-elect Jan. '18 (2 nd term)
Marcia Ober	Trustee	Board Seat: Currently 3 rd year of 1 st term Term expires: Dec. 2015 Elected: Jan '13 Action: Re-elect Jan. '16 (2 nd term)
Michael Shea "Mike"	Trustee	Board Seat: Currently 1 st year of 1 st term Term expires: Dec. 2017 Elected: Jan. '15 Action: Re-elect Jan. '18 (2 nd term)

**Monadnock Community Hospital
Board of Trustees a/o January 28, 2015**

EX-OFFICIO MEMBERS

Name	Seat	Terms (all have full voting privileges)
Richard Frechette	Medical Staff - President	Board Seat: Currently 2 nd year of 2-year term Term expires: Dec. 2015 Appointed: October 13 for Jan. '14 Action: Will be replaced by new Medical Staff President for Jan. '16
Gregory Kriebel, M.D.	Medical Staff - Rep	Board Seat: Currently 3 rd year of 1 st 3-year term Term expires: Dec. 2015 Elected: Jan '13 Action: Re-elect Jan. '16 (2 nd term)
Cynthia K. McGuire	President & CEO	Board Seat: Currently 2 nd year Term expires: N/A Action: None required
Terrence McNamara, D.O.	Medical Staff - Rep	Board Seat: Currently 1 st year of 1 st 3-year term Term expires: Dec. 2017 Elected: Jan '15 Action: Re-elect Jan. '18 (2 nd term)
Thomas Ward	Volunteer - Rep	Board Seat: Currently 1 st year of 2-year term Term expires: Dec. 2016 Appointed: Jan. '15 Action: Option to re-appoint by Philanthropy Committee for Jan. '17

- Monadnock Healthy Teeth to Toes, Program Coordinator 2008 – Present
Monadnock Community Hospital, Peterborough, NH
- Oversee public health initiative for children in Monadnock Region
 - Key focus on dental hygiene, nutrition, wellness
 - Engage 14 elementary schools, 4 preschools, 2 Head Start Programs
 - Assist with Children's Medicaid applications, dental services and referrals
 - Knowledge of health care system imperative for successful operations
 - Significant grant writing, budget reporting, public relations, and community relations skills
- Social Services Department, Program Coordinator 2010 – Present
Monadnock Community Hospital, Peterborough, NH
- Organizational Administrative Coordinator - Patient Centered Medical Home
 - Collaborate with Financial Assistance and Medication Bridge Programs
 - Public and community relations liaison for Social Services programs
 - Research grant opportunities for various projects
 - Administrative Coordinator for Director and Vice President of Physician Services
- Communications Consultant, Frankestown, NH 2000 – 2008
- Freelance writer, editor and grant writer for multiple clients
 - Transformed diverse language and information into relative messaging
 - Successful track record securing grant funding for numerous projects
- Monadnock Community Early Learning Center, Executive Director 2003 - 2007
Peterborough, NH
- Hired to take immediate action for community organization in fiscal crisis
 - Direct rapport with 15-member Board of Directors to reverse negative public perceptions, initiate physical plant improvements, raise employment standards, fundraise, increase enrollment
 - Managed 25 employees
- LASIK Laser Vision Program , Program Manager 1999 - 2003
Monadnock Eye Associates, Peterborough, NH
- Implemented LASIK program
 - Doubled patient volume after one year
 - Coordinated all public relations and aspects of patient care
 - Reviewed financials; scheduled, prepared and attended surgery; synchronized appointments, prescriptions, paperwork
 - Extensive travel and training

Public Affairs Department, Coordinator 1997 - 1999
Monadnock Community Hospital, Peterborough, NH

- Organized all logistics for multiple public relations events
- Managed production of direct mail appeals
- Researched and produced majority of hospital publications
- Coordinated gift processing, donor recognition, database management

Harvard Institute for International Development, Executive Assistant 1993 - 1997
Harvard University, Cambridge, MA

- Directed administrative logistics for international development team
- Coordinated large-scale international proposals and consultant recruitment
- Organized extensive travel arrangements
- Maintained consultant and reference database with 10,000+ entries

Development and Publications Associate 1986 - 1991
Massachusetts General Hospital, Boston, MA

- Development Team surpassed \$169 million capital campaign goal
- Co-wrote persuasive proposal that elicited \$1 million dollar donation
- Enhanced development efforts through coordination of publications and events

EDUCATION

Harvard University, Cambridge, MA 1987
Fundamentals of Grantsmanship
Curry College, Milton, MA 1984
Bachelor of Arts, English/Business - *cum laude*

References Available

PAMELA DELAHANTY
Registered Dental Hygienist
Certified Public Health Dental Hygienist

pamela.delahanty@mchmail.org

Professional Experience 2003 – present

- Monadnock Healthy Teeth to Toes, Peterborough, NH
 - Registered Dental Hygienist and program coordinator in a
 - School based program serving 18 schools; preschool – third grade
 - 2003 - Present
- Bedford Dental Care, Bedford NH
 - Registered Dental Hygienist
 - Developed and managed the “Fresh Breath Center”
 - 1991 – 2003
- Robert Miner DMD, Hancock NH
 - Registered Dental Hygienist
 - 1987 – 1991
- John Kenison DMD, Milford, NH
 - Registered Dental Hygienist
 - 1985 -1987
- Thomas Borbotsina DDS, Manchester NH
 - Registered Dental Hygienist
 - 1983 – 1985
- Town of Laconia, Laconia, NH
 - Public Health Dental Hygienist
 - Managed program serving elementary schools in district
 - 1982 – 1983
- R. Thomas Finn DDS, Laconia NH
 - Registered Dental Hygienist

Education: 1980– 1982 Westbrook College, Portland ME
Associates Degree in Dental Hygiene

1978 – 1979 N.H.T.I. Concord NH
Certificate in Dental Assisting

2014- Certified Public Health Dental Hygienist

Currently pursuing BS in Allied Health Leadership
Granite State College

PAMELA DELAHANTY
Registered Dental Hygienist
Certified Public Health Dental Hygienist

pamela.delahanty@mchmail.org

Page 2

- Associations:** Member American Dental Hygienists Association
NHDHA President Elect
National Delegate, 2011, 2012
- Committees:** New Hampshire Oral Health Coalition Steering Committee member
2015 New Hampshire Oral Health Plan Advisory Committee
Southwestern Community Services Health Advisory Council
- Awards:** Recipient of 2014 Unleashing Your Potential- ADHA
Recipient of 2013 Sunstar/ Butler RDH Award of Distinction
Recipient of Red Cross Lifesaving Award of Merit.
- Other:** 1998 – 2003 provided content and presented to:
- Yankee Dental Congress, Boston, MA
 - Texas Dental Conference, San Antonio, TX

**Confidential Resume of
CYNTHIA K. MCGUIRE, FACHE
Cynthia.McGuire@MCHMail.Org**

Personable, energetic executive with broad leadership experience in an acute care, community hospital. Strong organizational and interpersonal skills and a reputation for “getting the job done.”

PROFESSIONAL EXPERIENCE

MONADNOCK COMMUNITY HOSPITAL **2/24/2014 - Present**
Chief Executive Officer

ADIRONDACK HEALTH, Saranac Lake, NY **2009 – 2/2014**

A \$90 million, network of rural facilities including a 98 bed acute care hospital, four health centers, and two long term care facilities. Adirondack Health is the only full service health system in the Adirondack Park. Medical Dental Staff of 60 physicians and 900 employees. Primary Care visits of 31,000 and Specialty Practice visits of 10,000. Service area population of 29,000.

Chief Operating Officer

Leads clinical inpatient/outpatient ancillary support services including: Medical Imaging, Cardio-pulmonary, Laboratory, Rehabilitation & Sports Medicine, Pharmacy, the Bariatric Center, the Wound Care & Hyperbaric Oxygen Treatment Center, Primary Care, Rheumatology and Cardiology Practices. Develops new business opportunities.

Key Accomplishments

- Renovated and upgraded Medical Imaging Departments to fully digital services
- Established the Wound Care & Hyperbaric Treatment Center, a new service with annual net new revenue of \$500,000
- Opened a new medical office building on the Adirondack Health Campus housing wound care and a new health center
- Recruited two specialists - Cardiology and Rheumatology and established practices in Saranac Lake
- Achieved a staffing reduction in the physician practices resulting in salary savings of \$500,000
- Expanded Cardiology and Pulmonary outpatient testing capability to 5 days per week
- Designed and re-negotiated employed physician contracts to include salary based upon productivity and to include quality, patient satisfaction and citizenship incentives
- Implemented a mobile Dental service to improve access to patients in outlying communities

- Established joint marketing program for Bariatric Surgical Center of Excellence with Adirondack Surgical Group
- Successfully served as interim CEO during absence of President and CEO

ELLIS HOSPITAL, SCHENECTADY, NY

2008

A non profit 450 bed acute care community hospital and long term care facility with 2,500 employees. The organization participated in a merger of three hospitals. Service area population of 40,000. Family practice residency, osteopathic internship and general dentistry residency with 40,000 annual outpatient visits.

Vice President Quality/Safety/Risk

Managed and oversaw departments of Performance Improvement, Risk Management, Infection Control, Patient Safety, Patient Relations, Gift Shop and Volunteer Services. Coordinated and consolidated activities of above departments as a result of a three facility merger.

ST. CLARE'S HOSPITAL, SCHENECTADY, NY

1979 - 2008

A non profit, 200 bed, acute care, teaching and community hospital with operating revenues of 90 million dollars and 1000 employees. Service area population of 40,000. Family Practice residency, Osteopathic internship and General Dentistry residency with 40,000 annual outpatient visits. The hospital merged in 2008 with two other facilities under a mandate from the Berger Commission in NY State.

Vice President Clinical Services

2005 – 2008

Led ambulatory practice centers including: Wound Care, Dental Health Center, Family Health Center, Employee Health and the Sleep Disorders Center as well as inpatient & outpatient diagnostic/therapeutic services including Medical Imaging, Laboratory, Pharmacy, Nuclear Medicine, Neurology, Cardiology, Pulmonary, and Physical Therapy. Developed and monitored a \$19 million division budget and directly supervised 7 department directors with oversight for 200 professional employees.

Managed Ambulatory Surgery, Peripheral Vascular Suite, Endoscopy, Pre Admission Testing, Operating Room, PACU, Central Sterile Supply on an interim basis for one year during search for Vice President of Nursing Services. Directly supervised 4 managers with oversight of 80 professional employees and monitored an \$8 million budget.

Key Accomplishments

- Completed a reduction in force of 28 FTE's in 11 clinical departments through merging and re-designing of staffing structures resulting in a savings of \$1,400,000.00.

- Restructured the Dental Health Center, Family Health Center and related residency programs, renegotiated physician employment agreements to ensure both financial success for the hospital and continued success of both residency programs achieving \$352,000.00 in cost reductions for the departments and a budgeted contribution margin of \$512,000.
- Eliminated contracted management services for the Wound Care Clinic saving \$275,000.00 per year in expenses. Redesigned the program to continue in the hospital in the face of non-compete restrictions.
- Established and opened a new state of the art outpatient diagnostic imaging center.
- Successfully processed CON for replacement MRI, digital mammography and an additional CT scanner for placement in a newly designed diagnostic imaging center.

Director PI, Risk, Infection Control & HIM 1999 – 2005

Progressive responsibility for the departments of Performance Improvement, Risk Management, Infection Control, Medical Staff Services and Health Information Management including: developing and monitoring a \$1 million dollar budget; directly supervising 30 FTE's; and reporting to the Chief Medical Officer. Served as a member of the Hospital Management Council, the Board of Trustees Performance Improvement Council, and the Board of Trustees Risk Management Committee.

Key Accomplishments

- Redesigned the HIM Department improving timely coding/abstracting from 45 days to 5 days thereby reducing negative cash flow from coding/abstracting from \$1,300,000.00 to \$350,000.00 for inpatient coding and from \$870,000.00 to \$200,000.00 for outpatient ambulatory coding.
- Integrated Infection Control & Risk Management Clinical Review functions resulting in a more efficient approach to review activities; eliminated one FTE position saving \$50,000.00 per year.
- Implemented training and certification of 4 existing HIM staff for coding positions in conjunction with local training program, securing grant funding for healthcare worker re-training in the amount of \$10,000.00.
- Reduced hospital malpractice premiums annually by 15% saving \$60,000.
- Developed and coordinated hospital wide quality and PI program
- Assisted in the development of key hospital measurement systems for JCAHO Core Measures, the Medicare Demonstration Project, Press Ganey Patient Satisfaction Scoring Systems, and other measurement systems.
- Coordinated and led the hospital through 7 successful JCAHO Accreditation Surveys with scores of 95 – 98.
- Reorganized and established an electronic hospital administrative policy and procedure manual for the hospital on line “resource center”.

Director P.I. & Medical Staff Services 1988 – 1999
Medical Staff Coordinator 1979 – 1988

EDUCATION:

Sage Graduate School, Troy, New York, Master of Science Health Services Administration	2004
Russell Sage College, Troy, New York, Bachelor of Science Public Administration, Magna Cum Laude	1991

CERTIFICATIONS:

FACHE - Fellow American College of Health Care Executives	2008
FACHE - Recertification	2010
CMSC - Certified Medical Staff Coordinator	1983
CPHQ - Certified Professional in Health Care Quality	1987

AWARDS:

YMCA Volunteer of the Year	1998 - 1999
Leadership Schenectady – Chamber of Commerce	1999

PROFESSIONAL ASSOCIATIONS:

American College of Healthcare Executives	2004 - Present
National Association Health Care Quality	1989 - 2010
National Association Medical Staff Services	1983 - 2005

COMMUNITY ACTIVITIES:

Board, Sage Evening College Alumni Board of Directors	1993 - 1997
President, Sage Evening College Alumni Board of Directors	1995 - 1997
Board, Schenectady YMCA	1993 - 2002
Board, Chair Schenectady YMCA	1999 - 2001
Board, Capital District YMCA	1999 - 2001
Board, NY Association Medical Staff Services	1983 - 1989
Zonta International Club of Schenectady	1997 - 2009
President, Zonta International Club of Schenectady	2002 - 2004
Board, Adirondack Housing Development Corporation Board	2009 - 2013
Board, Homeward Bound at Saranac Lake Advisory	2009 - 2014
Board, Pendragon Theatre	2010 - 2014
President, Pendragon Theatre Board	2012 - 2013
Board, Health Care Managers Association (ACHE Chapter)	2011 – 2014
New Hampshire Hospital Associate Board	2014 - Present

MARIA J. ROSARIO, MSW

MARIA.ROSARIO@MCHMAIL.ORG

Seasoned healthcare leader, with extensive clinical and administrative experience in both inpatient and outpatient settings. Innovator with demonstrated success in planning, implementing, managing and improving new programs and services. Excellent understanding of and compliance with State and Federal regulations, and healthcare reimbursement systems. Committed to improving access to quality and affordable healthcare.

PROFESSIONAL EXPERIENCE

1994 - Present **Monadnock Community Hospital**

Peterborough, NH

Director, Physician Practices and Social Services in integrated delivery system, including a 25-bed Critical Access Hospital and multi-specialty physician group.

- Administrator responsible for all operational and financial aspects of multiple departments, including budget development and management and strategic planning :
 - Social Services Department – developed hospital case management program, responsible for discharge planning decreasing the average length of stay from 4 days to 3.2 days , developed excellent relationship with other healthcare organizations and community agencies to ensure continuity of care and necessary resources for patients and the community, developed clergy support system for hospital.
 - Director of Senior Mental Health Inpatient Unit – A ten bed inpatient unit.
 - Director Outpatient Behavioral Health Practice – recruited five behavioral health providers, implemented systems for tracking caseload and case closure, assisted medical director with case reviews increasing the outpatient volume by 30% in addition to decreasing the number of patients going to the emergency department for mental health assessments;
 - Mental Health Crisis Team – responsible for ensuring 24 hour coverage for ED, including scheduling, contracting, and monitoring of quality and timeliness of services;
 - Charity Care Department – developed the Financial Grant Program, offering a sliding pay scale for patients meeting financial criteria, including, program planning, data base development, staffing, marketing material, and integration with other NH hospitals. Expanded Medication Bridge program;
 - Director Integrated Pain Management Department – developed and implemented an integrated pain management program, encompassing psychiatry, family practice, physical therapy, behavioral health and case management services. Currently we have worked with 250 patients in signing medications contracts in addition to reviewing their treatment plan. We have seen a decrease in these patients going to the Emergency Department for pain treatment. Successfully implementing a motivational interviewing group for this population that resulted in 100% of the patients remaining in the group for the duration as well as stating they would like the group to continue.
 - Outpatient Family Care Practice – responsible for oversight of two physician family practice, mentoring office managers of nine primary care practices, integrated social services in nine primary care practices to assist with case management. Having this support present in the primary care setting helps the providers to focus on the patients' medical concerns as the social workers focus on community and mental health services the patient may need. Providers have stated that this resource has been a vital resource to the healthcare team.

- Monadnock Health Teeth to Toes – an outreach program to improve the state of dental and overall health of area school children in eight communities assisting 1800 children.
- Chair, Ethics Advisory Committee – developed and chaired Ethics Advisory Committee, implemented case review process using the Ten Morale Rules, recruited and educated committee members to reflect a multi-disciplinary approach, provided organization wide education regarding healthcare ethics, Advanced Directives and Patient Rights. Provided community education regarding Advanced Directives and Medicare Medication Programs.
- HIPAA Privacy Officer – developed and ensured compliance with HIPAA Privacy Standards, chaired HIPAA Compliance Committee, provided ongoing education to all staff and medical staff in addition present an educational session for PESI on Privacy in the Mental Health Setting;
- Organizational Development – conducted and debriefed DISC assessments for staff, worked with team of organizational culture identified by the organization as a future leader allowing an opportunity for further education and projects, including achieving a yellow belt in Lean Six Sigma.
- Member of Corporate Compliance Committee – responsible for State and Federal regulations compliance for discharge planning, billing and reimbursement for areas of responsibility;
- Member of Survey Readiness Committee – responsible for ensuring compliance with all Medicare Conditions of Participation related to areas of responsibility, including SNF standards, participated in CMS surveys;
- Member of Patient Safety, Quality Council Resource Management, Chronic Disease Management and Falls Prevention Committees.

1993 - 1994 **Catholic Medical Center**

Manchester, NH

Social Worker responsible for assessing and developing treatment plans for patients, participating with multidisciplinary team, collaborating with community and state agencies, Patient Advocate.

1991 – 1993 Crestwood **Healthcare**

Milford, NH

Director of Admissions responsible for working with patients and their families for admission to long term care facility collaborated with referring organizations, assessing patients' psycho-social needs and incorporating these into treatment plans.

EDUCATION

Masters of Business Administration – May 9, 2015
Southern NH University

Manchester, NH

Masters of Social Work
Fordham University

New York, NY

Bachelor of Arts Social Work and Sociology
Molloy College

Rockville Center, NY

MEMBERSHIP

Health Care Compliance Association (HCCA)

Richard D. Scheinblum

richard.scheinblum@mchmail.org

SUMMARY

Resourceful healthcare professional with excellent analytical, technological, and managerial competencies. Demonstrated expertise in:

- Expense and Revenue Management
- Operational and Strategic Planning
- Project Management
- Systems Development and Computing
- Workflow Analysis and Design
- Healthcare Financing and Contracting

PROFESSIONAL EXPERIENCE

MONADNOCK COMMUNITY HOSPITAL, Peterborough, NH

Dec 2000 - present

Vice President, Finance and Chief Financial Officer:

January 2007 - present

Reports to the President and Chief Executive Officer. Provides counsel to the President/CEO and to the Board of Directors on all financial matters related to the hospital, healthcare, and the economy. Monadnock Community Hospital's is one of the largest Critical Access Hospital's in the country with an operating budget of approximately \$74 million.

- Responsible for Finance, Patient Accounts, Physician Billing, Health Information Services, Revenue Management, Materiel's Management, Human Resources, Dietary, Engineering, Environmental Services, and Security.
- Scope is 5 Direct Reports and 170 full-time equivalents.
- Member, Finance Committee of the Board, Investment Committee, Audit Committee, Patient Safety Committee, Operating Room Committee (Ad-hoc), Quality Counsel, Compliance Committee, Information Technology Committee, Philanthropy Committee, Planning Committee, and Health Partners Board.

Director of Perioperative Services:

July 2005 – January 2007

Reported to the Vice President of Patient Care. Accountable for the operations, programs, and activities of Day Surgery, PACU, Endoscopy, Central Sterile, and the Operating Room including human resources, environmental services, facilities, quality management, budget, information technology, supply procurement, and regulatory issues. Ensure effective and efficient use of resources while maintaining patient care standards. Consult with nurse managers on nursing procedure and vision. Provide on-going conflict resolution. Maintain hospital and surgeon relationships.

- Supervised a department of 36 employees.
- Member, Patient Safety Committee, Operating Room Committee, Department of Surgery.

Controller:

December 2000 – July 2005

Reported to Chief Financial Officer. Responsible for directing and supervising the functions and activities of financial reporting, management reporting, accounts payable, budget, general ledger including \$50 million annual operating budget, risk/liability insurance program, pricing, contracting, reimbursement, cost development, and assists with financial and clinical information systems development.

- Supervised a department of 6 employees.
- Member of Finance Committee and Investment Committee of the Board of Directors.

CROTCHED MOUNTAIN FOUNDATION, Greenfield, NH

Feb 1999 – Dec 2000

Director, Reimbursement and Fiscal Analysis

July 2000 – December 2000

Reported to Chief Financial Officer. Managed the overall revenue generating process including overseeing \$26 million in annual billing cycle, supervising the Patient Accounts Department, risk/liability insurance program, pricing, contracting, reimbursement, cost development, and assists with financial and clinical information systems development.

- Successfully negotiated rates with the New Hampshire Department of Education resulting in \$1 million net revenue.
- Facilitated property and casualty insurance RFP resulting in an additional \$55 k in savings over FY2000 costs.
- Devised and implemented a standard outpatient billing process based on Medicare Guidelines.
- Developed monthly productivity reporting package for therapeutic areas.

Senior Financial Analyst

1999-2000

Reported to Chief Financial Officer. Provided financial modeling, clinical support, statistical analysis, and decision support to the organization.

Richard D. Scheinblum

richard.scheinblum@mchmail.org

CIGNA HEALTHCARE, Bloomfield, CT

May 1998 – Feb 1999

Provider Contracting Manager

Reported to the Director of Provider Contracting. Member of a unit within the Healthcare Financial Operations Group responsible for monitoring and assessing risk based and fee-for-service provider contracts from a financial standpoint for both CIGNA Healthcare and Healthsource.

CONNECTICUT CHILDREN'S MEDICAL CENTER, Hartford, CT

Apr 1994 – May 1998

Hospital Consultant / Operations and Organizational Redesign 1997-1998

Reported to the Vice President of Human Resources. Collaborated with external consulting team American Practice Management (APM) to redesign \$72 million operations expense base to benchmarking/best practice standards. Provided supporting information and prepared recommendations for changes for a committee comprised of Senior Management, physician stakeholders, and members of the Board of Directors.

Systems Coordinator – Perioperative Department 1996-1997

Responsible for the overall computer systems, financial operations, registration staff and managed care issues related to the Operating Room, Day Surgery Unit, PACU, and Cath Lab.

Financial Analyst 1994-1996

Primary responsibilities included facilitating the preparation and monitoring of the CCMC Foundation and Affiliates combined \$ 19 million operating budget, monthly statistical analysis, clinical to financial system reconciliation, and special projects including a chargemaster conversion, board presentations and statutory reporting.

THE DEVEREUX GLENHOLME SCHOOL, Washington, CT

Jan 1993 – Apr 1994

Staff Accountant

Responsible for performing general accounting duties.

UNITED PARCEL SERVICE, INC., Hartford, CT

Jan 1992 – Aug 1992

Internship – Industrial Engineering Supervisor

Developed and implemented a small package distribution system resulting in \$ 75,000+ in savings.

EDUCATION

Plymouth State College, Plymouth, NH
Masters, Business Administration, 2003

The University of Connecticut, Storrs, CT
Bachelor of Science, Business Administration, 1992

AFFILIATIONS

New Hampshire Healthcare Financial Management Association (HFMA)
Board of Directors, Scott Farrar Retirement Home (2014-present)
Elected Official – Chairman Dublin, NH Budget Committee 3-year term (2003 - 2010); Member (2012 – present)
Elected Official – Trustee of Trust Funds 3-year term (2009 - present)
Coach and Board Member, Conval Cal Ripken 2008- current, Peterborough Indoor and Outdoor Soccer 2009 – 2010, Peterborough Basketball 2009
Volunteer, All Saints Church, Peterborough, NH; Dublin Consolidated School, Dublin, NH; Keene Community Kitchen

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Monadnock Community Hospital - Monadnock Healthy Teeth to Toes

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Cynthia McGuire, CEO	\$250,000	0.00%	\$0.00
Richard Scheinblum, CFO	\$175,129	0.00%	\$0.00
Maria Rosario, MSW, Director of Physician Services	\$84,925	0.00%	\$0.00
Louise Danforth, Program Coordinator	\$54,000	2.24%	\$1,208.00
Pamela Delahanty, Registered Dental Hygienist	\$54,000	40.00%	\$21,600.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$22,808.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Cynthia McGuire, CEO	\$250,000	0.00%	\$0.00
Richard Scheinblum, CFO	\$175,129	0.00%	\$0.00
Maria Rosario, MSW, Director of Physician Services	\$84,925	0.00%	\$0.00
Louise Danforth, Program Coordinator	\$54,000	2.00%	\$1,080.00
Pamela Delahanty, Registered Dental Hygienist	\$54,000	44.45%	\$23,997.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$25,077.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract**. Provide their name, title, annual salary and percentage of annual salary paid from the agreement.

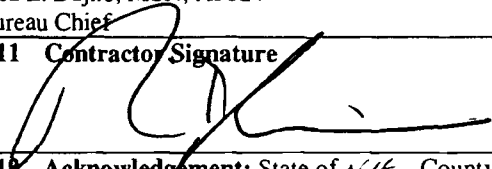
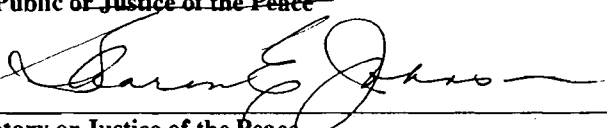
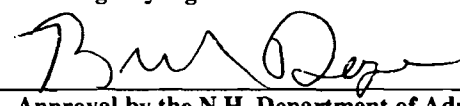
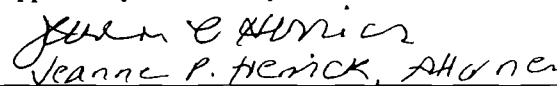

3-5-15

Subject: School-based oral health services will be delivered to underserved students in the Monadnock Region.

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name The Monadnock Community Hospital		1.4 Contractor Address 452 Old Street Road, Peterborough, NH 03458	
1.5 Contractor Phone Number (603) 924-4699 Ext. 1108	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$47,896
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Richard D. Schenglum, CFO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Hillsborough</u> On <u>4/19/2013</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 SHARON E. JOHNSON Notary Public - New Hampshire My Commission Expires December 14, 2016			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Jeanne P. Henrick, Attorney On: _____			
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.

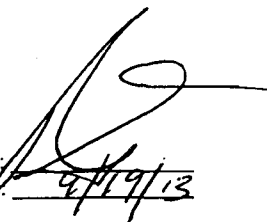
20. THIRD PARTIES. The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

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.


9/19/13

NH Department of Health and Human Services

Exhibit A

Scope of Services

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: The Monadnock Community Hospital

ADDRESS: 452 Old Street Road, Peterborough, NH 03458

Program Coordinator: Louise H. Danforth

TELEPHONE: (603) 924-4699 ext. 1108

The Contractor shall provide school-based oral health services as specified below:

I. General Provisions:

The contractor shall provide oral health assessment, preventive services, and referrals for restorative treatment for low-income, uninsured, and underinsured children within the defined service area who don't have regular access to oral health care.

A. Numbers Served

Oral assessment services are to be provided to a minimum of 2,000 students throughout each year of the contract term.

B. Eligibility and Income Determination

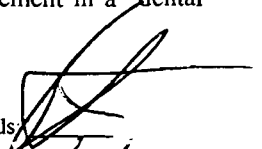
1. Low-income children and families are defined as $\leq 185\%$ of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in NH Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. The contractor shall use one of the following models:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic referral model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

D. Oral health services for the targeted population(s) shall include:

1. risk assessment;
2. oral health education;
3. oral screening;
4. early diagnosis of oral diseases;
5. preventive care focused on age appropriate dental sealants and fluoride application;
6. and care coordination that links children to restorative treatment and disease management in a "dental home."


4/19/13

E. Relevant Policies and Guidelines

The school-based oral health program shall:

1. Require no fee for any NH Medicaid client.
2. Assist eligible families with NH Medicaid enrollment directly or through referral.
3. Become a NH Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without NH Medicaid or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Direct resources to evidence-based interventions.
7. Explore and secure future funding sources.

F. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

G. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

H. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

I. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

II. Minimal Scope of Core Services

A. Service Requirements

The school-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individual students at chairside or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any

current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. **New Hires**

The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

2. **Vacancies**

The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

III. Quality or Performance Improvement (QI/PI)

A. Work Plans

1. Performance Work Plans are required annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work Plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Work Plan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the contract year.

4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work Plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work Plans and Work Plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade population targeted for dental sealants.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale provided to participating students' families shall be submitted on request to the DPHS Oral Health Program. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Work Plan.

D. Performance Measures

School-Based Oral Health Performance Measures

- A minimum of 65% of 2nd and 3rd grade students returning consent forms
- A minimum of 400 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- 100% of all 2nd and 3rd grade students screened with untreated decay who are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: The Monadnock Community Hospital

ADDRESS: 452 Old Street Road, Peterborough, NH 03458

Program Coordinator: Louise H. Danforth
TELEPHONE: (603) 924-4699 ext. 1108

Vendor #177164-B006

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$47,896 for oral health initiatives, funded from 50% Federal funds from the (Centers for Disease Control)(CDC)(CFDA #93.991) and 50% from General funds.

TOTAL: \$47,896

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- X (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The remainder of this page is intentionally left blank.

18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

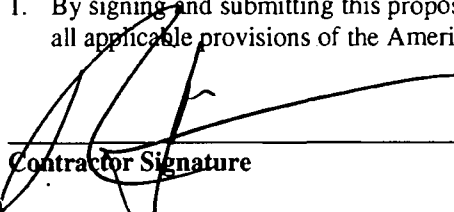
NH Department of Health and Human Services

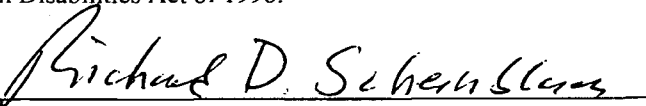
Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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


Contractor Signature


Contractor's Representative Title

The Monadnock Community Hospital
Contractor Name

4-19-13
Date


4/19/13

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

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

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec.13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec.13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name

THE MONADNOCK COMMUNITY HOSPITAL

Name of Contractor

Brook Dyer

Signature of Authorized Representative

[Signature]

Signature of Authorized Representative

Brook S. Dyer

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

Richard D. Scheinblum

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

CFO

Title of Authorized Representative

6/21/13

Date

4-19-13

Date



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Speare Memorial Hospital (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 16 Hospital Road, Plymouth, NH 03264.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on June 19, 2013, (Item #93), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$91,482
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1



New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services

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

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

4/15/15
Date

State of New Hampshire
Department of Health and Human Services
Brook Dupee
Brook Dupee
Bureau Chief

3/10/15
Date

Michelle L. McEwen
NAME Michelle L. McEwen
TITLE President / CEO

Speare Memorial Hospital

Acknowledgement:
State of NH, County of Grafton on 3/10/15, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.
Signature of Notary Public or Justice of the Peace

SSargent
Name and Title of Notary or Justice of the Peace

Commission Expires 12/20/2015



**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**

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

4/22/15
Date

OFFICE OF THE ATTORNEY GENERAL

[Signature]
Name: Megan A. Galt
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Scope of Services

The Contractor shall provide school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children within the defined service area who don't have regular access to oral health care.

1.1. Numbers Served

Oral assessment services are to be provided to a minimum of 2,100 students throughout each year of the contract term.

1.2. Eligibility and Income Determination

- 1.2.1. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. The contractor shall use one of the following models to provide the following services:

- 1.3.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.3.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

1.4. Oral health care services for the targeted population(s) shall include:

- 1.4.1. risk assessment;
- 1.4.2. oral health education;
- 1.4.3. oral screening;
- 1.4.4. early diagnosis of oral diseases;
- 1.4.5. preventive care focused on age appropriate dental sealants, Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Dental Hygienist, and fluoride varnish application; and
- 1.4.6. care coordination that links children to restorative treatment and disease management in a "dental home".

1.5. Relevant Policies and Guidelines

The school-based oral health program shall:

- 1.5.1. Require no fee for any Medicaid client.
- 1.5.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.5.3. Become a Medicaid provider for qualified clients.



Exhibit A Amendment #1

- 1.5.4. Provide a sliding fee scale for children from families without Medicaid or private dental insurance.
- 1.5.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.5.6. Direct resources to evidence-based interventions.
- 1.5.7. Explore and secure future funding sources.

1.6. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.6.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.6.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.6.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.6.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.6.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.7. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.7.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.7.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169:C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.7.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.8. Publications Funded Under Contract

- 1.8.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.8.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.8.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).



Exhibit A Amendment #1

1.9. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The school-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individual students at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program, that shall at minimum include the requirements of 1.4.5 above, for children through a school-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.



Exhibit A Amendment #1

2.3. Staffing Changes

- 2.3.1. **New Hires:** The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
- 2.3.2. **Vacancies:** The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.



Exhibit A Amendment #1

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade target population.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs, with children in other states and in the National Oral Health Surveillance System.

- 3.4.1. School-Based Performance Measures:
 - A minimum of 70% of 2nd and 3rd grade students returning consent forms
 - A minimum of 400 2nd and 3rd grade students shall receive oral screenings
 - Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
 - Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
 - 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
 - Percent of all 2nd and 3rd grade students screened with a history of decay



Exhibit B Amendment #1

Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$24,074 in SFY 2016 and \$21,667 in SFY 2017 for oral health initiatives, for a total amount of \$45,741.
 - b. Funding is available as follows:
 - \$20,446 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$25,295 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Speare Memorial Hospital

**Statewide Community and School Based Oral
Budget Request for: Health Services**

Budget Period: 7/1/15 - 6/30/16

1. Total Salary/Wages	\$ 24,074.00	\$ -	\$ 24,074.00
2. Employee Benefits	\$ -	\$ -	\$ -
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ -	\$ -	\$ -
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training and Travel	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL	\$ 24,074.00	\$ -	\$ 24,074.00

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: 

Date: 3/10/15

Exhibit B-1 Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Speare Memorial Hospital

Statewide Community and School Based Oral
Budget Request for: Health Services
(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

1. Total Salary/Wages	\$ 21,667.00	\$ -	\$ 21,667.00
2. Employee Benefits	\$ -	\$ -	\$ -
3. Consultants	\$ -	\$ -	\$ -
4. Equipment:	\$ -	\$ -	\$ -
Rental	\$ -	\$ -	\$ -
Repair and Maintenance	\$ -	\$ -	\$ -
Purchase/Depreciation	\$ -	\$ -	\$ -
5. Supplies:	\$ -	\$ -	\$ -
Educational	\$ -	\$ -	\$ -
Lab	\$ -	\$ -	\$ -
Pharmacy	\$ -	\$ -	\$ -
Medical	\$ -	\$ -	\$ -
Office	\$ -	\$ -	\$ -
6. Travel	\$ -	\$ -	\$ -
7. Occupancy	\$ -	\$ -	\$ -
8. Current Expenses	\$ -	\$ -	\$ -
Telephone	\$ -	\$ -	\$ -
Postage	\$ -	\$ -	\$ -
Subscriptions	\$ -	\$ -	\$ -
Audit and Legal	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -
Board Expenses	\$ -	\$ -	\$ -
9. Software	\$ -	\$ -	\$ -
10. Marketing/Communications	\$ -	\$ -	\$ -
11. Staff Education and Training and Travel	\$ -	\$ -	\$ -
12. Subcontracts/Agreements	\$ -	\$ -	\$ -
13. Other (specific details mandatory):	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -
TOTAL	\$ 21,667.00	\$ -	\$ 21,667.00

Indirect As A Percent of Direct

0.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: WJH

Date: 3/10/15



SPECIAL PROVISIONS

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

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



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

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

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



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

11. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. **Interim Financial Reports:** Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. **Final Report:** A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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. **Renewal:**

As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.



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

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

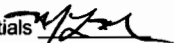
Contractor will comply, and will require any subgrantees or subcontractors to comply, with any applicable federal nondiscrimination requirements, which may include:

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

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

Exhibit G- Amendment #1

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

Contractor Initials 

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



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

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

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

Contractor Name:

3/10/15
Date

Michelle L. McEwen
Name: Michelle L. McEwen
Title: President/CEO

Exhibit G- Amendment #1

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

Contractor Initials MLM

Date 3/10/15



HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



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

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

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



Exhibit I Amendment #1

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

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

(3) Obligations and Activities of Business Associate.

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

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

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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 Amendment #1

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



Exhibit I Amendment #1

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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



Exhibit I Amendment #1

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

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

NH DHHS
The State

[Signature]
Signature of Authorized Representative

Brian Duce
Name of Authorized Representative

Bureau Chief
Title of Authorized Representative

4/15/15
Date

Spence Memorial Hospital
Name of the Contractor

[Signature]
Signature of Authorized Representative

Michelle L. McEwen
Name of Authorized Representative

President / CEO
Title of Authorized Representative

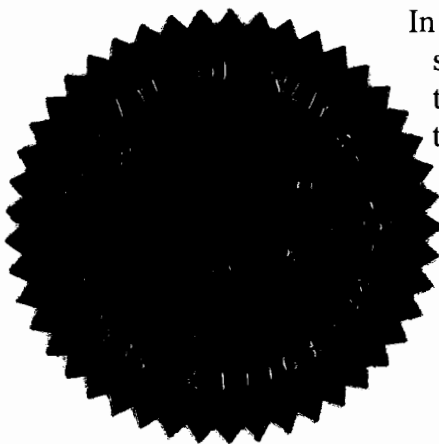
3/10/15
Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that SPEARE MEMORIAL HOSPITAL is a New Hampshire nonprofit corporation formed July 3, 1899. 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 25th day of February A.D. 2015

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

William M. Gardner
Secretary of State

CERTIFICATE OF VOTE/AUTHORITY

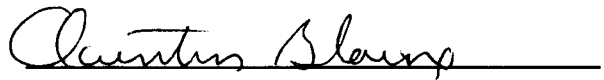
I, **Quentin Blaine of Speare Memorial Hospital**, do certify that:

1. I am the duly elected **Secretary of Speare Memorial Hospital's Board of Directors**;
2. By Majority Consent via Electronic Vote conducted March 15, 2013, the following are copies of two resolutions duly adopted by the **Board of Directors of the Speare Memorial Hospital**;

RESOLVED: That Speare Memorial Hospital may enter into any and all contracts, amendments, renewals, revisions or modifications there to, with the State of New Hampshire, acting through its Department of Health and Human Services.

RESOLVED: That the **President/CEO** is hereby authorized on behalf of Speare Memorial Hospital to enter into said contracts with the State, and to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as she may deem necessary, desirable or appropriate. **Michelle L. McEwen** is the **President/CEO** of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand as the **Secretary of the Speare Memorial Hospital's Board of Directors** this 10th day of March 2015 that the above resolutions are still in effect.

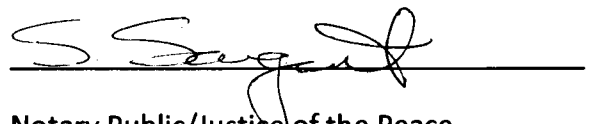


Quentin Blaine, Secretary

STATE OF NH

COUNTY OF **GRAFTON**

The foregoing instrument was acknowledged before me this **10th** day of **March, 2015** by **Quentin Blaine**.



Notary Public/Justice of the Peace

My Commission Expires: **12/20/2015**

Client#: 5850

SPEAREME

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/07/2014

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 470 Atlantic Avenue Boston, MA 02210		CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS:		FAX (A/C, No):	
		INSURER(S) AFFORDING COVERAGE		NAIC #	
		INSURER A: Endurance American Specialty In		10641	
INSURED Speare Memorial Hospital 16 Hospital Road Plymouth, NH 03264		INSURER B:			
		INSURER C:			
		INSURER D:			
		INSURER E:			
		INSURER F:			

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

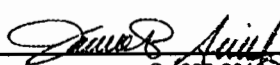
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY ☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC			HCP10005550700	10/01/2014	10/01/2015	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 \$3,000,000 Retention \$10,000
	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) \$ Retention \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☒ RETENTION \$10000			HCP10005550900	10/01/2014	10/01/2015	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 Retention \$
	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				☐ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Hospital Professional & Physicians Liab.			HCP10005550700	10/01/2014	10/01/2015	\$1,000,000 \$3,000,000 Retention \$10,000 Claims Made Coverage

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

CERTIFICATE HOLDER

CANCELLATION

NH DHHS Division of Public Health Servic Attn: Director 29 Hazen Drive 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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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

9/2/2014

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 Wieczorek Insurance 166 Concord St. Manchester NH 03104	CONTACT NAME: Cheryl Lapointe PHONE (A/C No. Ext.): (603) 668-3311 E-MAIL ADDRESS: cheryl@wizinsurance.com FAX (A/C No.): (603) 668-8413
INSURED Speare Memorial Hospital 16 Hospital Road Plymouth NH 03264	INSURER(S) AFFORDING COVERAGE INSURER A: New Hampshire Employers INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

COVERAGES

CERTIFICATE NUMBER: CL149206231

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 - 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) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☒ N	N/A	BCC60040005572014A	10/1/2014	10/1/2015	☒ 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

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

CERTIFICATE HOLDER**CANCELLATION**

NH Department of Health & Human Services
29 Hazen Drive
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

Robert Wieczorek/CL8



Mission

Speare Memorial Hospital is dedicated to providing excellent healthcare for our community every day.

Vision

Our community will achieve optimal health with Speare as a leader in a vibrant regional healthcare system.

**SPEARE MEMORIAL HOSPITAL
AND SUBSIDIARIES**

**Consolidated Financial Statements
and
Independent Auditors' Report**

As of and for the Years Ended
June 30, 2014 and 2013



SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

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TYLER, SIMMS & ST. SAUVEUR, P.C.
Certified Public Accountants & Business Consultants

Independent Auditors' Report

To the Board of Directors of
Spear Memorial Hospital and Subsidiaries:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Spear Memorial Hospital (a New Hampshire not-for-profit corporation) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of operations and 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 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.

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 audits 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 Speare Memorial Hospital and Subsidiaries as of June 30, 2014 and 2013, and the consolidated changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 33-38 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 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.

Tyler, Lemus and St. Severeur, CPAs, P.C.

Lebanon, New Hampshire
August 27, 2014

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Financial Position – Assets

As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 16,534,733	\$ 14,358,762
Assets limited as to use	95,737	114,954
Patient accounts receivable, net	7,831,545	7,717,508
Other receivables	199,595	236,883
Inventories	884,947	864,005
Prepaid expenses	430,808	487,392
Current portion of notes receivable	46,830	42,414
Total current assets	<u>26,024,195</u>	<u>23,821,918</u>
Other assets:		
Notes receivable, less current portion	64,259	87,296
Investment in joint venture	218,002	212,425
Other investments	335,426	335,426
Beneficial interest in perpetual trusts	323,204	295,694
Goodwill	890,002	890,002
Other intangibles, net	374,939	469,603
Assets held for sale	216,860	-
Total other assets	<u>2,422,692</u>	<u>2,290,446</u>
Assets limited as to use:		
Externally designated investments under bond agreement	3,278,240	4,581,591
Internally designated investments	21,007,421	18,428,524
Endowment and temporarily restricted investments	367,517	440,126
Total assets limited as to use	<u>24,653,178</u>	<u>23,450,241</u>
Property and equipment	58,307,329	56,028,336
Less: Accumulated depreciation and amortization	(27,397,100)	(24,199,181)
	<u>30,910,229</u>	<u>31,829,155</u>
Total assets	<u>\$ 84,010,294</u>	<u>\$ 81,391,760</u>

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

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidated Statements of Financial Position – Liabilities and Net Assets
As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable	\$ 1,820,650	\$ 1,801,452
Accrued salaries and wages	659,688	419,581
Other current liabilities	2,663,434	2,464,766
Due to third-party payors	4,480,995	4,230,015
Current portion of long-term debt	974,971	818,545
Current portion of capital lease obligations	47,554	107,207
Total current liabilities	<u>10,647,292</u>	<u>9,841,566</u>
Noncurrent liabilities:		
Long-term debt, less current portion	26,582,176	27,557,679
Capital lease obligations, less current portion	-	39,705
Total noncurrent liabilities	<u>26,582,176</u>	<u>27,597,384</u>
Total liabilities	<u>37,229,468</u>	<u>37,438,950</u>
Commitments and contingencies (See Notes)		
Net assets:		
Unrestricted:		
Controlling interest	45,967,975	43,075,684
Noncontrolling interest	26,393	26,352
Total unrestricted	<u>45,994,368</u>	<u>43,102,036</u>
Temporarily restricted	197,122	288,948
Permanently restricted	589,336	561,826
Total net assets	<u>46,780,826</u>	<u>43,952,810</u>
Total liabilities and net assets	<u>\$ 84,010,294</u>	<u>\$ 81,391,760</u>

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

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidated Statements of Operations and Changes in Net Assets
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted revenues, gains and other support:		
Net patient service revenue	\$ 56,374,368	\$ 56,654,330
Provision for bad debts	(7,381,680)	(6,663,107)
Net patient service revenue less provision for bad debts	48,992,688	49,991,223
Other operating revenue	2,272,458	2,360,718
Net assets released from restrictions for operations	19,222	37,857
Total unrestricted revenues, gains and other support	<u>51,284,368</u>	<u>52,389,798</u>
Operating expenses:		
Salaries and wages	16,883,409	16,425,967
Physician fees and wages	5,961,546	5,203,921
Contract nursing and technicians	1,337,031	1,562,817
Employee health and welfare	5,974,491	5,555,942
Supplies and other	14,085,713	12,837,399
Medicaid enhancement tax	2,357,603	75,259
Depreciation and amortization	3,539,362	3,390,875
Interest	750,732	1,115,620
Total operating expenses	<u>50,889,887</u>	<u>46,167,800</u>
Income from operations	<u>394,481</u>	<u>6,221,998</u>
Nonoperating income (expense):		
Investment income, net	2,249,484	2,075,906
Equity in earnings of unconsolidated joint venture	15,577	5,160
Unrestricted donor contributions	432,061	109,550
Grant expense	(278,000)	(228,000)
Bad debt recovery on non-patient receivables	(4,722)	(6,792)
Gain on sale of fixed assets	10,839	3,770
Loss on early extinguishment of bond	-	(1,973,354)
Total nonoperating income (expense)	<u>2,425,239</u>	<u>(13,760)</u>
Excess of revenue and gains over expenses	2,819,720	6,208,238
Less: noncontrolling interest	(41)	(7)
Excess of revenue and gains over expenses attributable to controlling interest	2,819,679	6,208,231
Net assets released from restriction for capital expenditure	<u>72,612</u>	<u>4,108</u>
Change in unrestricted net assets, controlling interest	<u>\$ 2,892,291</u>	<u>\$ 6,212,339</u>

Continued on next page

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

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidated Statements of Operations and Changes in Net Assets (Continued)
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Unrestricted net assets, controlling interest:		
Excess of revenues and gains over expenses	\$ 2,819,679	\$ 6,208,231
Net assets released from restriction for capital expenditures	72,612	4,108
Change in unrestricted net assets, controlling interest	<u>2,892,291</u>	<u>6,212,339</u>
Unrestricted net assets, noncontrolling interest:		
Excess of revenues and gains over expenses	41	7
Change in unrestricted net assets, noncontrolling interest	<u>41</u>	<u>7</u>
Temporarily restricted net assets:		
Restricted donor contributions	-	45,400
Net restricted investment income	8	6
Net assets released from restriction for capital expenditures	(72,612)	(4,108)
Net assets released from restriction for operations	(19,222)	(37,857)
Change in temporarily restricted net assets	<u>(91,826)</u>	<u>3,441</u>
Permanently restricted net assets:		
Net change in beneficial interest in perpetual trusts	27,510	14,320
Change in permanently restricted net assets	<u>27,510</u>	<u>14,320</u>
Change in net assets	2,828,016	6,230,107
Net assets, beginning of year	<u>43,952,810</u>	<u>37,722,703</u>
Net assets, end of year	<u>\$ 46,780,826</u>	<u>\$ 43,952,810</u>

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

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,828,016	\$ 6,230,107
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,539,362	3,390,875
Provision for bad debts	7,381,680	6,663,107
Equity in earnings of unconsolidated joint venture	(15,577)	(5,160)
Contributions restricted for long-term investment	(291,800)	(34,551)
Amortization reflected as interest	94,664	87,049
Net unrealized gains on investments	(1,436,724)	(1,064,476)
Gain on sale of fixed assets	(10,839)	(3,770)
Loss on early extinguishment of bonds	-	1,973,354
Realized gain on sale of investments	(565,696)	(682,869)
Net change in beneficial interest in perpetual trusts	(27,510)	(14,320)
(Increase) decrease in the following assets:		
Patient accounts receivable	(7,495,717)	(7,119,990)
Inventories	(20,942)	(105,405)
Prepaid expenses and other current assets	56,584	(14,570)
Other receivables	37,288	(171,064)
Increase (decrease) in the following liabilities:		
Accounts payable	19,198	(503,187)
Accrued wages	240,107	60,915
Other current liabilities	198,668	414,968
Due to third-party payors	250,980	(662,815)
Net cash provided by operating activities	<u>4,781,742</u>	<u>8,438,198</u>
Cash flows from investing activities:		
Proceeds on sale of fixed assets	62,250	7,270
Purchase of property and equipment	(2,888,707)	(2,783,663)
Distributions from joint venture	10,000	-
Proceeds on sales of investments whose use is limited	2,924,923	3,601,549
Purchases of investments whose use is limited	(2,106,223)	(9,576,047)
Notes receivable, net proceeds	18,621	54,947
Net cash used in investing activities	<u>(1,979,136)</u>	<u>(8,695,944)</u>
Cash flows from financing activities:		
Payments on capital lease obligations	(99,358)	(90,794)
Proceeds from issuance of bonds payable	-	4,572,156
Payments on long-term debt	(819,077)	(2,225,523)
Contributions restricted for long-term investment	291,800	34,551
Net cash provided by (used in) financing activities	<u>(626,635)</u>	<u>2,290,390</u>
Net increase in cash and cash equivalents	2,175,971	2,032,644
Cash and cash equivalents, beginning of year	<u>14,358,762</u>	<u>12,326,118</u>
Cash and cash equivalents, end of year	<u>\$ 16,534,733</u>	<u>\$ 14,358,762</u>

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

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the Years Ended June 30, 2014 and 2013

Supplemental Disclosures of Cash Flow Information

	<u>2014</u>	<u>2013</u>
Cash payments for interest	\$ <u>821,999</u>	\$ <u>1,126,041</u>

Supplemental Disclosure of Noncash Transactions

During 2013, the Organization issued \$21,100,000 of tax-exempt revenue bonds (Series 2012) (see Note 16). The Series 2012 bonds were issued in order to pay off the Organization's existing Series 2010 tax-exempt revenue bond obligation (Series 2010) totaling \$3,710,435 and provide advance-refunding for the Organization's existing Series 2004 tax-exempt revenue bond obligation (Series 2004) totaling \$12,005,000. The advance-refunding of the Series 2010 bond obligation represents in-substance defeasance as of June 30, 2013. The Organization recognized a loss on early extinguishment of bond totaling \$1,973,354, representing prepaid interest required as a component of the advance-refunding agreement totaling \$1,698,202, as well as the unamortized value of both the Series 2010 and Series 2004 bond issuance fees totaling \$275,152. Bond issuance fees incurred and capitalized as a result of the Series 2012 issuance totaled \$204,601 and are carried net of amortization as a component of other intangibles in the 2013 statement of financial position. Accrued and unpaid interest expense as of the date of issuance totaled \$293,592 and was satisfied through the utilization of existing Series 2004 bond escrow funds. Net proceeds from the Series 2012 issuance totaled \$4,572,156.

During 2014, the Organization transferred land and a building located in Bristol, New Hampshire to assets held for sale with a net carrying value of \$216,860.

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

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies:

Organization

Speare Memorial Hospital (the Organization) provides medical services on an inpatient, outpatient and physician basis. The Organization is a provider of health services with facilities in Plymouth, New Hampshire. The Organization grants credit to patients, substantially all of whom are local residents. Effective May 1, 2005, the Organization was designated as a critical access hospital (see Note 8). The statements also include:

Speare Health Venture, Inc. (SHV) formerly Plymouth Hospital Professional Building (PHPB), the Organization's wholly-owned subsidiary, which holds a 50% equity interest in a joint venture, Plymouth Regional Rehabilitation Services, LLC (see Note 5).

Speare Health Network (SHN), the Organization's 50% owned subsidiary, which is a physician/hospital organization.

Speare Memorial at Boulder Point, Inc. (SMBP), the Organization's wholly-owned subsidiary, which provides professional rental space to the Organization in Plymouth, New Hampshire.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Organization and its subsidiaries, SMBP, SHV and SHN. All significant intercompany transactions have been eliminated in consolidation.

Community Care

The Organization provides care to patients who meet certain criteria under its community 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 community care, they are not reported as revenue.

Basis of Statement Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared consistent with the American Institute of Certified Public Accountants *Audit and Accounting Guide, Health Care Organizations* (Audit Guide). In accordance with the provisions of the Audit Guide, net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose and, generally, the net accumulated earnings on permanently restricted endowment funds. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenue and Gains over Expenses

The statements of operations include excess of revenues and gains over expenses. Changes in unrestricted net assets which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include 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).

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (continued):

Assets Limited as to Use

Assets limited as to use include assets set aside by the Board of Directors for future capital improvements and long-term investment purposes, over which the Board retains control and may at its discretion subsequently use for other purposes. In addition, assets limited as to use also include investments externally designated under indenture or donor restriction.

Goodwill Impairment

The Organization evaluates the carrying value of goodwill periodically throughout the year or when events occur or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying amount. Such circumstances could include, but are not limited to:

- i. A significant adverse change in legal factors or in business climate
- ii. Unanticipated competition, or
- iii. An adverse action or assessment by a regulator

When evaluating whether goodwill is impaired, the Organization compares the fair value of the reporting unit to which the goodwill is assigned to the reporting unit's carrying amount, including goodwill. The fair value of the reporting unit is estimated using a combination of the income, or discounted cash flows, approach and the market approach, which utilizes comparable companies' data. If the carrying amount of the reporting unit exceeds its fair value, then the amount of the impairment loss must be measured. The impairment loss would be calculated by comparing the implied fair value of the reporting unit goodwill to its carrying amount. An impairment loss would be recognized when the carrying amount of goodwill exceeds its implied fair value. The Organization's evaluation of goodwill completed during the year resulted in no impairment losses.

Intangible Asset Impairment

The Organization evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to

- i. A significant decrease in market value of an asset
- ii. A significant adverse change in the extent or manner in which an asset is used, or
- iii. An accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset

The Organization measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The Organization did not recognize an impairment charge relative to intangible assets for the year ended June 30, 2014.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (continued):

Concentration of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risks consist primarily of cash and investments. The Organization has not experienced any losses on its cash. The Organization's investments do not represent significant concentrations of market risk in as much as the Organization's investment portfolio is adequately diversified among issuers.

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 revenues and expenses. Actual results could differ from those estimates.

Reclassification

Certain reclassifications have been made to the 2013 consolidated financial statements to conform to the 2014 presentation. Such reclassifications had no effect on previously reported excess of revenues over expenses or net assets.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Property and equipment donated for Organization operations are recorded at fair value at the date of receipt. Expenditures for repairs and maintenance are expensed when incurred and betterments are capitalized.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed on the straight-line method. Equipment under capital leases is amortized on the straight-line method over the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the financial statements.

Estimated useful lives are as follows:

	<u>YEARS</u>
Land improvements	5 – 15
Buildings and building improvements	5 – 50
Equipment	5 – 20
Capital leases	5 – 10

Works of art are maintained as collections and, accordingly, are not depreciated.

Assets Held For Sale

Assets held for sale are reported at the lower of carrying value or fair value less cost to sell. Assets held for sale represent land and a building located in Bristol, New Hampshire. During the year ended June 30, 2014, the Organization made the decision to hold the land and building for sale.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (continued):

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 pursuant to Section 501(a) of the Code.

SHV is a taxable corporation and is subject to Federal and New Hampshire income taxes.

SHN is a partnership that has elected to be taxed as a corporation and is subject to Federal and New Hampshire income taxes.

SMBP is a not-for-profit corporation as described in Section 501(c)(3) of the Code and is exempt from Federal income taxes on related income pursuant to Section 509(a)(3) of the Code.

Accounting Standards Codification Subtopic 740-10, *Accounting for Uncertainty in Income Taxes*, addresses the accounting uncertainty of income taxes recognized in an enterprise's financial statements and prescribes a threshold of "more-likely-than-not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Subtopic 740-10 also provides guidance on measurement classification, interest and penalties and disclosure. The Organization has determined that the provisions of Subtopic 740-10 do not have a material effect on the Organization's consolidated financial statements. The Organization believes it is no longer subject to examinations for years prior to 2009.

Cash Equivalents

All investments that are not limited as to use with a maturity of three months or less at the time of acquisition are reflected as cash equivalents. Cash equivalents include checking accounts, money market accounts, demand deposits and petty cash. The carrying value of cash equivalents approximates fair value.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market.

Advertising

Advertising costs are charged to operations when incurred.

Deferred Financing Costs

Costs incurred in connection with the issuance of long-term debt are deferred and amortized over the term of the related financing, which approximates the effective interest method.

Patient Accounts Receivable

Standard charges for services to patients are recorded as revenue when services are rendered. Provisions are made in the accounts for estimated uncollectible amounts based on experience and any unusual circumstances, which may affect the ability of patients to meet their obligations.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (continued):

Net Patient Service Revenue

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined. Provisions for bad debt are reflected as a component of net patient service revenue in order to arrive at the net realizable amounts received (see Note 8).

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. The Organization accounts for its investment portfolio in accordance with Accounting Standards Codification Topic 825 – *Financial Instruments* – and, accordingly, investment income or loss (including realized gains and losses on investments, interest and dividends) and unrealized gains and losses are included in the excess of revenues over expenses unless the income or loss is restricted by donor or law.

Investment in Joint Venture

Investments in entities where the Organization or its subsidiaries own more than 20% and less than 51% and do not have significant operational influence are recorded under the equity method. Under the equity method of accounting, an investee company's accounts are not reflected within the Organization's Consolidated Statements of Financial Position and Statements of Operations; however, the Organization's share of the earnings or losses of the Investee company is reflected in the caption "equity in earnings of unconsolidated joint venture" in the Consolidated Statements of Operations and Change in Net Assets – Unrestricted. The Organization's carrying value in an equity method investee company in which it is a party to a joint venture is reflected in the caption "Investment in joint venture" in the Organization's Consolidated Statements of Financial Position.

When the Organization's carrying value in an equity method investee company is reduced to zero, no further losses are recorded in the Organization's consolidated financial statements unless the Organization guaranteed obligations of the investee company or has committed additional funding.

An investment in an entity where the Organization or its subsidiaries own less than 20% and do not have significant operating influence is recorded at cost.

Risk and Uncertainties

Investment securities, including assets limited as to use, are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risk in the near term could materially affect the net assets of the Organization.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (continued):

Self-Insurance

The Organization has elected to self-insure certain costs related to employee health programs. Costs resulting from noninsured losses are charges to income when incurred. The Organization has purchased insurance that limits its exposure to individual claims in excess of \$90,000. A provision is accrued for self-insured employee health claims including both claims reported and claims incurred but not yet reported. The accrual is estimated based upon prior lagging claims experience, recently incurred claims and other qualitative factors. The accrued self-insurance reserve was \$289,000 as of June 30, 2014 and 2013. It is reasonably possible that the Organization's estimate will change by a material amount in the near term.

Donor Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received to the extent estimated to be collectible by the Organization. Contributions received with donor restrictions that limit the use of the donated assets are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are included in nonoperating revenues (expenses) in the accompanying consolidated financial statements.

Temporarily Restricted Net Assets

Temporarily restricted net assets are used to differentiate resources, the use of which is restricted by donors or grantors to a specific time period or purpose, from resources on which no restrictions have been placed or that arise from the general operations of the Organization.

Permanently Restricted Net Assets

Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity. In accordance with the restriction, investment income and investment gains and losses from permanently restricted net assets are time restricted and are therefore temporarily restricted.

Electronic Health Records Incentive Program

The Electronic Health Records Incentive Program, enacted as part of the American Recovery and Reinvestment Act of 2009, provides for one-time incentive payments under both the Medicare and Medicaid programs to eligible hospitals that demonstrate meaningful use of certified electronic health records technology ("EHR"). The Organization periodically submits and attests to its use of certified EHR technology, satisfaction of meaningful use objectives and various patient data. These submissions generally include performance measures for each annual EHR reporting period. Critical access hospitals are eligible to receive incentive payments for up to four years under the Medicare program for its reasonable costs of the purchase of certified EHR technology multiplied by the Organization's Medicare utilization plus 20%, limited to 100% of the cost incurred. Payments under the Medicaid program are generally made for up to four years based upon a statutory formula, as determined by the state, which is approved by the centers for Medicare and Medicaid Services. Payments under both programs are contingent on the Organization continuing to meet escalating meaningful use criteria and any other specific requirements that are applicable for the reporting period.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

1. Summary of Significant Accounting Policies (continued):

Electronic Health Records Incentive Program (continued)

The Organization recognizes a receivable for unpaid incentive payments at the point when management is reasonably assured it will meet all of the meaningful use objectives and the income is measurable.

EHR incentive income is included in other revenue in the statements of operations. EHR incentive income recognized is based on management's estimate and amounts are subject to change, with such changes impacting operations in the period changes occur. The final amount for any payment year under both programs is determined based upon an audit by the fiscal intermediary and may be subject to repayment upon a determination of noncompliance.

Recent Accounting Pronouncements

In April 2013, the FASB issued Accounting Standards Update (ASU) No. 2013-06, *Not-for-Profit Entities (Topic 958) - Services Received from Personnel of an Affiliate*. The objective of the amendments in this ASU is to specify the guidance that not-for-profit entities apply for recognizing and measuring services received from personnel of an affiliate. More specifically, the amendments in this ASU apply to not-for-profit entities that receive services from personnel of an affiliate that directly benefit the recipient not-for-profit entity and for which the affiliate does not charge the recipient not-for-profit entity.

The amendments in this ASU require a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either: (a) the cost recognized by the affiliate for the personnel providing that service or; (b) the fair value of that service.

The amendments in this ASU are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted.

2. Community Benefits:

The Organization's mission statement is to provide and coordinate quality health care services based on principles of compassion and professionalism while promoting wellness and prevention. As part of this mission statement, the Organization provides several benefits to the community at reduced or no cost. As a result of the Organization not pursuing collection of amounts determined to qualify as community care, these amounts are not reported as net patient service revenue. The Organization's direct and indirect costs for services furnished under its community care policy, before consideration of the Medicaid Enhancement Tax, aggregated approximately \$1,870,000 and \$1,780,000 for the years ended June 30, 2014 and 2013, respectively.

The Organization estimates the cost to provide community care by applying a cost-to-charge ratio to gross uncompensated charges.

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Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

2. Community Benefits (continued):

The Organization provided community care for the following number of inpatient admissions and outpatient visits for the years ended June 30:

	2014			2013		
	<u>Community</u>	<u>Total</u>	<u>%</u>	<u>Community</u>	<u>Total</u>	<u>%</u>
Inpatient admissions	247	1,508	16.38%	72	1,453	4.96%
Outpatient visits	3,329	57,285	5.81%	1,507	59,111	2.55%

The Organization and its subsidiaries provide health care services to residents of Plymouth, New Hampshire and the surrounding area, without regard to the individual's ability to pay for their services.

Determination of eligibility for community care is granted on a sliding fee basis. Patients with family income less than the 125% of the Community Services Administration Income Poverty Guidelines shall not be responsible for the balance of their account for services rendered at the Organization. Those with family income at least equal to 126%, but not exceeding 150% of the Federal Poverty Guidelines, shall be responsible for 5% of the remaining balance of their accounts. Those with family income at least equal to 151%, but not exceeding 175% of the guidelines, will be responsible for 25% of the remaining balance of their accounts. Those with family income at least equal to 176%, but not exceeding 200% of the guidelines, will be responsible for 50% of the remaining balance of their accounts and lastly those with family income at least equal to 201%, but not exceeding 225% of the guidelines, will be responsible for 75% of the remaining balance of their accounts.

Third-Party Payor Losses

The Organization also incurred losses in the treatment of Medicare and Medicaid patients. Both of these government programs reimburse for medical services at less than billed charges to provide those services. In 2014 and 2013, the Organization incurred contractual losses of \$32,921,578 and \$29,109,097, respectively, related to treating Medicare and Medicaid patients representing 32% and 30%, respectively, of gross patient service revenue. The Organization also provided uncompensated care of \$7,381,680 and \$6,663,107 in 2014 and 2013, respectively, related to uncollectible accounts receivable.

Other Community Benefits

The Organization also provides services to the community at large for which it receives minimal or no payment. These include several health screenings, administration of a prescription assistance program for the low income and uninsured, primary care services, school dental programs, health fair screenings, mammography clinics, childbirth preparation classes and wellness promotion and health education classes, which are provided at various locations throughout the Plymouth area. The Organization also provided other community benefits upon which no monetary value can be placed.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

3. Inventories:

The major classes of inventories consisted of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Pharmacy and IV therapy	\$ 258,701	\$ 285,557
Central storeroom	87,524	86,511
Dietary	12,253	13,535
Operating room supplies	502,497	457,314
Other	<u>23,972</u>	<u>21,088</u>
	<u>\$ 884,947</u>	<u>\$ 864,005</u>

4. Notes Receivable:

The Organization has entered into several unsecured notes receivable with physicians and Mid-State Health Center (MSHC), at varying terms. The total notes receivable outstanding at June 30, 2014 and 2013 was as follows:

	<u>2014</u>	<u>2013</u>
Physicians	\$ 223,096	\$ 236,994
MSHC	<u>75,000</u>	<u>75,000</u>
	298,096	311,994
Less: Allowance for doubtful accounts	<u>(187,007)</u>	<u>(182,284)</u>
	111,089	129,710
Less: Current portion	<u>(46,830)</u>	<u>(42,414)</u>
	<u>\$ 64,259</u>	<u>\$ 87,296</u>

5. Investment in Joint Venture:

During 2011, the Organization's wholly-owned subsidiary, SHV, purchased a 50% equity interest Plymouth Regional Rehabilitation Services, LLC, an entity that provides rehabilitation and physical therapy services to Plymouth, New Hampshire and the surrounding area.

The following is a summary of the Organization's equity method investments in joint ventures for the years ended June 30:

	Plymouth Regional Rehabilitation Services, LLC	
	<u>2014</u>	<u>2013</u>
Balance at beginning of year	\$ 212,425	\$ 217,483
Distributions	(10,000)	-
Equity (loss) in net earnings	<u>15,577</u>	<u>(5,058)</u>
Balance at end of year	<u>\$ 218,002</u>	<u>\$ 212,425</u>

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

5. Investment in Joint Venture (continued):

Summarized financial information for Plymouth Regional Rehabilitation Services, LLC is as follows for the years ended June 30:

	Plymouth Regional Rehabilitation Services, LLC	
	2014	2013
Net revenues	\$ 1,212,611	\$ 1,143,768
Operating expenses	<u>1,181,457</u>	<u>1,133,448</u>
Net income	\$ <u>31,154</u>	\$ <u>10,320</u>
SMH's equity in earnings	\$ <u>15,577</u>	\$ <u>5,160</u>

6. Goodwill and Other Intangibles:

In January 2011, the Organization completed the asset purchase of a New Hampshire Limited Liability Company which provided rehabilitation and physical therapy services in the Plymouth, New Hampshire and surrounding area. The assets acquired, inclusive of allocated legal fees, included goodwill in the amount of \$890,002 and other intangible assets totaling \$148,400. The intangibles assets included a covenant not-to-compete and the books and records of the Company with a weighted-average useful life of approximately 12 years.

The Organization incurred costs to obtain financing for construction programs that are amortized over the repayment periods of the associated long-term debt. The amortization expense associated with these costs was \$94,664 and \$103,289 for the years ended June 30, 2014 and 2013, respectively, and is included in interest expense on the consolidated statement of operations and changes in net assets – unrestricted.

The Organization had the following amounts related to goodwill and other intangible assets as of June 30,

	2014		2013	
	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount	Net Carrying Amount
Goodwill	\$ 890,002	\$ -	\$ 890,002	\$ 890,002
Other intangibles				
Covenant not-to-compete	43,893	(30,760)	13,133	21,920
Books and records	104,507	(24,399)	80,108	87,089
Deferred financing costs	<u>669,789</u>	<u>(388,091)</u>	<u>281,698</u>	<u>360,594</u>
Total other intangibles	\$ <u>1,708,191</u>	\$ <u>(443,250)</u>	\$ <u>1,264,941</u>	\$ <u>1,359,605</u>

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

7. Property and Equipment:

Property and equipment consisted of the following as of June 30:

	<u>2014</u>		<u>2013</u>	
	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>	<u>Cost</u>	<u>Accumulated Depreciation and Amortization</u>
Land	\$ 1,323,746	\$ -	\$ 1,420,421	\$ -
Land improvements	1,261,133	685,440	1,261,133	597,215
Buildings and building improvements	36,906,744	14,040,609	36,067,483	12,589,447
Equipment	18,291,579	12,296,879	16,617,240	10,714,673
Capital leases	412,336	374,172	412,336	297,846
Works of art	67,183	-	67,183	-
Construction in progress	44,608	-	182,540	-
	<u>\$ 58,307,329</u>	<u>\$ 27,397,100</u>	<u>\$ 56,028,336</u>	<u>\$ 24,199,181</u>

8. Net Patient Service Revenue and Patient Accounts Receivable:

Net Patient Service Revenue

Net patient service revenue is reported net of contractual allowances and other discounts as follows as of June 30:

	<u>2014</u>	<u>2013</u>
GROSS PATIENT SERVICE REVENUE:		
Routine services	\$ 10,645,270	\$ 9,487,796
Ancillary and physician services	<u>94,094,109</u>	<u>90,839,565</u>
	104,739,379	100,327,361
PLUS: Medicaid disproportionate share hospital receipts, net	4,087,312	5,528,264
LESS: Contractual allowances (primarily Medicare and Medicaid)	(48,351,300)	(45,324,181)
LESS: Provision for bad debts	(7,381,680)	(6,663,107)
LESS: Community care	<u>(4,101,023)</u>	<u>(3,877,114)</u>
NET PATIENT SERVICE REVENUE	<u>\$ 48,992,688</u>	<u>\$ 49,991,223</u>

Patient Accounts Receivable

Patient accounts receivable are reported net of estimated contractual allowances and allowance for doubtful accounts, as follows, as of June 30:

	<u>2014</u>	<u>2013</u>
Patient accounts receivable	\$ 19,153,876	\$ 17,553,745
Estimated contractual allowance	(7,192,866)	(5,599,889)
Estimated allowance for doubtful accounts	<u>(4,129,465)</u>	<u>(4,236,348)</u>
Patient accounts receivable, net	<u>\$ 7,831,545</u>	<u>\$ 7,717,508</u>

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

8. Net Patient Service Revenue and Patient Accounts Receivable (continued):

Patient accounts receivable has been reported gross of monies due third-party payors and self-pay patients. Monies owed to third-party payors and self-pay patients have been reported on the consolidated statement of financial position as a component of accounts payable. Patient accounts receivable are reduced by an allowance for doubtful account. In evaluating the collectibility of accounts receivable, the Organization analyzes its past history 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 of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with service 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, including both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for only part of the bill, the Organization records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The following table represents a summary of self-pay estimated allowances for doubtful accounts as of June 30 and the related write-offs for the years ended June 30:

	<u>2014</u>	<u>2013</u>
Allowance for doubtful accounts - self-pay as a percentage of net outstanding patient receivables	35%	35%
Write-offs of self-pay accounts receivable	\$ 7,488,563	\$ 5,643,131

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

Effective May 1, 2005, the Organization was granted Critical Access Hospital (CAH) status. The Medicare Critical Access Hospital Program is a component of the Rural Hospital Flexibility Act passed as part of the Balanced Budget Act of 1997. CAHs can provide outpatient, emergency and limited inpatient services and receive reasonable cost for their services. The program requires the Organization to have an average length of stay limit of 96 hours, be part of a network with one acute care hospital and have no more than 25 inpatient beds that can be used for either acute or skilled nursing facility level of care.

The Organization is reimbursed 101% of allowable costs for its inpatient and outpatient services provided to Medicare beneficiaries. The Organization is reimbursed at tentative rates, with final settlement determined after submission of annual cost reports by the Organization and audits thereof, by the Medicare fiscal intermediary. The Organization's cost reports have been audited or desk reviewed by the intermediary through June 30, 2011.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

8. Net Patient Service Revenue and Patient Accounts Receivable (continued):

Medicaid

Inpatient services rendered to Medicaid program beneficiaries are reimbursed at prospectively determined rates per unit. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Outpatient services rendered to Medicaid program beneficiaries are reimbursed under a prospectively determined rate per unit for certain services and under a cost reimbursement methodology for other outpatient services. The Organization is reimbursed at a tentative rate for New Hampshire outpatient services 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 or desk reviewed by the fiscal intermediary through June 30, 2011.

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. The Organization believes that it is in compliance with all applicable laws and regulations. The Organization has included reserves of \$4,480,995 and \$4,230,015 in 2014 and 2013, respectively, in due to third-party payors for disproportionate share and open cost report years including the 2014 cost report yet to be filed as of June 30, 2014.

The Organization has also entered into payment agreements with certain commercial insurance carriers and health maintenance organizations. The basis for payment to the Organization under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

9. Funds Held by Trustee under Revenue Bond Agreement:

The Organization had \$3,278,240 in cash held by a trustee under the Series 2012 revenue bond agreement as of June 30, 2014 (see Note 16). These funds are to be used towards funding future capital expenditures of the Organization.

The Organization had \$4,581,591 in investments held by trustee under the revenue bond agreement as of June 30, 2013. These investments were comprised of highly liquid U.S. Treasury obligations and notes whose cost approximates market. These funds are to be used towards funding the debt service requirements and completing the construction project.

10. Beneficial Interest in Perpetual Trusts:

Donors have established and funded certain trusts, which are administered by third parties. Under the terms of the trusts, the Organization has the irrevocable right to receive a portion of the income earned on the trust assets in perpetuity. The Organization's interest in the investment income of the trusts ranges from 10-33%. The assets are reported at fair market value and totaled \$323,204 and \$295,694 as of June 30, 2014 and 2013, respectively.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

11. Fair Value of Financial Instruments:

The following methods and assumptions were used by the Organization in estimating the fair value of its financial instruments:

Cash and Cash Equivalents

The carrying amount reported in the consolidated statement of financial position for cash and cash equivalents approximates its fair value due to its short-term nature.

Assets Limited as to Use

These assets are reported in the consolidated statement of financial position at their fair value. The fair value amounts are based on quoted market prices, if available, or are estimated using quoted market prices for similar securities.

Accounts Payable and Accrued Expenses

The carrying amounts reported in the consolidated statement of financial position for accounts payable, construction payable and accrued expenses approximate their fair value due their short-term nature.

Due to Third-Party Payors

The carrying amount reported in the consolidated statement of financial position for due to third party payors approximates its fair value due to its short-term nature.

12. Fair Value Measurement:

Accounting Standards Codification Topic 820 prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities held in the name of the Organization, and exclude listed equities and other securities held indirectly through commingled funds.

Level II – Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

12. Fair Value Measurement (continued):

Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Judgment about inputs into the determination of fair value shall be developed based on the best information available in the circumstances.

Accounting Standards Codification Topic 825, *Financial Instruments*, provides the option to elect fair value as an alternative measurement for selected financial assets and liabilities not previously required to be recorded at fair value. The Organization carries its internally designated investments in accordance with Topic 825, measured utilizing the framework provided by Topic 820.

The following table summarizes the valuation of the Organization's internally designated investments carried in accordance with Accounting Standards Codification Topic 825 by the fair value hierarchy levels as of June 30, 2014:

	Fair Value at June 30, 2014	Based on		
		Quoted Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Unobservable Inputs (Level III)
Assets measured at fair value on a recurring basis				
Cash and cash equivalents	\$ 4,991,600	\$ 4,991,600	\$ -	\$ -
Fixed Income				
Taxable Bonds	1,713,772	1,713,772	-	-
High Yield Bonds	560,772	560,772	-	-
Strategic Reserves	4,552,747	4,552,747	-	-
Equities				
U.S. Large Cap	8,976,035	8,976,035	-	-
U.S. Small Cap	717,590	717,590	-	-
Non-US Developed	1,523,540	1,523,540	-	-
Emerging Markets	1,473,897	1,473,897	-	-
Beneficial interest in perpetual trusts	323,204	-	-	323,204
Alternative				
Private Equity	238,962	-	-	238,962
	25,072,119	24,509,953	-	562,166
Less:				
Beneficial interest in perpetual trusts	(323,204)	-	-	(323,204)
Amounts carried in current assets	(95,737)	(95,737)	-	-
Assets limited as to use	\$ 24,653,178	\$ 24,414,216	\$ -	\$ 238,962

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

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12. Fair Value Measurement (continued):

The following table summarizes the valuation of the Organization's internally designated investments carried in accordance with Accounting Standards Codification Topic 825 by the fair value hierarchy levels as of June 30, 2013:

	Fair Value at June 30, 2013	Quoted Prices in Active Markets (Level I)	Based on Other Observable Inputs (Level II)	Unobservable Inputs (Level III)
Assets measured at fair value on a recurring basis				
Cash and cash equivalents	\$ 5,772,550	\$ 5,772,550	\$ -	\$ -
Fixed Income				
Taxable Bonds	2,178,652	2,178,652	-	-
High Yield Bonds	542,791	542,791	-	-
Strategic Reserves	4,072,955	4,072,955	-	-
Equities				
U.S. Large Cap	8,059,013	8,059,013	-	-
U.S. Small Cap	671,652	671,652	-	-
Non-US Developed	953,969	953,969	-	-
Emerging Markets	1,159,345	1,159,345	-	-
Beneficial interest in perpetual trusts	295,694	-	-	295,694
Alternative				
Private Equity	154,268	-	-	154,268
	23,860,889	23,410,927	-	449,962
Less:				
Beneficial interest in perpetual trusts	(295,694)	-	-	(295,694)
Amounts carried in current assets	(114,954)	(114,954)	-	-
Assets limited as to use	\$ 23,450,241	\$ 23,295,973	\$ -	\$ 154,268

Investment income and changes in net unrealized gains on investments included in the statements of operations for the years ended June 30, 2014 and 2013 consisted of the following:

	2014	2013
Interest and dividend income	\$ 247,064	\$ 328,561
Realized gains on sales of securities	565,696	682,869
Change in unrealized gains on securities	1,436,724	1,064,476
Investment income	\$ 2,249,484	\$ 2,075,906

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

13. Temporarily Restricted Net Assets:

Temporarily restricted net assets are restricted to the following at June 30:

	<u>2014</u>	<u>2013</u>
Capital improvements and equipment acquisitions	\$ 97,310	\$ 169,922
Education	95,737	114,954
Appreciation on endowment funds	<u>4,075</u>	<u>4,072</u>
	<u>\$ 197,122</u>	<u>\$ 288,948</u>

Net assets released from temporary restrictions included the following as of June 30:

	<u>2014</u>	<u>2013</u>
Capital expenditures	\$ 72,612	\$ 50,000
Education and program	<u>19,217</u>	<u>7,821</u>
	<u>\$ 91,829</u>	<u>\$ 57,821</u>

14. Permanently Restricted Net Assets:

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity. The income earned from the investment of these funds is expendable in accordance with the Organization endowment spending policy.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the Uniform Prudent Management of Institutional Funds Act requires the Organization to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors. As of June 30, 2014, the Organization did not have any funds with deficiencies to note.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that related to the preservation and appreciation of its endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

14. Permanently Restricted Net Assets (continued):

Return Objectives and Risk Parameters (continued) –

Endowment Net Asset Composition by Type of Fund as of June 30, 2014:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 4,075	\$ 266,132	\$ 270,207
Total funds	<u>\$ 4,075</u>	<u>\$ 266,132</u>	<u>\$ 270,207</u>
Beneficial interest in perpetual trusts		323,204	
Total permanently restricted net assets		<u>\$ 589,336</u>	

Endowment Net Asset Composition by Type of Fund as of June 30, 2013:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 4,072	\$ 266,132	\$ 270,204
Total funds	<u>\$ 4,072</u>	<u>\$ 266,132</u>	<u>\$ 270,204</u>
Beneficial interest in perpetual trusts		295,694	
Total permanently restricted net assets		<u>\$ 561,826</u>	

The changes in estimated fair value of net assets held in endowment and similar funds for the year ended June 30, 2014 were as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,072	\$ 266,132	\$ 270,204
Investment income	8	-	8
Appropriation for expenditure	(5)	-	(5)
Endowment net assets, end of year	<u>\$ 4,075</u>	<u>\$ 266,132</u>	<u>\$ 270,207</u>

The changes in estimated fair value of net assets held in endowment and similar funds for the year ended June 30, 2013 were as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 4,066	\$ 266,132	\$ 270,198
Investment income	6	-	6
Endowment net assets, end of year	<u>\$ 4,072</u>	<u>\$ 266,132</u>	<u>\$ 270,204</u>

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

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As of and for the Years Ended June 30, 2014 and 2013

15. Capital Lease Obligations:

The Organization has entered into capital lease obligations on certain equipment. The cost of the assets under capital lease as of June 30, 2014 and 2013 was \$412,336 and \$412,336, respectively. Accumulated amortization on assets under capital lease as of June 30, 2014 and 2013 was \$374,172 and \$297,846, respectively, and the total amortization expense related to these assets was \$76,327 and \$76,327 for the years ended June 30, 2014 and 2013, respectively. The terms of the leases are for five years with all leases expiring by 2015.

The following is a schedule, by year, of future minimum lease payments under the capital leases as of June 30, 2014:

2015	\$ 48,013
LESS: Amount representing interest	<u>459</u>
Present value of minimum lease payments	47,554
LESS: Current portion	<u>47,554</u>
Long-term capital lease obligation	\$ <u>-</u>

16. Long-Term Debt:

In November 2004, the Organization in conjunction with the New Hampshire Higher Educational and Health Facilities Authority (the "Authority"), issued \$13,520,000 of tax-exempt revenue bonds (Series 2004) to finance the Organization's construction and renovation project. The proceeds were to be used to finance the acquisition of certain land adjacent to the hospital, construction, furnishing and equipping of approximately a 23,000 square foot expansion and renovation of approximately 46,000 square feet of the existing hospital facility.

In May 2010, the Organization in conjunction with the Authority, issued \$4,000,000 of tax-exempt revenue bonds (Series 2010) to finance the Organization's construction and renovation project. The proceeds were to be used to finance the renovation of a building and its connecting walkway to the main hospital, approximately 10,000 square feet, demolition of the existing medical office building, renovation of the hospital building, approximately 5,000 square feet and other related project components such as a heating and cooling system upgrade and parking lot improvements.

In December 2012, the Organization in conjunction with the Authority, issued \$21,100,000 of tax-exempt revenue bonds (Series 2012). The Series 2012 bonds were issued in order to pay off the Organization's outstanding Series 2010 tax-exempt revenue bond obligation totaling \$3,710,435 and provide advance-refunding for the Organization's outstanding Series 2004 tax-exempt revenue bond obligation totaling \$12,005,000. The advance-refunding of the Series 2010 bond obligation represented in-substance defeasance as of June 30, 2013. The net proceeds from the issuance are to be used to finance the Organization's future capital expenditures.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

16. Long-Term Debt (continued):

Long-term debt consisted of the following as of June 30:

	<u>2014</u>	<u>2013</u>
Bonds Payable		
Series 2012 25-year bonds. Payable in 300 monthly principal and interest payments. Monthly principal payments range from \$38,431 in 2013 to \$76,192 in 2038.	\$ 15,849,592	\$ 16,323,086
Series 2012 10-year bonds. Payable in 120 monthly principal and interest payments. Monthly principal payments range from \$38,940 in 2013 to \$45,390 in 2023.	4,310,521	4,545,000
Notes Payable		
Non-interest bearing note payable, unsecured, payable in 15 annual installments of \$15,000 and interest at an imputed rate of 2.08%, maturing July 1, 2020.	83,740	96,709
Interest bearing note payable, first security on all SMBP assets, payable in 83 monthly interest only payments at 4.596% commencing on February 1, 2009 and ending December 1, 2015 and one lump sum principal payment on December 23, 2015.	4,500,000	4,500,000
Interest bearing note payable, fourth priority lien on SMBP land and building, payable in 131 monthly interest only payments at 4.596% commencing on February 1, 2009 and ending December 1, 2019, 228 monthly principal and interest payments of \$18,632 commencing on January 1, 2020 and ending December 1, 2038 and a final payment of any outstanding principal and accrued interest due at the maturity date, December 23, 2038. After the seventh anniversary of the note, and pending certain other events, the lender has a Put Option to require SMBP to purchase the note for a Put Price of only \$283,000. It is anticipated that the put option will be exercised and the principal will be extinguished.	2,813,294	2,813,294
Interest bearing note payable, secured by USDA project assets, payable in 44 monthly installments including interest as published by the Security of the Treasury, 23% at June 30, 2013, matured November 3, 2013.	-	98,135
	27,557,147	28,376,224
Less: Current portion	974,971	818,545
Long-term debt, excluding current portion	\$ 26,582,176	\$ 27,557,679

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

16. Long-Term Debt (continued):

Maturities for long-term debt for fiscal years subsequent to June 30, 2014 are as follows:

	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Total</u>
2015 (included in current liabilities)	\$ 961,729	\$ 13,242	\$ 974,971
2016	983,518	7,326,814	8,310,332
2017	1,005,827	13,804	1,019,631
2018	1,028,670	14,093	1,042,763
2019	1,052,059	14,389	1,066,448
Thereafter	<u>15,128,310</u>	<u>14,692</u>	<u>15,143,002</u>
	<u>\$ 20,160,113</u>	<u>\$ 7,397,034</u>	<u>\$ 27,557,147</u>

17. Retirement Program:

The Organization adopted a tax sheltered annuity plan under 403(b) of the Code for eligible employees, effective July 1, 1987. Each year, the Organization contributes 4% of base pay and a dollar for dollar match of employee contributions up to 4½% of compensation. Contributions to the plan for the years ended June 30, 2014 and 2013 amounted to \$1,069,982 and \$1,377,525, respectively.

18. Commitments and Contingencies:

Professional Liability Insurance

The Organization is covered under a claims made medical malpractice insurance policy. Malpractice claims have been asserted against the Organization by claimants and are in various stages of processing. Management estimates that any claims against the Organization for incidents that have occurred will not result in a loss in excess of the insurance coverage available, and additionally, estimate that there will be no liability to the Organization for any incidents that may have occurred but which have not been reported. Accordingly, no accrual for potential loss has been recorded in the accompanying financial statements.

Operating Leases

The Organization leases equipment and office space under various operating lease agreements with unrelated parties. In addition, the Organization has a 30 year lease commitment with SMBP that commenced in 2010. The monthly rent expense for the first seven years is \$41,882, \$502,582 per annum. From and after the first seven years the base rent shall be determined and adjusted annually equal to 105% of the debt service charge for mortgage loans then securing the premises, together with reasonable administrative overhead as mutually agreed upon, and together with \$34,916, all payable in equal monthly installments. In addition, the Organization will be responsible for additional rent payments to cover taxes, betterments, insurance, maintenance and other agreed-upon charges.

The Organization also paid rent expense to unrelated parties of \$171,813 and \$238,977 for the years ended June 30, 2014 and 2013, respectively.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

18. Commitments and Contingencies (continued):

Related party rental income and expense are eliminated for consolidating purposes. The following schedule reflects the future minimum lease payments including related party rent as of June 30, 2014:

2015	\$ 502,582
2016	502,582
2017	502,582
2018	502,582
2019	502,582
Thereafter	<u>10,051,640</u>
Total future minimum lease payments	\$ <u>12,564,550</u>

During 2012, SMBP entered into an agreement with the Town of Plymouth, New Hampshire Municipal Corporation ("Town") related to the tax exempt status of its operating facility. As part of the agreement, SMBP has agreed to provide a payment in lieu of taxes, on an annual basis, commencing July 31, 2012, in the amount of \$22,000. The Town has agreed to accept this payment annually through calendar year 2020. The following schedule reflects the future payments in lieu of taxes as of June 30, 2014:

2015	\$ 22,000
2016	22,000
2017	22,000
2018	22,000
2019	22,000
Thereafter	<u>22,000</u>
Total future payments in lieu of taxes	\$ <u>132,000</u>

19. Health Insurance:

The Organization has elected to self-insure employee dental and health benefits for services that are provided at the Organization to participating employees and their covered dependents. The Organization has established a self-insurance fund and pays an amount into this fund based on actuarial estimates of the amount needed to meet claims to be covered under this arrangement. A third-party administrator is engaged to provide the actuarial estimates and to administer the processing of claims for services rendered by providers other than the Organization. The self-insured reserve fund was \$289,391 and \$289,391 as of June 30, 2014 and 2013, respectively, and is included in other current liabilities in the accompanying consolidated statement of financial position. Stop-loss insurance has been purchased to cover unusually large claims not performed at the Organization. This stop-loss insurance coverage consists of \$90,000 on each individual participating employee. There is no stop-loss insurance coverage for claims performed at the Organization.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

20. Medicaid Enhancement Tax and Disproportionate Share Payments:

Section 1923 of the Social Security Act, as amended, requires that States make Medicaid disproportionate share hospital (DSH) payments to hospitals that serve disproportionately large numbers 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. Amounts recorded by the Organization are therefore subject to change and the Organization has provided reserves in estimated third-party payor settlements. The Organization identifies the Medicaid enhancement tax paid on net patient revenue to the State of New Hampshire as a separate expense item and the disproportionate share hospital payment received from the State of New Hampshire as a separate net patient service revenue item. Due to the definitions and interpretations used in this year's disproportionate share program and Medicaid Enhancement Tax, and the fact these payments/receipts are subject to audit, the Organization has included a reserve of \$1,300,000 and \$770,000 in due to third party in 2014 and 2013, respectively, related to potential audit and calculation adjustments. An adjustment of \$1,046,000 was made in 2013 to reduce the reserves and increase operating income after reaching an agreement with the State on interpretation of the formula and prior year issues.

21. Functional Expenses:

The Organization provides general health care services to residents within its geographic location. Hospital expenses related to providing services are as follows as of June 30:

	<u>2014</u>	<u>2013</u>
Health care services	\$ 36,581,675	\$ 34,839,015
General and administrative	13,551,090	12,869,093
Fundraising	<u>60,386</u>	<u>61,223</u>
	<u>\$ 50,193,151</u>	<u>\$ 47,769,331</u>

22. Noncontrolling Interest:

Speare Health Network

The Organization's financial statements include the assets, liabilities and earnings of SHN. The Organization owns 50% of the issued common stock and exerts significant influence over its operations. The ownership interest of the other shareholders is called minority interest.

In 1997, SHN in conjunction with four other Physician Hospital Organizations, created a regional physician hospital organization for the purposes of contract negotiation and health care education. This entity is a limited liability company established in New Hampshire. As of June 30, 2014, the PHO consisted of only three members of which SHN a 12% member interest.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Notes to Consolidated Financial Statements

As of and for the Years Ended June 30, 2014 and 2013

23. Related Party and Investment in Affiliate:

Speare Memorial at Boulder Point

The Organization signed two notes payable with SMBP during 2009. The proceeds of the notes are to be used to finance construction of the building site in Plymouth, New Hampshire. The notes are interest bearing at 4.596% and call for 107 monthly interest payments that commenced on February 1, 2009 and end December 1, 2017. The notes mature and are due in one lump sum on December 23, 2017. The notes have been eliminated in the statement of financial position as of June 30, 2014 and 2013. The Organization's note receivable balance and SMBP's note payable balances were as follows as of June 30, 2014:

Note 1	\$ 1,540,520
Note 2	<u>500,000</u>
	\$ <u>2,040,520</u>

24. 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 receivable from patients and third-party payors at June 30 was as follows:

	<u>2014</u>	<u>2013</u>
Medicare	23.5%	22.5%
Medicaid	22.4%	17.4%
Patients	28.9%	35.0%
Other third-party payors	<u>25.2%</u>	<u>25.1%</u>
	<u>100.0%</u>	<u>100.0%</u>

25. Subsequent Events:

The Organization has reviewed events occurring after June 30, 2014 through August 27, 2014, the date management accepted the final draft of the financial statements and made them available to be issued. The Organization did not note events requiring disclosure. The Organization has not reviewed events occurring after the report date, August 27, 2014, for their potential impact on the information contained in these consolidated financial statements.

As a result of continued economic uncertainty, there is a reasonable possibility that changes in the fair value of investments may occur after the date of the accompanying financial statements. These potential changes may result in additional changes in unrealized gains (losses) on investments subsequent to year end and be unrecognized in these financial statements.

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Financial Position – Assets – Schedule 1
As of June 30, 2014

	SPEARE	SMBP	SHV	SHN	ADJ & ELIMIN	2014 CONSOL
Assets						
Current assets:						
Cash and cash equivalents	\$ 16,092,973	\$ 362,130	\$ 37,259	\$ 42,371	\$ -	\$ 16,534,733
Assets limited as to use	95,737	-	-	-	-	95,737
Patient accounts receivable, net	7,831,545	-	-	-	-	7,831,545
Other receivables	200,468	-	-	-	(873)	199,595
Inventories	884,947	-	-	-	-	884,947
Prepaid expenses and other current assets	428,855	1,953	-	-	-	430,808
Due from related party	18,705	-	-	-	(18,705)	-
Current portion of notes receivable	46,830	-	-	-	-	46,830
Total current assets	25,600,060	364,083	37,259	42,371	(19,578)	26,024,195
Other assets:						
Notes receivable, less current portion	64,259	-	-	-	-	64,259
Notes receivable, related party	2,294,835	-	-	-	(2,294,835)	-
Investment in subsidiaries	16,924	-	-	-	(16,924)	-
Investment in joint venture	-	-	218,002	-	-	218,002
Other investments	335,426	-	-	-	-	335,426
Beneficial interest in perpetual trusts	323,204	-	-	-	-	323,204
Goodwill	890,002	-	-	-	-	890,002
Other intangibles, net	280,982	93,957	-	-	-	374,939
Assets held for sale	216,860	-	-	-	-	216,860
Total other assets	4,472,492	93,957	218,002	-	(2,311,759)	2,472,692
Assets limited as to use:						
Externally designated investments under bond agreement	3,278,240	-	-	-	-	3,278,240
Internally designated investments	21,007,421	-	-	-	-	21,007,421
Endowment and temporarily restricted investments	367,517	-	-	-	-	367,517
Total assets limited as to use	24,653,178	-	-	-	-	24,653,178
Property and equipment	49,461,162	8,884,729	-	-	(38,562)	58,307,329
Less: Accumulated depreciation and amortization	(25,576,295)	(1,838,832)	-	-	18,027	(27,397,100)
Total assets	78,560,597	7,045,897	255,261	42,371	(2,351,872)	84,010,294

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Financial Position – Liabilities and Net Assets – Schedule 1
As of June 30, 2014

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION	
					ADJ & ELIMIN	2014 CONSOL
Liabilities and net assets						
Current liabilities:						
Accounts payable	\$ 1,799,873	\$ 21,650	-	-	(873)	\$ 1,820,650
Accrued salaries and wages	659,688	-	-	-	-	659,688
Other current liabilities	2,663,434	-	-	-	-	2,663,434
Estimated third-party payor settlements	4,480,995	-	-	-	-	4,480,995
Due to related party	-	18,705	-	-	(18,705)	-
Current portion of long-term debt	974,971	-	-	-	-	974,971
Current portion of capital lease obligations	47,554	-	-	-	-	47,554
Total current liabilities	10,626,515	40,355	-	-	(19,578)	10,647,292
Noncurrent liabilities:						
Long-term debt, less current portion	19,268,882	7,313,294	-	-	-	26,582,176
Related party note payable	-	2,040,520	254,315	-	(2,294,835)	-
Deficit investment in subsidiary - SMBP	1,890,232	-	-	-	(1,890,232)	-
Total noncurrent liabilities	21,159,114	9,353,814	254,315	-	(4,185,067)	26,582,176
Total liabilities	31,785,629	9,394,169	254,315	-	(4,204,645)	37,229,468
Net assets:						
Common stock	-	-	1	-	(1)	-
Unrestricted:						
Controlling interest	45,988,510	(1,890,232)	945	42,371	1,826,381	45,967,975
Noncontrolling interest	-	-	-	-	26,393	26,393
Total unrestricted	45,988,510	(1,890,232)	945	42,371	1,852,773	45,994,368
Temporarily restricted	197,122	-	-	-	-	197,122
Permanently restricted	589,336	-	-	-	-	589,336
Total net assets	46,774,968	(1,890,232)	946	42,371	1,852,773	46,780,826
Total liabilities and net assets	\$ 78,560,597	\$ 7,503,937	\$ 255,261	\$ 42,371	\$ (2,351,872)	\$ 84,010,294

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidating Statements of Operations and Changes in Net Assets - Unrestricted - Schedule 2 For the Year Ended June 30, 2014

	SPEAR	SMBP	SHV	SHN	ADJ & ELIMIN	2014 CONSOL
Unrestricted revenues, gains and other support:						
Net patient service revenue	\$ 56,374,368	\$ -	\$ -	\$ -	\$ -	\$ 56,374,368
Provision for bad debts	(7,381,680)	-	-	-	-	(7,381,680)
Net patient service revenue less provision for bad debts	48,992,688	-	-	-	-	48,992,688
Other operating revenue	2,345,571	714,135	-	-	(787,248)	2,272,458
Net assets released from restrictions for operations	19,222	-	-	-	-	19,222
Total unrestricted revenues, gains and other support	51,357,481	714,135	-	-	(787,248)	51,284,368
Operating expenses:						
Salaries and wages	16,883,409	-	-	-	-	16,883,409
Physician fees and wages	5,961,546	-	-	-	-	5,961,546
Contract nursing and technicians	1,337,031	-	-	-	-	1,337,031
Employee health and welfare	5,974,491	-	-	-	-	5,974,491
Supplies and other	14,591,140	213,050	62	-	(718,539)	14,085,713
Medicaid enhancement tax	2,357,603	-	-	-	-	2,357,603
Depreciation and amortization	3,054,444	485,907	-	-	(989)	3,539,362
Interest	373,609	435,872	9,960	-	(68,709)	750,732
Total operating expenses	50,533,273	1,134,829	10,022	-	(788,237)	50,889,887
Income (loss) from operations	824,208	(420,694)	(10,022)	-	989	394,481
Nonoperating income (expense):						
Investment income, net	2,245,778	3,624	-	82	-	2,249,484
Loss on investment in subsidiaries	(416,083)	-	-	-	416,083	-
Equity in earnings of unconsolidated joint venture	-	-	15,577	-	-	15,577
Unrestricted donor contributions	432,061	-	-	-	-	432,061
Grant expense	(278,000)	-	-	-	-	(278,000)
Bad debt recovery on non-patient receivables	(4,722)	-	-	-	-	(4,722)
Gain on sale of fixed assets	10,839	-	-	-	-	10,839
Total nonoperating income (expense)	1,989,873	3,624	15,577	82	416,083	2,425,239
Excess (deficit) of revenues and gains over expenses	2,814,081	(417,070)	5,555	82	417,072	2,819,720
Less: noncontrolling interest	-	-	-	-	(41)	(41)
Excess (deficit) of revenue and gains over expenses attributable to controlling interest	2,814,081	(417,070)	5,555	82	417,031	2,819,679
Net assets released from restrictions for capital expenditure	72,612	-	-	-	-	72,612
Change in unrestricted net assets, controlling interest	\$ 2,886,693	\$ (417,070)	\$ 5,555	\$ 82	\$ 417,031	\$ 2,892,291

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Financial Position – Assets – Schedule 3
As of June 30, 2013

	SPEARE	SMBP	SHV	SHN	CONSOLIDATION	
					ADJ & ELIMIN	2013 CONSOL
Assets						
Current assets:						
Cash and cash equivalents	\$ 13,837,200	\$ 451,952	\$ 27,321	\$ 42,289	\$ -	\$ 14,358,762
Assets limited as to use	114,954	-	-	-	-	114,954
Patient accounts receivable, net	7,717,508	-	-	-	-	7,717,508
Other receivables	241,734	1,590	-	-	(6,441)	236,883
Inventories	864,005	-	-	-	-	864,005
Prepaid expenses and other current assets	485,325	2,067	-	-	-	487,392
Due from related party	119,426	211	-	-	(119,637)	-
Current portion of notes receivable	42,414	-	-	-	-	42,414
Total current assets	23,422,566	455,820	27,321	42,289	(126,078)	23,821,918
Other assets:						
Notes receivable, less current portion	87,296	-	-	-	-	87,296
Notes receivable, related party	2,284,875	-	-	-	(2,284,875)	-
Investment in subsidiaries	15,937	-	-	-	(15,937)	-
Investment in joint venture	-	-	212,425	-	-	212,425
Other investments	335,426	-	-	-	-	335,426
Beneficial interest in perpetual trusts	295,694	-	-	-	-	295,694
Goodwill	890,002	-	-	-	-	890,002
Other intangibles, net	307,215	162,388	-	-	-	469,603
Total other assets	4,216,445	162,388	212,425	-	(2,300,812)	2,290,446
Assets limited as to use:						
Externally designated investments under bond agreement	4,581,591	-	-	-	-	4,581,591
Internally designated investments	18,428,524	-	-	-	-	18,428,524
Endowment and temporarily restricted investments	440,126	-	-	-	-	440,126
Total assets limited as to use	23,450,241	-	-	-	-	23,450,241
Property and equipment	47,212,795	8,854,103	-	-	(38,562)	56,028,336
Less: Accumulated depreciation and amortization	(22,794,862)	(1,421,357)	-	-	17,038	(24,199,181)
	24,417,933	7,432,746	-	-	(21,524)	31,829,155
Total assets	\$ 75,507,185	\$ 8,050,954	\$ 239,746	\$ 42,289	\$ (2,448,414)	\$ 81,391,760

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES

Consolidating Statements of Financial Position - Liabilities and Net Assets - Schedule 3

As of June 30, 2013

	SPEARE	SMBP	SHV	SHN	ADJ & ELIMIN	2013 CONSOL
Liabilities						
Current liabilities:						
Accounts payable	\$ 1,757,228	\$ 50,665	\$ -	\$ -	\$ (6,441)	\$ 1,801,452
Accrued wages	419,581	-	-	-	-	419,581
Other current liabilities	2,464,766	-	-	-	-	2,464,766
Estimated third-party payor settlements	4,230,015	-	-	-	-	4,230,015
Due to related party	-	119,637	-	-	(119,637)	-
Current portion of long-term debt	818,545	-	-	-	-	818,545
Current portion of capital lease obligations	107,207	-	-	-	-	107,207
Total current liabilities	<u>9,797,342</u>	<u>170,302</u>	<u>-</u>	<u>-</u>	<u>(126,078)</u>	<u>9,841,566</u>
Noncurrent liabilities:						
Long-term debt, less current portion	20,244,385	7,313,294	-	-	-	27,557,679
Related party note payable	-	2,040,520	244,355	-	(2,284,875)	-
Deficit investment in subsidiary - SMBP	1,473,162	-	-	-	(1,473,162)	-
Capital lease obligations, less current portion	39,705	-	-	-	-	39,705
Total noncurrent liabilities	<u>21,757,252</u>	<u>9,353,814</u>	<u>244,355</u>	<u>-</u>	<u>(3,758,037)</u>	<u>27,597,384</u>
Total liabilities	<u>31,554,594</u>	<u>9,524,116</u>	<u>244,355</u>	<u>-</u>	<u>(3,884,115)</u>	<u>37,438,950</u>
Net assets:						
Common stock	-	-	1	-	(1)	-
Unrestricted:						
Controlling interest	43,101,817	(1,473,162)	(4,610)	42,289	1,409,350	43,075,684
Noncontrolling interest	-	-	-	-	26,352	26,352
Total unrestricted	<u>43,101,817</u>	<u>(1,473,162)</u>	<u>(4,609)</u>	<u>42,289</u>	<u>1,435,701</u>	<u>43,102,036</u>
Temporarily restricted	288,948	-	-	-	-	288,948
Permanently restricted	561,826	-	-	-	-	561,826
Total net assets	<u>43,952,591</u>	<u>(1,473,162)</u>	<u>(4,609)</u>	<u>42,289</u>	<u>1,435,701</u>	<u>43,952,810</u>
Total liabilities and net assets	<u>\$ 75,507,185</u>	<u>\$ 8,050,954</u>	<u>\$ 239,746</u>	<u>\$ 42,289</u>	<u>\$ (2,448,414)</u>	<u>\$ 81,391,760</u>

SPEARE MEMORIAL HOSPITAL AND SUBSIDIARIES
Consolidating Statements of Operations and Changes in Net Assets – Unrestricted – Schedule 4
For the Year Ended June 30, 2013

	SPEAR	SMBP	SHV	SHN	ADJ & ELIMIN	CONSOL 2013 CONSOL
Unrestricted revenues, gains and other support:						
Net patient service revenue	\$ 56,654,330	\$ -	\$ -	\$ -	\$ -	\$ 56,654,330
Provision for bad debts	(6,663,107)	-	-	-	-	(6,663,107)
Net patient service revenue less provision for bad debts	49,991,223	-	-	-	-	49,991,223
Other operating revenue	2,503,490	613,996	-	-	(756,768)	2,360,718
Net assets released from restrictions for operations	37,857	-	-	-	-	37,857
Total unrestricted revenues, gains and other support	52,532,570	613,996	-	-	(756,768)	52,389,798
Operating expenses:						
Salaries and wages	16,425,967	-	-	-	-	16,425,967
Physician fees and wages	5,203,921	-	-	-	-	5,203,921
Contract nursing and technicians	1,562,817	-	-	-	-	1,562,817
Employee health and welfare	5,555,942	-	-	-	-	5,555,942
Supplies and expenses	13,339,242	186,075	169	100	(688,187)	12,837,399
Medicaid enhancement tax	75,259	-	-	-	-	75,259
Depreciation and amortization	2,913,182	478,682	-	-	(989)	3,390,875
Interest expense	719,647	435,872	28,682	-	(68,581)	1,115,620
Total operating expenses	45,795,977	1,100,629	28,851	100	(757,757)	46,167,800
Income (loss) from operations	6,736,593	(486,633)	(28,851)	(100)	989	6,221,998
Nonoperating income (expense):						
Investment income, net	2,053,660	22,132	-	114	-	2,075,906
Loss on investment in subsidiaries	(483,576)	-	-	-	483,576	-
Equity in earnings of unconsolidated joint venture	-	-	5,160	-	-	5,160
Unrestricted donor contributions	109,550	-	-	-	-	109,550
Grant expense	(228,000)	-	-	-	-	(228,000)
Bad debt expense on non-patient receivables	(6,792)	-	-	-	-	(6,792)
Loss on sale of fixed assets	3,770	-	-	-	-	3,770
Loss on early extinguishment of bond	(1,973,354)	-	-	-	-	(1,973,354)
Total nonoperating income (expense)	(524,742)	22,132	5,160	114	483,576	(13,760)
Excess (deficit) of revenues and gains over expenses	6,211,851	(464,501)	(23,691)	14	484,565	6,208,238
Less: noncontrolling interest	-	-	-	-	(7)	(7)
Excess (deficit) of revenue and gains over expenses attributable to controlling interest	6,211,851	(464,501)	(23,691)	14	484,558	6,208,231
Net assets released from restrictions for capital expenditure	4,108	-	-	-	-	4,108
Change in unrestricted net assets, controlling interest	\$ 6,215,959	\$ (464,501)	\$ (23,691)	\$ 14	\$ 484,558	\$ 6,212,339

September 2014

SPEARE MEMORIAL HOSPITAL
Term Expires:

2014-2015 BOARD OF DIRECTORS

***= Executive Committee**

2015	Lisa Baker
2015	*Quentin Blaine Secretary
2017	Sam Brickley, 2 nd
2016	Linda Crawford, MD
2017	Ronda Kilanowski
2016	*William Larsen Chair
2015	Robert Maloney
-----	*Michelle McEwen Hospital President
2017	Patrick Miller
2015	Nancy Puglisi
2017	*Alison Ritz Vice Chair
2016	*Steve Taksar Treasurer
2015	Margaret Turner
2016	*Eldwin A. Wixson
2017	Kevin Young, MD

PROFILE

Senior healthcare executive with strong financial and operational experience and a proven record. Strategically focused to produce desired results. Leadership style that promotes participative management, accountability and responsibility. System and process oriented to ensure consistent and sustained improvements.

Highlights include:

Strategic Development – Recruited numerous physicians into hospital employed; model that promotes productivity, cost management and shared governance; resulting in growth in market share.

Quality and Customer Services – Implemented quality and customer service scorecard initiatives, resulting in CMS Composite Core Measure and HCAHPS scores exceeding national averages.

Financial Strength – Improved financial position of organization resulting in one of the best positioned Critical Access Hospitals in New Hampshire.

PROFESSIONAL EXPERIENCE

SPEARE MEMORIAL HOSPITAL, PLYMOUTH, NH

1992-PRESENT

President/CEO (2000-present)

Associate Administrator/CFO (1995-2000)

Chief Financial Officer (1992-1995)

Speare Memorial Hospital is a small community hospital located in a university town and service hub to the tourism areas of the White Mountains and Lakes Region. Speare is designated as a Critical Access Hospital with 25 beds offering Obstetrics, Intensive Care and general Medical/surgical care. Outpatient services dominate the revenue mix representing 77% of revenue with 72,000 outpatient visits per year. Speare has 400 employees, including 24 physicians and mid-level providers, and three subsidiaries.

Recruited to lead the financial operation of the hospital during times of significant financial challenges. Promoted within four years to an expanded management role providing oversight to clinical operations and again in 2000 to lead the organization and its subsidiaries.

Selected Accomplishments:

- Achieved 100 Top Hospitals recognition for six years, 2002-2004, and 2012-2014

SPEARE MEMORIAL HOSPITAL, continued

- Implemented departmental and organizational scorecards, resulting in heightened awareness and sense of urgency in achieving strategic initiatives
- Advanced use of technology with PACS, telemedicine and digital mammography
- Utilized unique economic development financing option to fund a \$9.4 million Medical Office Building replacement
- Enhanced Medical Staff relationships; breaking down barriers to collaborative and cooperative teamwork
- Led medical community efforts in the development of PHO and risk sharing arrangements with Managed Care Organizations

NEW HAMPSHIRE HOSPITAL ASSOCIATION (NHHA), CONCORD, NH

1986-1992

VP Finance

Member of the management team responsible for providing resources and services to NHHA members, including lobbying, financial and statistical trend analysis, communication to members regarding federal and state legislation and proposed regulations and assessed the impact of these proposals. Also responsible for internal operations of the Association.

Selected Accomplishments:

- Negotiated NH Blue Cross/Blue Shield contracts on behalf of NH Acute Care Hospitals
- Represented hospitals' interest in the development of the NH Medicaid Provider Tax (DSH) program (finalized after my departure from the Association)
- Led efforts on behalf of NHHA and member hospitals in the development of a Malpractice Insurance Captive with Connecticut Hospital Association
- Managed the NH Workers Compensation Trust, overseeing claims administration, risk management services, investments and actuarial studies for reserve determinations

ERNST & YOUNG, PORTLAND, ME

1981-1986

Health Care Consultant, Manager (1983-1986)

Auditor, Staff – Senior Level (1981-1983)

Recruited to join the audit staff of this international audit and consulting organization, with clients in a variety of industries. Promoted along traditional advancement path from staff level to manager. Transitioned to the healthcare consulting division to pursue an interest in the healthcare field.

ERNST & YOUNG, continued

Selected Accomplishments:

- Assisted clients in development of determination of need for Certificate of Need filing
- Conducted reimbursement maximization studies
- Determined debt capacity levels for organization to assist in their planning efforts
- Performed feasibility studies and joint venture analyses

EDUCATION

MSM Healthcare Administration, New England College, Henniker, NH
BS, Accounting, Plymouth State University, Plymouth, NH

CERTIFICATIONS AND PROFESSIONAL ASSOCIATIONS

Certified Public Accountant, State of Maine
Fellow, American College of Healthcare Executives
Secretary, New Hampshire Hospital Board of Trustees
Immediate Past Chair, Foundation for Healthy Communities Board of Trustees
Secretary, Plymouth Regional Clinic Board of Trustees
Director, Meredith Village Savings Bank
Alternate, AHA Regional Policy Board – Region 1
Vice Chair, White Mountain Gateway Economic Development Corporation Board of Directors
Member, Central New Hampshire Health Partnership

Former Professional Associations include:

Director, Northeast Health Care Quality Foundation (QIO for ME, NH, VT)
Director, Plymouth Chamber of Commerce
Director, Northern New England Association of Healthcare Executives

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Speare Memorial Hospital

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

2023-2024			
Name	Annual Salary	Percentage of Salary Paid from Agreement	
Michelle McEwen, President/CEO	\$250,000	0.00%	
Thomas Lenkowski, CFO	\$181,000	0.00%	
	\$0	0.00%	
	\$0	0.00%	
	\$0	0.00%	
	\$0	0.00%	
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			

2025-2026			
Name	Annual Salary	Percentage of Salary Paid from Agreement	
Michelle McEwen, President/CEO	\$258,000	0.00%	
Thomas Lenkowski, CFO	\$185,000	0.00%	
	\$0	0.00%	
	\$0	0.00%	
	\$0	0.00%	
	\$0	0.00%	
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			

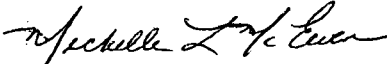
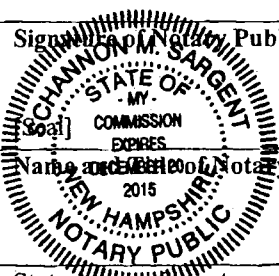
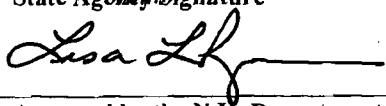
Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract.** Provide their name, title, annual salary and percentage of annual salary paid from the agreement.

Subject: School-based oral health services for underserved students in the Speare Memorial Hospital service area

AGREEMENT

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

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Speare Memorial Hospital		1.4 Contractor Address 16 Hospital Road Plymouth, NH 03264	
1.5 Contractor Phone Number (603) 536-1120	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$45,741
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Michelle L. McEwen, President/CEO	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>GRAFTON</u> On <u>3/15/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  <u>S. Sargent</u>			
1.13.2 Name and Title of Notary or Justice of the Peace <u>Schannon Sargent - Notary</u>			
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By: <u>John D. Norris</u> <u>John D. Norris, Attorney</u> On: <u>28 Mar 2013</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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Speare Memorial Hospital

ADDRESS: 16 Hospital Road, Plymouth, NH 03264

President/CEO Michelle McEwen

TELEPHONE: (603) 536-1120

The Contractor shall provide school-based oral health services as specified below:

I. General Provisions:

The contractor shall provide oral health assessment, preventive services, and referrals for restorative treatment for low-income, uninsured, and underinsured children within the defined service area who don't have regular access to oral health care.

A. Numbers Served

Oral assessment services are to be provided to a minimum of 2,100 students throughout each year of the contract term.

B. Eligibility and Income Determination

1. Low-income children and families are defined as $\leq 185\%$ of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year), in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in NH Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. The contractor shall use one of the following models:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic referral model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

D. Oral health services for the targeted population(s) shall include:

1. risk assessment;
2. oral health education;
3. oral screening;
4. early diagnosis of oral diseases;
5. preventive care focused on age appropriate dental sealants and fluoride application;
6. and care coordination that links children to restorative treatment and disease management in a "dental home."

E. Relevant Policies and Guidelines

The school-based oral health program shall:

1. Require no fee for any NH Medicaid client.
2. Assist eligible families with NH Medicaid enrollment directly or through referral.
3. Become a NH Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without NH Medicaid or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Direct resources to evidence-based interventions.
7. Explore and secure future funding sources.

F. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

G. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161-F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

H. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

I. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The school-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individual students at chairside or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires

The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

2. Vacancies

The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Work Plans

1. Performance Work Plans are required annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work Plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Work Plan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.

3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the contract year.
4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work Plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work Plans and Work Plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade population targeted for dental sealants.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale provided to participating students' families shall be submitted on request to the DPHS Oral Health Program. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. An summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Work Plan.

D. Performance Measures

School-Based Oral Health Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs, with children in other states and in the National Oral Health Surveillance System.

- A minimum of 70% of 2nd and 3rd grade students returning consent forms
- A minimum of 400 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- 100% of all 2nd and 3rd grade students screened with untreated decay who are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

Purchase of Services
Contract Price

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Speare Memorial Hospital

ADDRESS: 16 Hospital Road, Plymouth, NH 03264

President/CEO Michelle McEwen
TELEPHONE: (603) 536-1120

Vendor #177178-B002

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$45,741 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from General funds.

TOTAL: \$45,741

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- X (1) The contractor certifies that it IS a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does not exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- ☐ (2) The contractor certifies it does NOT qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

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

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

DEPARTMENT: NH Department of Health and Human Services.

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

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

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

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

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

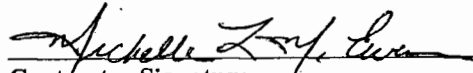
NH Department of Health and Human Services

Standard Exhibit G

CERTIFICATION REGARDING THE AMERICANS WITH DISABILITIES ACT COMPLIANCE

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

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


Contractor Signature

President / CEO
Contractor's Representative Title

Speare Memorial Hospital
Contractor Name

3/15/13
Date

NH Department of Health and Human Services

STANDARD EXHIBIT I
HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

BUSINESS ASSOCIATE AGREEMENT

(1) Definitions.

- a. "Breach" shall have the same meaning as the term "Breach" in Title XXX, Subtitle D. Sec. 13400.
- b. "Business Associate" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- c. "Covered Entity" has the meaning given such term in section 160.103 of Title 45, Code of Federal Regulations.
- d. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR Section 164.501.
- e. "Data Aggregation" shall have the same meaning as the term "data aggregation" in 45 CFR Section 164.501.
- f. "Health Care Operations" shall have the same meaning as the term "health care operations" in 45 CFR Section 164.501.
- g. "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act, Title XIII, Subtitle D, Part 1 & 2 of the American Recovery and Reinvestment Act of 2009.
- h. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the Standards for Privacy and Security of Individually Identifiable Health Information, 45 CFR Parts 160, 162 and 164.
- i. "Individual" shall have the same meaning as the term "individual" in 45 CFR Section 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR Section 164.501(g).
- j. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.

- k. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR Section 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- l. "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR Section 164.501.
- m. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his/her designee.
- n. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 164, Subpart C, and amendments thereto.
- o. "Unsecured Protected Health Information" means protected health information that is not secured by a technology standard that renders protected health information unusable, unreasonable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.
- p. Other Definitions - All terms not otherwise defined herein shall have the meaning established under 45 C.F.R. Parts 160, 162 and 164, as amended from time to time, and the HITECH Act.

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

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

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

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

- a. Business Associate shall report to the designated Privacy Officer of Covered Entity, in writing, any use or disclosure of PHI in violation of the Agreement, including any security incident involving Covered Entity data, in accordance with the HITECH Act, Subtitle D, Part 1, Sec. 13402.
- b. The Business Associate shall comply with all sections of the Privacy and Security Rule as set forth in, the HITECH Act, Subtitle D, Part 1, Sec. 13401 and Sec. 13404.
- c. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- d. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section (3)b and (3)k herein. The Covered Entity shall be considered a direct third party beneficiary of the Contractor's business associate agreements with Contractor's intended business associates, who will be receiving PHI pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard provision #13 of this Agreement for the purpose of use and disclosure of protected health information.
- e. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- f. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- g. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.

- h. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- i. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- j. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- k. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

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

(5) **Termination for Cause**

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

(6) **Miscellaneous**

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, and the HITECH Act as amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule and the HITECH Act.
- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section 3 k, the defense and indemnification provisions of section 3 d and standard contract provision #13, shall survive the termination of the Agreement.

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

DIVISION OF PUBLIC HEALTH SERVICES

The State Agency Name

Speare Memorial Hospital

Name of Contractor



Signature of Authorized Representative



Signature of Authorized Representative

LISA L. BUJNO, MSN, APRN

Name of Authorized Representative

Michelle L. McEwen

Name of Authorized Representative

BUREAU CHIEF

Title of Authorized Representative

President / CEO

Title of Authorized Representative

3 - 30 - 2013

Date

3/15/13

Date



**State of New Hampshire
Department of Health and Human Services
Amendment #1 to Statewide Community and School Based Oral Health Services Contract**

This 1st Amendment to the Statewide Community and School Based Oral Health Services contract (hereinafter referred to as "Amendment 1") dated this 2nd day of February, 2015, is by and between the State of New Hampshire, Department of Health and Human Services (hereinafter referred to as the "State" or "Department") and Tri County Community Action Program, Inc. (hereinafter referred to as "the Contractor"), a non-profit corporation with a place of business at 30 Exchange Street, Berlin, NH 03570.

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on July 10, 2013, (Item #48), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract as amended and in consideration of certain sums specified; and

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

WHEREAS, pursuant to the General Provisions, Paragraph 18 of the Agreement, the State may amend the Contract by written agreement of the parties; and

WHEREAS, the State and the Contractor have agreed to extend the term of the agreement and increase the price limitation to support continued delivery of these services;

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

- 1) Amend Form P-37, Subject to read Statewide Community and School Based Oral Health Services
- 2) Amend Form P-37, Block 1.7 to read June 30, 2017
- 3) Amend Form P-37, Block 1.8 to read \$96,400
- 4) Delete Exhibit A and replace with Exhibit A Amendment #1
- 5) Delete Exhibit B and replace with Exhibit B Amendment #1
- 6) Delete Exhibit C and replace with Exhibit C Amendment #1
- 7) Add Exhibit C-1
- 8) Delete Exhibit G and replace with Exhibit G Amendment #1
- 9) Delete Exhibit I and replace with Exhibit I Amendment #1

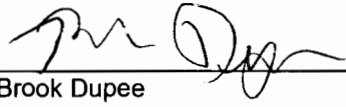
**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**



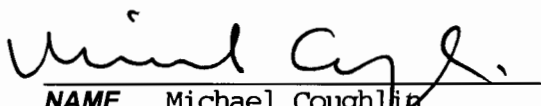
This amendment shall be effective upon the date of Governor and Executive Council approval.

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

3/24/15
Date

State of New Hampshire
Department of Health and Human Services

Brook Dupee
Bureau Chief

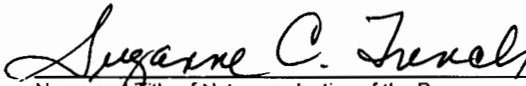
3-4-15
Date

Tri County Community Action Program, Inc.

NAME Michael Coughlin
TITLE Chief Executive Officer

Acknowledgement:

State of New Hampshire, County of Coos on 3-4-2015, before the undersigned officer, personally appeared the person identified above, or satisfactorily proven to be the person whose name is signed above, and acknowledged that s/he executed this document in the capacity indicated above.

Signature of Notary Public or Justice of the Peace


Name and Title of Notary or Justice of the Peace
Suzanne C. French, Notary

**SUZANNE C. FRENCH
Notary Public - New Hampshire
My Commission Expires June 19, 2018**

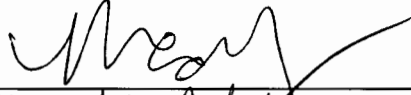
**New Hampshire Department of Health and Human Services
Statewide Community and School Based Oral Health Services**



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

OFFICE OF THE ATTORNEY GENERAL

4/8/15
Date


Name: Megan A. York
Title: Attorney

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

OFFICE OF THE SECRETARY OF STATE

Date

Name:
Title:



Scope of Services

The Contractor shall provide school-based oral health services as specified herein:

1. General Provisions

The Contractor shall provide oral health assessment, preventive services, and referrals for restorative care for low-income, uninsured and underinsured children within the defined service area who don't have regular access to oral health care.

1.1. Numbers Served

Oral assessment services are to be provided to a minimum of 1,000 students throughout each year of the contract term.

1.2. Eligibility and Income Determination

- 1.2.1. Low-income children and families are defined as < 185% of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year, in the State of New Hampshire.
- 1.2.2. If parental permission forms indicate that the child may be eligible for enrollment in Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

1.3. The contractor shall use one of the following models to provide the following services:

- 1.3.1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
- 1.3.2. The "combination clinic voucher model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

1.4. Oral health care services for the targeted population(s) shall include:

- 1.4.1. risk assessment;
- 1.4.2. oral health education;
- 1.4.3. oral screening;
- 1.4.4. early diagnosis of oral diseases;
- 1.4.5. preventive care focused on age appropriate dental sealants, Interim Therapeutic Restorations (ITRs) placed by a Certified Public Health Dental Hygienist, and fluoride varnish application; and
- 1.4.6. care coordination that links children to restorative treatment and disease management in a "dental home".

1.5. Relevant Policies and Guidelines

The school-based oral health program shall:

- 1.5.1. Require no fee for any Medicaid client.
- 1.5.2. Assist eligible families with Medicaid enrollment directly or through referral.
- 1.5.3. Become a Medicaid provider for qualified clients.



Exhibit A Amendment #1

- 1.5.4. Provide a sliding fee scale for children from families without Medicaid or private dental insurance.
- 1.5.5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
- 1.5.6. Direct resources to evidence-based interventions.
- 1.5.7. Explore and secure future funding sources.

1.6. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

- 1.6.1. Assess the ethnic/cultural needs, resources and assets of their community.
- 1.6.2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
- 1.6.3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
- 1.6.4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
- 1.6.5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

1.7. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

- 1.7.1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
- 1.7.2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161:F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.
- 1.7.3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

1.8. Publications Funded Under Contract

- 1.8.1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
- 1.8.2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
- 1.8.3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

Exhibit A Amendment #1

Contractor Initials MC

Date 3.4.15



Exhibit A Amendment #1

1.9. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

2. Minimum Scope of Core Services

2.1. Service Requirements

The school-based oral health program shall consist of the following components:

- 2.1.1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
- 2.1.2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
- 2.1.3. Oral health educational presentations by health professionals to individual students at chair side or to groups in a classroom setting as part of a health care curriculum.
- 2.1.4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
- 2.1.5. A preventive dental program, that shall at minimum include the requirements of 1.4.5 above, for children through a school-based program that assesses risk of dental disease and tooth eruption.
- 2.1.6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for children without an established dental provider.
- 2.1.7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
- 2.1.8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

2.2. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license and certification. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.



Exhibit A Amendment #1

2.3. Staffing Changes

- 2.3.1. New Hires: The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.
- 2.3.2. Vacancies: The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

2.4. Coordination of Services

- 2.4.1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
- 2.4.2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

2.5. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

3. Quality or Performance Improvement

3.1. Work plans

- 3.1.1. Performance work plans are required bi-annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
- 3.1.2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health work plan progress/outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.
- 3.1.3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the second contract year.
- 3.1.4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.



Exhibit A Amendment #1

3.2. Data and Reporting Requirements

In addition to performance work plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

- 3.2.1. Work plans and work plan outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
- 3.2.2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade target population.
- 3.2.3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
- 3.2.4. A copy of the Sliding Fee Scale shall be submitted by March 1st of each contract year. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
- 3.2.5. An annual summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

3.3. On-Site Reviews

- 3.3.1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
- 3.3.2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
- 3.3.3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency performance work plan.

3.4. Performance Measures

Second and third grade students represent a group of children whose oral health status can be compared across New Hampshire programs, with children in other states and in the National Oral Health Surveillance System.

- 3.4.1. School-Based Performance Measures:
 - A minimum of 80% of 2nd and 3rd grade students returning consent forms
 - A minimum of 400 2nd and 3rd grade students shall receive oral screenings
 - Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
 - Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
 - 100% of all 2nd and 3rd grade students screened with untreated decay are referred for service
 - Percent of all 2nd and 3rd grade students screened with a history of decay



Method and Conditions Precedent to Payment

1. The total amount of all payments made to the Contractor for costs and expenses incurred in the performance of services during the period of July 1, 2015 and June 30, 2017 shall not exceed:
 - a. \$22,952 in SFY 2016 and \$25,248 in SFY 2017 for oral health initiatives, for a total amount of \$48,200.
 - b. Funding is available as follows:
 - \$21,545 – 44.7% Federal Funds from the Centers for Disease Control and Prevention, CFDA #93.758, Federal Award Identification Number (FAIN), B01OT009037
 - \$26,655 – 55.3% from General Funds
2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including but not limited to personnel costs and operating expenses related to the Services, as detailed in the attached SFY 2016 and 2017 budgets (Exhibits B-1). Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performance of services.
6. Notwithstanding paragraph 18 of the General Provisions P-37, an amendment limited to adjustments to amounts between and among account numbers, within the price limitation, may be made by written agreement of both parties and may be made without obtaining approval of the Governor and Executive Council.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

MC

3.4.15

Exhibit B-1

Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Tri-County Community Action Program, Inc.

Statewide Community and School Based Oral
Budget Request for: Health Services

Budget Period: 7/1/15 - 6/30/16

1. Total Salary/Wages	\$ 16,800.00	\$ -	\$ 16,800.00	
2. Employee Benefits	\$ 2,365.00	\$ -	\$ 2,365.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ 800.00	\$ -	\$ 800.00	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ 900.00	\$ -	\$ 900.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ 2,087.00	\$ 2,087.00	10% indirect cost
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 20,865.00	\$ 2,087.00	\$ 22,952.00	

Indirect As A Percent of Direct

10.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: WC

Date: 3.4.15

Exhibit B-1

Budget

New Hampshire Department of Health and Human Services

Bidder/Contractor Name: Tri-County Community Action Program, Inc.

Statewide Community and School Based Oral
Budget Request for: Health Services

(Name of RFP)

Budget Period: 7/1/16 - 6/30/17

1. Total Salary/Wages	\$ 18,643.00	\$ -	\$ 18,643.00	
2. Employee Benefits	\$ 2,610.00	\$ -	\$ 2,610.00	
3. Consultants	\$ -	\$ -	\$ -	
4. Equipment:	\$ -	\$ -	\$ -	
Rental	\$ -	\$ -	\$ -	
Repair and Maintenance	\$ -	\$ -	\$ -	
Purchase/Depreciation	\$ -	\$ -	\$ -	
5. Supplies:	\$ 800.00	\$ -	\$ 800.00	
Educational	\$ -	\$ -	\$ -	
Lab	\$ -	\$ -	\$ -	
Pharmacy	\$ -	\$ -	\$ -	
Medical	\$ -	\$ -	\$ -	
Office	\$ -	\$ -	\$ -	
6. Travel	\$ 900.00	\$ -	\$ 900.00	
7. Occupancy	\$ -	\$ -	\$ -	
8. Current Expenses	\$ -	\$ -	\$ -	
Telephone	\$ -	\$ -	\$ -	
Postage	\$ -	\$ -	\$ -	
Subscriptions	\$ -	\$ -	\$ -	
Audit and Legal	\$ -	\$ -	\$ -	
Insurance	\$ -	\$ -	\$ -	
Board Expenses	\$ -	\$ -	\$ -	
9. Software	\$ -	\$ -	\$ -	
10. Marketing/Communications	\$ -	\$ -	\$ -	
11. Staff Education and Training	\$ -	\$ -	\$ -	
12. Subcontracts/Agreements	\$ -	\$ -	\$ -	
13. Other (specific details mandatory):	\$ -	\$ 2,295.00	\$ 2,295.00	10% indirect cost
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
TOTAL	\$ 22,953.00	\$ 2,295.00	\$ 25,248.00	

Indirect As A Percent of Direct

10.0%

NH DHHS
Exhibit B-1 Budget

Contractor Initials: wc

Date: 3.4.15



SPECIAL PROVISIONS

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

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



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

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

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



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

11. **Reports:** Fiscal and Statistical: The Contractor agrees to submit the following reports at the following times if requested by the Department.
 - 11.1. Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.
 - 11.2. Final Report: A final report shall be submitted within thirty (30) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.
12. **Completion of Services:** Disallowance of Costs: Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.
13. **Credits:** All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:
 - 13.1. The preparation of this (report, document etc.) was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.
14. **Prior Approval and Copyright Ownership:** All materials (written, video, audio) produced or purchased under the contract shall have prior approval from DHHS before printing, production, distribution or use. The DHHS will retain copyright ownership for any and all original materials produced, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports. Contractor shall not reproduce any materials produced under the contract without prior written approval from DHHS.
15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the contractor with respect to the operation of the facility or the provision of the services at such facility. If any governmental license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.
16. **Equal Employment Opportunity Plan (EEOP):** The Contractor will provide an Equal Employment Opportunity Plan (EEOP) to the Office for Civil Rights, Office of Justice Programs (OCR), if it has received a single award of \$500,000 or more. If the recipient receives \$25,000 or more and has 50 or



more employees, it will maintain a current EEOP on file and submit an EEOP Certification Form to the OCR, certifying that its EEOP is on file. For recipients receiving less than \$25,000, or public grantees with fewer than 50 employees, regardless of the amount of the award, the recipient will provide an EEOP Certification Form to the OCR certifying it is not required to submit or maintain an EEOP. Non-profit organizations, Indian Tribes, and medical and educational institutions are exempt from the EEOP requirement, but are required to submit a certification form to the OCR to claim the exemption. EEOP Certification Forms are available at: <http://www.ojp.usdoj/about/ocr/pdfs/cert.pdf>.

17. **Limited English Proficiency (LEP):** As clarified by Executive Order 13166, Improving Access to Services for persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with the Omnibus Crime Control and Safe Streets Act of 1968 and Title VI of the Civil Rights Act of 1964, Contractors must take reasonable steps to ensure that LEP persons have meaningful access to its programs.

18. **Pilot Program for Enhancement of Contractor Employee Whistleblower Protections:** The following shall apply to all contracts that exceed the Simplified Acquisition Threshold as defined in 48 CFR 2.101 (currently, \$150,000)

CONTRACTOR EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF
WHISTLEBLOWER RIGHTS (SEP 2013)

(a) This contract and employees working on this contract will be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L. 112-239) and FAR 3.908.

(b) The Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.

(c) The Contractor shall insert the substance of this clause, including this paragraph (c), in all subcontracts over the simplified acquisition threshold.

19. **Subcontractors:** DHHS recognizes that the Contractor may choose to use subcontractors with greater expertise to perform certain health care services or functions for efficiency or convenience, but the Contractor shall retain the responsibility and accountability for the function(s). Prior to subcontracting, the Contractor shall evaluate the subcontractor's ability to perform the delegated function(s). This is accomplished through a written agreement that specifies activities and reporting responsibilities of the subcontractor and provides for revoking the delegation or imposing sanctions if the subcontractor's performance is not adequate. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions.

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

- 19.1. Evaluate the prospective subcontractor's ability to perform the activities, before delegating the function
- 19.2. Have a written agreement with the subcontractor that specifies activities and reporting responsibilities and how sanctions/revocation will be managed if the subcontractor's performance is not adequate
- 19.3. Monitor the subcontractor's performance on an ongoing basis



- 19.4. Provide to DHHS an annual schedule identifying all subcontractors, delegated functions and responsibilities, and when the subcontractor's performance will be reviewed
- 19.5. DHHS shall, at its discretion, review and approve all subcontracts.

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

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. **Renewal:**

- As referenced in the Request for Proposals, Renewal Section, this competitively procured Agreement has the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.



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

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

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

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

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

Exhibit G- Amendment #1

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

Contractor Initials WCL

Date 3-4-15

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



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

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

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

Contractor Name:

Tri-County Community Action Program, Inc.

3.4.15
Date

Michael Coughlin
Name: Michael Coughlin
Title: Chief Executive Officer

Exhibit G- Amendment #1

Contractor Initials MC

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

Date 3.4.15



Exhibit I - Amendment #1

HEALTH INSURANCE PORTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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



Exhibit I Amendment #1

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

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

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



Exhibit I Amendment #1

Associate shall refrain from disclosing the PHI until Covered Entity has exhausted all remedies.

- e. If the Covered Entity notifies the Business Associate that Covered Entity has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Business Associate shall be bound by such additional restrictions and shall not disclose PHI in violation of such additional restrictions and shall abide by any additional security safeguards.

(3) Obligations and Activities of Business Associate.

- a. The Business Associate shall notify the Covered Entity's Privacy Officer immediately after the Business Associate becomes aware of any use or disclosure of protected health information not provided for by the Agreement including breaches of unsecured protected health information and/or any security incident that may have an impact on the protected health information of the Covered Entity.
- b. The Business Associate shall immediately perform a risk assessment when it becomes aware of any of the above situations. The risk assessment shall include, but not be limited to:
 - o The nature and extent of the protected health information involved, including the types of identifiers and the likelihood of re-identification;
 - o The unauthorized person used the protected health information or to whom the disclosure was made;
 - o Whether the protected health information was actually acquired or viewed
 - o The extent to which the risk to the protected health information has been mitigated.

The Business Associate shall complete the risk assessment within 48 hours of the breach and immediately report the findings of the risk assessment in writing to the Covered Entity.

- c. The Business Associate shall comply with all sections of the Privacy, Security, and Breach Notification Rule.
- d. Business Associate shall make available all of its internal policies and procedures, books and records relating to the use and disclosure of PHI received from, or created or received by the Business Associate on behalf of Covered Entity to the Secretary for purposes of determining Covered Entity's compliance with HIPAA and the Privacy and Security Rule.
- e. Business Associate shall require all of its business associates that receive, use or have access to PHI under the Agreement, to agree in writing to adhere to the same restrictions and conditions on the use and disclosure of PHI contained herein, including the duty to return or destroy the PHI as provided under Section 3 (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 Amendment #1

pursuant to this Agreement, with rights of enforcement and indemnification from such business associates who shall be governed by standard Paragraph #13 of the standard contract provisions (P-37) of this Agreement for the purpose of use and disclosure of protected health information.

- f. Within five (5) business days of receipt of a written request from Covered Entity, Business Associate shall make available during normal business hours at its offices all records, books, agreements, policies and procedures relating to the use and disclosure of PHI to the Covered Entity, for purposes of enabling Covered Entity to determine Business Associate's compliance with the terms of the Agreement.
- g. Within ten (10) business days of receiving a written request from Covered Entity, Business Associate shall provide access to PHI in a Designated Record Set to the Covered Entity, or as directed by Covered Entity, to an individual in order to meet the requirements under 45 CFR Section 164.524.
- h. Within ten (10) business days of receiving a written request from Covered Entity for an amendment of PHI or a record about an individual contained in a Designated Record Set, the Business Associate shall make such PHI available to Covered Entity for amendment and incorporate any such amendment to enable Covered Entity to fulfill its obligations under 45 CFR Section 164.526.
- i. Business Associate shall document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR Section 164.528.
- j. Within ten (10) business days of receiving a written request from Covered Entity for a request for an accounting of disclosures of PHI, Business Associate shall make available to Covered Entity such information as Covered Entity may require to fulfill its obligations to provide an accounting of disclosures with respect to PHI in accordance with 45 CFR Section 164.528.
- k. In the event any individual requests access to, amendment of, or accounting of PHI directly from the Business Associate, the Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall have the responsibility of responding to forwarded requests. However, if forwarding the individual's request to Covered Entity would cause Covered Entity or the Business Associate to violate HIPAA and the Privacy and Security Rule, the Business Associate shall instead respond to the individual's request as required by such law and notify Covered Entity of such response as soon as practicable.
- l. Within ten (10) business days of termination of the Agreement, for any reason, the Business Associate shall return or destroy, as specified by Covered Entity, all PHI received from, or created or received by the Business Associate in connection with the Agreement, and shall not retain any copies or back-up tapes of such PHI. If return or destruction is not feasible, or the disposition of the PHI has been otherwise agreed to in the Agreement, Business Associate shall continue to extend the protections of the Agreement, to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business



Exhibit I Amendment #1

Associate maintains such PHI. If Covered Entity, in its sole discretion, requires that the Business Associate destroy any or all PHI, the Business Associate shall certify to Covered Entity that the PHI has been destroyed.

(4) Obligations of Covered Entity

- a. Covered Entity shall notify Business Associate of any changes or limitation(s) in its Notice of Privacy Practices provided to individuals in accordance with 45 CFR Section 164.520, to the extent that such change or limitation may affect Business Associate's use or disclosure of PHI.
- b. Covered Entity shall promptly notify Business Associate of any changes in, or revocation of permission provided to Covered Entity by individuals whose PHI may be used or disclosed by Business Associate under this Agreement, pursuant to 45 CFR Section 164.506 or 45 CFR Section 164.508.
- c. Covered entity shall promptly notify Business Associate of any restrictions on the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(5) Termination for Cause

In addition to Paragraph 10 of the standard terms and conditions (P-37) of this Agreement the Covered Entity may immediately terminate the Agreement upon Covered Entity's knowledge of a breach by Business Associate of the Business Associate Agreement set forth herein as Exhibit I. The Covered Entity may either immediately terminate the Agreement or provide an opportunity for Business Associate to cure the alleged breach within a timeframe specified by Covered Entity. If Covered Entity determines that neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

(6) Miscellaneous

- a. Definitions and Regulatory References. All terms used, but not otherwise defined herein, shall have the same meaning as those terms in the Privacy and Security Rule, amended from time to time. A reference in the Agreement, as amended to include this Exhibit I, to a Section in the Privacy and Security Rule means the Section as in effect or as amended.
- b. Amendment. Covered Entity and Business Associate agree to take such action as is necessary to amend the Agreement, from time to time as is necessary for Covered Entity to comply with the changes in the requirements of HIPAA, the Privacy and Security Rule, and applicable federal and state law.
- c. Data Ownership. The Business Associate acknowledges that it has no ownership rights with respect to the PHI provided by or created on behalf of Covered Entity.
- d. Interpretation. The parties agree that any ambiguity in the Agreement shall be resolved to permit Covered Entity to comply with HIPAA, the Privacy and Security Rule.



Exhibit I Amendment #1

- e. Segregation. If any term or condition of this Exhibit I or the application thereof to any person(s) or circumstance is held invalid, such invalidity shall not affect other terms or conditions which can be given effect without the invalid term or condition; to this end the terms and conditions of this Exhibit I are declared severable.
- f. Survival. Provisions in this Exhibit I regarding the use and disclosure of PHI, return or destruction of PHI, extensions of the protections of the Agreement in section (3) I, the defense and indemnification provisions of section (3) e and Paragraph 13 of the standard terms and conditions (P-37), shall survive the termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Exhibit I.

NH Dept Health / Human Services
 The State
Brook Dupree
 Signature of Authorized Representative
Brook Dupree
 Name of Authorized Representative
Business Chief
 Title of Authorized Representative
3/24/15
 Date

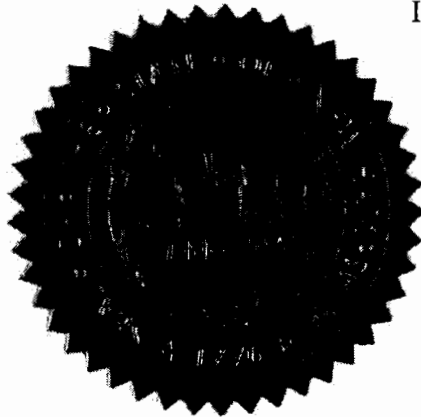
Tri-County Community Action Program, Inc.
 Name of the Contractor
Michael Coughlin
 Signature of Authorized Representative
Michael Coughlin
 Name of Authorized Representative
Chief Executive Officer
 Title of Authorized Representative
3-4-15
 Date

State of New Hampshire

Department of State

CERTIFICATE

I, William M. Gardner, Secretary of State of the State of New Hampshire, do hereby certify that TRI-COUNTY COMMUNITY ACTION PROGRAM, INC. (TRI-COUNTY CAP) is a New Hampshire nonprofit corporation formed May 18, 1965. 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 3rd 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, Gary Coulombe, do hereby certify that:

(Name of the elected Officer of the Agency; cannot be contract signatory)

1. I am a duly elected Officer of Tri-County Community Action Program, Inc.

(Agency Name)

2. The following is a true copy of the resolution duly adopted at a meeting of the Board of Directors of

the Agency duly held on September 23, 2014:

(Date)

RESOLVED: That the Chief Executive Officer

(Title of Contract Signatory)

is hereby authorized on behalf of this Agency to enter into the said contract with the State and to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate.

3. The forgoing resolutions have not been amended or revoked, and remain in full force and effect as of

the 4th day of March, 2015.

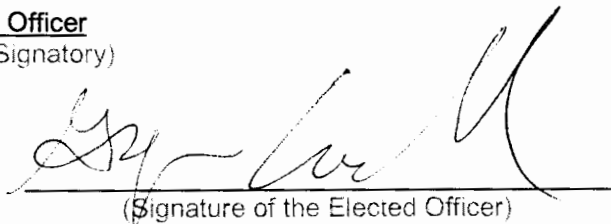
(Date Contract Signed)

4. Michael Coughlin is the duly elected Chief Executive Officer

(Name of Contract Signatory)

(Title of Contract Signatory)

of the Agency.



(Signature of the Elected Officer)

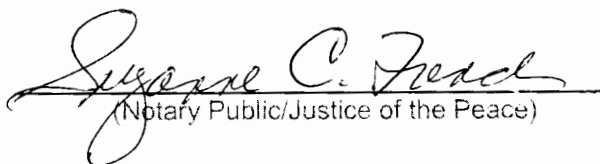
STATE OF NEW HAMPSHIRE

County of Coos

The forgoing instrument was acknowledged before me this 4th day of March, 2015,

By Michael Coughlin.

(Name of Elected Officer of the Agency)



(Notary Public/Justice of the Peace)

(NOTARY SEAL)

Commission Expires: 6-19-18

SUZANNE C. FRENCH

Notary Public - **New Hampshire**

My Commission Expires **June 19, 2018**

Board Resolution: Resolution of the Corporation

Yearly renewal that the Tri-County Community Action Program, Inc. Chief Executive Officer (CEO), Michael Coughlin is hereby authorized on behalf of this Corporation to enter into contracts with the Federal Government, State of New Hampshire, and any other parties as deemed necessary and to execute any and all documents, agreements and other instruments and amendments, revisions or modifications thereto, as may be deemed necessary, desirable or appropriate for the Corporation; this authorization being in force and effective until September 30, 2015. In the event of absence by the CEO, the Chief Financial Officer (CFO), Robert G. Boschen, Jr. shall be authorized to perform such entrances and executions.

This resolution is made with the understanding that any major new undertakings or commitments will be preceded by Board approval.

Approved by the Board of Directors on 9-23-14



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/4/2015

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: Karen Shaughnessy PHONE (A/C No. Ext): (603) 669-3218 FAX (A/C No.): (603) 645-4331 E-MAIL ADDRESS: kshaughnessy@crossagency.com	
INSURED Tri-County Community Action Program, Inc 30 Exchange Street Berlin NH 03570		INSURER(S) AFFORDING COVERAGE INSURER A: Arch Ins Co NAIC # 11150 INSURER B: Maine Employers Mutual Ins Co. INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** CL1471714530**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 ☐ PROJECT ☐ LOC		NCPCKG0328200	7/22/2014	7/1/2015	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
	AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ ALL OWNED AUTOS ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ☐ NON-OWNED AUTOS		NCAUT0328200	7/22/2014	7/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Underinsured motorist \$ 1,000,000
	B UMBRELLA LIAB ☒ OCCUR X EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$		NCFXS0328200	7/22/2014	7/1/2015	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	B WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N ☒ N/A		3102801186 (3a.) NH All officers included	7/1/2014	7/1/2015	☒ WC STATUTORY LIMITS ☐ OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000
A	Professional Liability		NCPCKG0328200	7/22/2014	7/22/2015	Per Occurrence \$1,000,000 Aggregate \$3,000,000

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**CANCELLATION**

NH Dept of Health & Human Services
Attn: D. Lacey
Contracts & Procurement
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

Laura Perrin/KS5

MISSION STATEMENT

Tri-County CAP is a group of people and projects dedicated to improving the lives and well-being of New Hampshire's people and communities.

We provide opportunities and support for people to learn and grow in self-sufficiency, and to get involved in helping their neighbors and improving the conditions in their communities.

***Tri-County Community Action Programs...
Helping people, changing lives.***

TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc. Is a private, non-profit 501(C) 3 corporation that is dedicated to improving the lives and well being of New Hampshire's people and communities. Formed on May 18, 1965, we provide opportunities and support for people to learn and grow in self-sufficiency and get involved in helping their neighbors and improving the conditions in their communities.

***TRI-COUNTY COMMUNITY ACTION PROGRAM, Inc.
...Helping people, changing lives.***

Financial Statements

**TRI-COUNTY
COMMUNITY ACTION PROGRAM, INC.**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2014
AND
INDEPENDENT AUDITORS' REPORT**

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

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To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

**Leone,
McDonnell
& Roberts**
PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTS
WOLFEBORO • NORTH CONWAY
DOVER • CONCORD
STRATHAM

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tri-County Community Action Program, Inc. as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Period Adjustment

The financial statements of Tri-County Community Action Program, Inc. as of June 30, 2013, were audited by other auditors whose report dated March 31, 2014 expressed a qualified opinion on those financial statements. The reason for the qualified opinion on the fiscal year 2013 statements was that the Organization had not previously classified the difference between its assets and liabilities as unrestricted net assets, temporarily restricted net assets and permanently restricted net assets based on the existence or absence of donor-imposed restrictions. The previous auditor stated that the effects on the financial statements of that departure were not readily determinable. As discussed in **Note 14** to the financial statements, the Organization has adjusted its 2013 financial statements to retrospectively apply the change in temporarily restricted net assets. The other auditors reported on the financial statements before the retrospective adjustment.

As part of our audit of the fiscal year 2014 financial statements, we also audited the adjustments described in **Note 14** that were recorded to restate the fiscal year 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2015, on our consideration of Tri-County Community Action Program, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action Program, Inc.'s internal control over financial reporting and compliance.

Leanne McDonnell & Roberts
Professional Association

January 19, 2015
North Conway, New Hampshire

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2014**

ASSETS

CURRENT ASSETS

Cash	\$ 375,399
Accounts receivable	833,677
Inventories	66,039
Prepaid expenses	27,286
Other assets	<u>818</u>

Total current assets 1,303,219

PROPERTY

Property, plant, and equipment	10,782,988
Less accumulated depreciation	<u>(4,018,976)</u>

Property, net 6,764,012

OTHER ASSETS

Restricted cash	704,665
Building refinance costs, net	<u>16,252</u>

Total other assets 720,917

TOTAL ASSETS \$ 8,788,148

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current portion of long term debt	\$ 315,312
Demand note payable	501,051
Accounts payable	652,705
Accrued compensated absences	277,779
Accrued salaries	111,486
Accrued expenses	112,335
Refundable advances	224,571
Other liabilities	<u>405,593</u>

Total current liabilities 2,600,832

LONG TERM DEBT

Long term debt, net of current portion	4,253,893
Interest rate swap at fair value	<u>49,713</u>

Total liabilities 6,904,438

NET ASSETS

Unrestricted	1,220,497
Temporarily restricted	<u>663,213</u>

Total net assets 1,883,710

TOTAL LIABILITIES AND NET ASSETS \$ 8,788,148

See Notes to Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT			
Grant and contracts	\$ 14,550,759	\$ -	\$ 14,550,759
Program funding	1,430,906	-	1,430,906
Utility programs	1,235,250	-	1,235,250
In-kind contributions	141,303	-	141,303
Contributions	253,696	-	253,696
Fundraising	48,388	-	48,388
Rental income	742,117	-	742,117
Interest income	877	-	877
Gain on disposal	4,404	-	4,404
Other revenue	256,500	-	256,500
Total revenues and other support	18,664,200	-	18,664,200
NET ASSETS RELEASED FROM RESTRICTIONS	<u>59,923</u>	<u>(59,923)</u>	<u>-</u>
Total revenues, other support, and net assets released from restrictions	<u>18,724,123</u>	<u>(59,923)</u>	<u>18,664,200</u>
FUNCTIONAL EXPENSES			
Program Services:			
Agency fund	1,020,464	-	1,020,464
Head Start	2,004,565	-	2,004,565
Guardianship	725,590	-	725,590
Transportation	974,583	-	974,583
Volunteer	103,631	-	103,631
Workforce development	520,858	-	520,858
Alcohol and other drugs	1,032,132	-	1,032,132
Carroll County dental	484,898	-	484,898
Carroll County restorative justice	160,275	-	160,275
Support center	238,519	-	238,519
Homeless	468,841	-	468,841
Energy and community development	7,750,706	-	7,750,706
Elder	1,069,155	-	1,069,155
Total program services	<u>16,554,217</u>	<u>-</u>	<u>16,554,217</u>
Supporting Activities:			
General and administrative	1,227,656	-	1,227,656
Fundraising	5,678	-	5,678
Total supporting activities	<u>1,233,334</u>	<u>-</u>	<u>1,233,334</u>
Total functional expenses	<u>17,787,551</u>	<u>-</u>	<u>17,787,551</u>
CHANGES IN NET ASSETS FROM OPERATIONS	936,572	(59,923)	876,649
OTHER INCOME AND (EXPENSE)			
Gain on interest rate swap	32,937	-	32,937
TOTAL CHANGES IN NET ASSETS	<u>969,509</u>	<u>(59,923)</u>	<u>909,586</u>
NET ASSETS, BEGINNING OF YEAR (AS ORIGINALLY STATED)	(227,714)	1,125,522	897,808
PRIOR PERIOD ADJUSTMENT (NOTE 14)	<u>478,702</u>	<u>(402,386)</u>	<u>76,316</u>
NET ASSETS, BEGINNING OF YEAR (RESTATED)	<u>250,988</u>	<u>723,136</u>	<u>974,124</u>
NET ASSETS, END OF YEAR	<u>\$ 1,220,497</u>	<u>\$ 663,213</u>	<u>\$ 1,883,710</u>

See Notes to Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 909,586
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	379,543
Gain on disposal of property	(4,404)
Gain on interest rate swap	(32,937)
(Increase) decrease in assets:	
Restricted cash	(73,140)
Accounts receivable	132,610
Inventories	(1,016)
Due from insurance	41,353
Prepaid expenses	(11,234)
Other assets	502
Increase (decrease) in liabilities:	
Accounts payable	(505,581)
Accrued compensated absences	17,426
Accrued salaries	34,078
Accrued expenses	(5,322)
Refundable advances	213,275
Other liabilities	(62,247)

NET CASH PROVIDED BY OPERATING ACTIVITIES

1,032,492

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of property	4,404
Purchase of property and equipment	(177,038)

NET CASH USED IN INVESTING ACTIVITIES

(172,634)

CASH FLOWS FROM FINANCING ACTIVITIES

Net repayment of demand note payable	(184,536)
Repayment of long-term debt	(347,318)
Repayment of capital lease obligation	(41,284)

NET CASH USED IN FINANCING ACTIVITIES

(573,138)

NET INCREASE IN CASH

286,720

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

88,679

CASH AND CASH EQUIVALENTS BALANCE, END OF YEAR

\$ 375,399

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW
INFORMATION:**

Cash paid during the year for:
Interest

\$ 247,825

See Notes to Financial Statements

TBLCOUNTY COMMUNITY ACTION PROGRAM, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	Agency Fund	Head Start	Guardianship	Transportation	Volunteer	Workforce Development	Alcohol and Other Drugs	Carroll County Dental	Carroll County Restorative Justice	Support Center	Homeless	Energy and Development	Elder	Total	General & Administrative	Fundraising	Total	
Direct Expenses																		
Payroll	\$ 75,574	\$ 927,195	\$ 416,424	\$ 440,696	\$ 70,890	\$ 250,047	\$ 597,309	\$ 255,924	\$ 94,524	\$ 130,919	\$ 224,827	\$ 1,174,451	\$ 477,136	\$ 5,096,718	\$ 557,315	\$ -	\$ 5,654,034	
Payroll taxes and benefits	19,261	301,922	134,051	90,733	24,348	83,453	187,205	67,471	25,929	34,040	61,548	387,088	118,026	1,535,076	174,732	-	1,709,810	
Assistance to clients	474	-	-	-	-	13,372	-	-	-	2,202	80,487	5,407,908	11,865	5,605,902	-	-	5,605,902	
Consultants and contractors	28,499	40,239	11,397	20,219	-	-	7,237	11,814	2,757	14,160	2,924	17,259	56,709	221,894	232,972	-	474,896	
Fiscal and administrative	15,321	42,944	8,254	1,823	732	348	5,214	5,838	248	1,723	3,534	34,744	7,015	138,444	11,225	-	137,965	
Space costs and rentals	7,728	190,490	47,382	13,203	5,140	126,273	26,456	-	33,875	-	22,502	166,010	78,942	714,004	149,958	-	162,950	
Consumables supplies	1,644	191,109	14,890	39,832	120	3,703	70,129	9,085	138	3,559	6,743	321,940	292,366	906,974	19,170	-	928,152	
Rental, lease, purchase and maintenance of equipment	85,277	72	13,772	549	-	-	-	-	-	-	-	-	-	63,019	20	-	83,845	
Building and grounds maintenance	97,867	85,754	100	5,569	-	-	23,786	7,289	-	8,745	3,777	1,087	3,367	236,531	765	-	238,596	
Utilities	182,122	26,405	15,089	19,832	1,068	5,972	45,780	6,114	2,382	18,057	27,315	35,526	20,303	492,744	8,864	-	498,398	
Fuel fees	23	-	-	-	-	-	-	-	-	-	-	-	1,847	3,280	5,150	-	5,150	
Travel and meetings	1,106	82,594	29,822	41,822	605	16,433	14,132	1,246	-	5,941	11,788	9,920	26,688	220,457	32,479	-	252,936	
Vehicle expense	1,447	-	-	161,604	-	-	1,534	-	-	-	4,120	59,243	-	228,348	8,019	-	236,367	
Insurance	128,561	24,141	922	50,636	717	-	24,861	-	341	7,943	17,169	33,636	-	289,994	1,465	-	290,923	
Interest expense	174,071	-	-	-	-	-	7,234	65,742	-	-	-	-	473	-	247,825	282	-	248,117
Other direct program costs	33,671	6,254	20,082	8,505	-	8,257	3,078	4,567	-	203	2,351	3,361	492	101,319	10,077	5,878	117,674	
Depreciation and amortization expense	184,173	4,944	5,642	74,438	-	-	21,947	48,901	-	10,025	1,781	7,032	23,890	379,543	-	-	379,543	
In-kind expended	-	141,303	-	-	-	-	-	-	-	-	-	-	-	141,303	-	-	141,303	
Total Direct Expenses	1,020,461	2,004,505	725,590	674,583	103,831	520,698	1,032,132	481,890	163,775	233,519	488,841	7,760,705	1,055,155	16,594,217	1,227,656	5,678	17,787,551	
Indirect Expenses																		
Indirect costs	108,441	215,128	87,818	110,873	12,883	47,890	124,671	52,840	18,164	28,763	47,897	204,983	114,836	1,227,656	(1,227,656)	-	-	
Total Direct & Indirect expenses	\$ 1,128,902	\$ 2,219,633	\$ 813,408	\$ 785,456	\$ 116,714	\$ 568,588	\$ 1,156,803	\$ 534,730	\$ 181,939	\$ 262,282	\$ 536,738	\$ 8,015,675	\$ 1,183,991	\$ 17,781,873	\$ -	\$ 5,678	\$ 17,787,551	

See Notes to Financial Statements

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of activities

Tri-County Community Action Program, Inc. (the Organization) is a New Hampshire non-profit corporation that operates a wide variety of community service programs which are funded primarily through grants or contracts from various federal, state, and local agencies.

The Organization's programs consist of the following:

Agency

Tri-County CAP Administration provides central program management support and oversight to our many individual programs. This includes planning and budget development, bookkeeping and accounting, payroll and HR services, legal and audit services, IT support, management support, financial support and central policy development.

Tri-County CAP Administration is the liaison between Tri-County Community Action Program, Inc., Board of Directors and its programs, ensuring that programs comply with agreements made by the Board to funding sources and vendors.

Other responsibilities include the management and allocation of funding received through a Community Services Block Grant, as well as management of the Organization's real estate property.

An example is The Northern Forest Heritage Park (the Park), which provides hundreds of individuals with an educational experience as they visit a full-size replica logging camp, interactive exhibits, the Brown Company House Museum, the Artisans' Display Gallery and gift shop, as well as boat tours, cultural festivals, demonstrations, and competitions. The Park is also available for community and family events.

Head Start

Head Start serves hundreds of children and their families in multiple classrooms and locations throughout three counties. Research demonstrates that children who are healthy learn better. Due to this fact, parents in our program receive assistance in completing medical and dental exams for their children. To further assist in breaking the cycle of poverty, each family enrolled in Head Start receives assistance in completing a family needs assessment, and subsequent support in achieving their self-sufficiency and personal improvement goals.

Guardianship

The Organization's Guardianship program provides advocacy and guardian services for the vulnerable population of New Hampshire residents (developmentally disabled, chronically mentally ill, traumatic brain injury, and the elderly suffering from Alzheimer's, dementia, and multiple medical issues) who need a guardian and who have no family member or friend willing, able, or suitable to serve in that capacity.

Transportation

The Organization's transit program provides various transportation services: public bus routes, door-to-door service by request, long distance medical travel to medical facilities outside our regular service area, and special trips for the elderly to go shopping and enjoy other activities that are located outside the regular service area. The Organization's fleet of 18 wheelchair accessible vehicles offers transportation options to the elderly and disabled, as well as to the general public.

Volunteer

Coos County Retired & Senior Volunteers Program (RSVP) maintains a minimum corps of 330 volunteers, ages 55 and older. These volunteers share their skills, life experiences, and time with over 50 local non-profit and public agencies throughout Coos County that depend on volunteer assistance to meet the needs of their constituents. Our volunteers donate over 50,000 hours yearly.

Workforce Development

The Organization is assisting transitional and displaced workers as they prepare for new jobs, and also assisting currently-employed workers to gain the skills required for better jobs.

The Organization is helping to implement New Hampshire's Unified State Plan for Workforce Development, in line with the federal Workforce Investment Act. Workforce training programs, with training facilities in three towns, provide temporary assistance for needy family (TANF) recipients with 20-30 hours per week of training in the areas of employment skills, computer skills, and business experience, and also place participating TANF recipients in community-based work experience sites.

Alcohol & Other Drugs (AOD)

Services provided through the AOD program include assisting the alcoholic/addicted person on the road to recovery, through three phases: Crisis Intervention, Sobriety Maintenance, and Assessment and Referral to appropriate treatment facilities. The Residential Treatment Programs (Friendship House) provide chemically dependent individuals with the fundamental tools of recovery, including educational classes, group and individual counseling, work and recreational therapy, and attendance at in-house and community-based alcoholics anonymous and narcotics anonymous meetings. The AOD program also offers assistance with its impaired driver programs.

The Friendship House, in December of 2014, had approximately \$130,000 worth of investments and improvements due to assistance from Public Services of New Hampshire.

Carroll County Dental

The Tamworth Dental Center (the Center) offers high quality oral health care to children with NH Medicaid coverage. The Organization also serves uninsured and underinsured children and adults using a sliding fee scale that offers income-based discounts for care. The Center accepts most common dental insurances for those who have commercial dental insurance coverage. A school-based project of the Dental Center, School Smiles, offers oral health education, screening, treatment and referrals for treatment to over 1,000 children in 9 schools in the vicinity of the Center.

Carroll County Restorative Justice

The Organization's restorative justice program provides comprehensive alternatives to traditional court sentencing and dispute resolution within the framework of Balanced and Restorative Justice. Two key components of this process are personal accountability for one's actions (diversion) and alternative conflict resolution (mediation). Services are provided by in-house staff, volunteers, and partnered relations with other local service providers.

Support Center

The Organization's Support Center at Burch House is a domestic and sexual violence crisis center that provides direct service and shelter to victims of domestic and sexual violence in Northern Grafton County. Support groups for victims and survivors are provided all year long. Violence prevention programs reach out to students in grades 4-12 and to civic and community groups, as well as to other health and human service professionals in the area.

Supports groups for victims and survivors are provided all year long. Open 24 hours a day, services include: Crisis intervention, emergency shelter, court, hospital and police advocacy and accompaniment, support groups, violence prevention programs reach out to students in grades 4-12 and community outreach trainings and professional presentations to civic and community groups, as well as to other health and human service professionals in the area.

Homeless

Homeless services include an outreach intervention and prevention project that strives to prevent individuals and families from becoming homeless, and assists the already homeless in securing safe, affordable housing. The Organization provides temporary shelter space for homeless clients. The Organization also provides some housing rehabilitation services to help preserve older housing stock.

Energy and Development, and Community Contact

Energy programs provide fuel assistance, electric assistance, utility conservation, and weatherization measures including insulation, air-sealing, energy efficient lighting and refrigerators, hot water conservation measures, minor home repairs, and replacement windows and doors.

Eight Community Contact sites allow for local participant access. Applications for energy assistance program, rental security deposit assistance and other emergency services are taken at these community contact offices. These offices also provide information to the Organization's clients about their other programs and programs available through other organizations in the community.

Elder

The Organization's Elder program provides senior meals in 12 community dining sites, home-delivered meals (Meals on Wheels) to the frail and homebound elderly, and senior nutrition education and related programming. Adult Day Services including respite for those caring for an adult who requires assistance with activities of daily living, support groups, caregiver education, and in-home assessments. The Coos County ServiceLink Aging & Disability Resource Center assists with Medicare counseling, Medicaid assistance, long-term care counseling services, and caregiver supports.

Method of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as promulgated by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under this basis, revenues, other than contributions, and expenses are reported when incurred without regard to the date of receipt or payment of cash.

Basis of presentation

Financial statement presentation follows the recommendations of the FASB in its Accounting Standard Codification No. 958 *Financial Statements of Not-For-Profit Organizations*. Under FASB ASC No. 958, the Organization 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 Organization had no permanently restricted net assets at June 30, 2014. The Organization had temporarily restricted net assets of \$663,213 at June 30, 2014 after the prior period adjustment as described in **Note 14**.

Restricted and unrestricted support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Unrestricted net assets include revenues and expenses and contributions which are not subject to any donor imposed restrictions. Unrestricted net assets can be board designated by the Board of Directors for special projects and expenditures.

Temporarily restricted net assets include contributions for which time restrictions or donor- imposed restrictions have not yet been met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Permanently restricted net assets include gifts which require, by donor restriction, that the corpus be invested in perpetuity and only the income or a portion thereof (excluding capital gains restricted by State statute) be made available for program operations in accordance with donor restrictions. The Organization had no permanently restricted net assets at June 30, 2014.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. The accounting standards for fair values establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is classified into three levels based on the reliability of inputs as follows:

Level 1: Valuations based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2: Valuation is determined from quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in markets that are not active or by model-based techniques in which all significant inputs are observable in the market.

Level 3: Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The degree of judgment exercised in determining fair value is greatest for instruments categorized as Level 3.

The availability of observable inputs can vary and is affected by a wide variety of factors, including, the type of asset/liability, whether the asset/liability is established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, assumptions are required to reflect those that market participants would use in pricing the asset or liability at the measurement date.

As disclosed in **Note 6**, the note payable which bears monthly interest of 69% of the sum of the one month London Interbank Offered Rate (LIBOR) plus 3.25%, when the Organization's debt service coverage ratio is 1.10; or 3.00% when the Organization's debt service coverage ratio is 1.20. The Organization's purpose in entering into a swap arrangement was to hedge against the risk of interest rate increases on the related variable rate debt and not to hold the instrument for trading purposes. The Organization pays interest at a fixed 3.85%. The arrangement is scheduled to expire on August 2040. The notional amount of the contract was \$3,145,412. Accordingly, the swap arrangement, which is a derivative financial instrument, is classified as a cash flow hedge.

For the year ended June 30, 2014, the fair value of the interest rate swap was \$49,713 and the unrealized gain was \$32,937. The fair value of the swap is included on the balance sheet as a long term liability. No amounts have been reclassified as interest expense and based upon the Organization's intent to hold the derivative until expiration they do not expect to reclassify any unrealized gains or losses to interest expense.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Most of the receivables are amounts due from federal and state awarding agencies and are based upon reimbursement for expenditures made under specific grants or contracts. A portion of the accounts receivable balance represents amounts due from patients at Carroll County Dental and participants in the alcohol and other drug treatment programs. Past due receivables are written off at management's discretion using the direct write off method; this is not considered a departure from accounting principles generally accepted in the United State because the effects of the direct write method approximate those of the allowance method. Management selects accounts to be written off after analyzing past payment history, the age of the accounts receivable, and collection rates for receivables with similar characteristics, such as length of time outstanding.

The Organization does not charge interest on outstanding accounts receivable.

Property and Depreciation

Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Buildings, equipment, and improvements are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Depreciation expense related to assets used solely by an individual program is charged directly to the related program. Depreciation expense for assets used by more than one program is charged to the program based upon a square footage or other similar allocation. Depreciation expense related to administrative assets is included in the indirect cost pool and charged to the programs in accordance with the indirect cost plan. Maintenance and repairs are charged to expense as incurred.

Estimated useful lives are as follows:

Buildings and Improvements	20 to 40 years
Vehicles	5 to 8 years
Furniture and Equipment	5 to 15 years

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 performed or incurred. Funds received in advance of grantor conditions being met aggregated \$224,571 as of June 30, 2014.

Nonprofit tax status

The Organization is a *not-for-profit* Section 501(c) (3) organization of the Internal Revenue Code. It has been classified as an Organization that is not a private foundation under the Internal Revenue Code and qualifies for a charitable contribution deduction for individual donors. The Organization files information returns in the United States. The Organization is no longer subject to examinations by tax authorities for years prior to 2009.

The Organization follows FASB ASC, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Organization does not believe they have taken uncertain tax positions, therefore, a liability for income taxes associated with uncertain tax positions has not been recognized.

The Organization's Federal Form 990 (Return of Organization Exempt from Income Tax), subject to examination by the IRS, generally for three years after it is filed.

Retirement plan

The Organization maintains a tax sheltered annuity plan under the provisions of Section 403(b) of the Internal Revenue Code. All employees are eligible to contribute to the plan beginning on the date they are employed. Each employee may elect salary reduction agreement contributions in accordance with limits allowed in the Internal Revenue Code. Employer contributions are at the Organization's annual discretion. In January 2013, payments had ceased, therefore as of June 30, 2014, there were no discretionary contributions recorded. Further information can be obtained from the Organization's 403(b) audited financial statements.

Donated services and goods

Contributed noncash assets are 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. In the absence of such stipulations, contributions of noncash assets are recorded as unrestricted support.

Donated property and equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to 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 when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Use of estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

Program salaries and related expenses are allocated to the various program and supporting services based on actual or estimated time employees spend on each function as reported on a timesheet.

Workers Compensation expenses are charged to each program based upon the classification of the each employee and allocated to the various program based upon the time employees spend on each function as noted above.

Paid Leave is charged to a leave pool and is allocated to each program as a percentage of total salaries.

Fringe Benefits are charged to a Fringe Benefit Pool. These expenses include employer payroll taxes, pension expenses, health and dental insurance and unemployment compensation. The pool is allocated to each program based upon a percentage of salaries.

Depreciation expense is allocated to each program based upon specific assets used by the program and is reported as depreciation expense on the supplemental statements of functional expenses. Depreciation applicable to assets which are used by multiple programs, primarily buildings, is charged to the benefiting program based upon an analysis of square footage. The same calculation is used to allocate other building costs including insurance. These costs are reported as space costs on the supplemental statements of functional expenses.

Insurance: automobile insurance is allocated to programs based on vehicle usage; building liability insurance is allocated to programs based on square footage of the buildings; and insurance for furniture and equipment is allocated to programs using the book basis of the insured assets.

The remaining shared expenses are charged to an Indirect Cost Pool and are allocated to each program based upon a percentage of program expenses. The expenses include items such as administrative salaries, general liability insurance, administrative travel, professional fees and other expenses which cannot be specifically identified and charged to a program.

The Organization submits an indirect cost rate proposal for the paid leave, fringe benefits and other indirect costs to the U.S. Department of Health and Human Services. The proposal effective for the fiscal year beginning July 1, 2013 received provisional approval and is effective until amended. The rate is 12.3%.

Advertising policy

The Organization uses advertising to inform the community about the programs it offers and the availability of services. Advertising is expensed as incurred. The total cost of advertising for the year ended June 30, 2014 was \$11,778.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, funds on deposit with financial institutions, and investments with original maturities of three months or less. At year end and throughout the year, the Organization's cash balances were deposited with multiple financial institutions. At June 30, 2014, the balances on interest and non-interest bearing accounts were insured by the FDIC up to \$250,000. At June 30, 2014, there was approximately \$487,000 of deposits held in excess of the FDIC limit. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents and considers this a normal business risk.

Cash Restrictions

The Organization is required to maintain a deposit account with a bank as part of the loan security agreement disclosed at **Note 6**. The required balance in the account is \$52,497 and is restricted from withdrawal except to make payments of debt service or as approved by the US Department of Agriculture. Amounts withdrawn to make payments of debt service must be replenished with monthly deposits until the maximum required deposit balance is achieved.

The balance as of June 30, 2014 was \$6,219. The Organization was not in compliance with this requirement however, in May 2013, the client began making the required monthly deposits of \$437. This amount is included in restricted cash on the Statement of Financial Position.

The Organization is required to maintain a deposit account with another bank as part of a bond issue (see bond payable in **Note 6**). The required balance in the account is \$186,516 and is equal to the interest payments on the bond for a 12 month period. The balance as of June 30, 2014 was \$187,107, and the Organization was in compliance with this requirement. This amount is included in restricted cash on the Statement of Financial Position.

The Organization maintains a deposit account on behalf of clients who participate in the Guardianship Services Program. The balance in the account is restricted for use on behalf of these clients and an offsetting liability is reported on the financial statements as other current liabilities. The total current liability related to this withdrawal at June 30, 2014 was \$403,598. These amounts are included in other liabilities on the Statement of Financial Position. The total restricted cash within this account at June 30, 2014 was \$398,354, and is included in the restricted cash balance on the Statement of Financial Position.

During fiscal year 2013, the Court Appointed Special Trustee requested and received \$225,000 from private donors. These funds were restricted to use by the Special Trustee under his individual authority. As of June 30, 2014, the remaining balance of these funds is \$112,985. This amount is included in restricted cash on the Statement of Financial Position.

NOTE 3. INVENTORY

In 2014, inventory included weatherization materials which have been purchased in bulk. These items are valued at the most recent cost. A physical inventory is taken annually. Cost is determined using the first-in, first-out (FIFO) method.

NOTE 4. PROPERTY

Property consists of the following at June 30, 2014:

	<u>Capitalized Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Building	\$7,972,540	\$ 2,448,604	\$ 5,523,936
Equipment	2,214,981	1,570,372	3,785,353
Land	<u>595,467</u>	<u>-</u>	<u>595,467</u>
	<u>\$10,782,988</u>	<u>\$ 4,018,976</u>	<u>\$ 6,764,012</u>

The Organization has use of computers and equipment which are the property of state and federal agencies under grant agreements. The equipment, whose book value is immaterial to the financial statements, is not included in the Organization's property and equipment totals.

Depreciation expense for the year ended June 30, 2014 was \$378,065.

The Organization also had building refinancing costs of \$17,730. Amortization expense for the year ended June 30, 2014 was \$1,478.

NOTE 5. ACCRUED EARNED TIME

Employees of the Organization are eligible to accrue vacation for a maximum of 240 hours. At June 30, 2014, the Organization had accrued a liability for future annual leave time that its employees had earned and vested in the amount of \$277,779.

NOTE 6. LONG TERM DEBT

The long term debt of the Organization as of June 30, 2014 consisted of the following:

Note payable requiring 360 monthly installments of \$484 including interest at 5% per annum. Secured by general business assets. Final installment due March 2024.	\$ 44,319

Note payable requiring 360 monthly installments of \$1,746 including interest at 4.5% per annum. Secured by general business assets. Final installment due June 2024.	144,785

Note payable requiring 360 monthly installments of \$1,664 including interest at 5% per annum. Secured by general business assets. Final installment due January 2027.	185,470

Note payable requiring 360 monthly installments of \$292 including interest at 4.75% per annum. Secured by general business assets. Final installment due April 2030.	38,753

Note payable requiring 360 monthly installments of \$74 including interest at 4.75% per annum. Secured by general business assets. Final installment due June 2029.	9,507

Note payable requiring 120 monthly installments of \$475 including interest at 4.25% per annum. Secured by a first mortgage on a business condo. Final installment due December 2015.	8,340

Note payable requiring 120 monthly installments of \$3,799 including interest at 6.75% per annum. Secured by first mortgages on two commercial properties. Final installment due April 2021.	459,945

Note payable to a related party, interest accrues 6% per annum, no monthly installments, full principal amount plus interest is due August 2012, informally extended. 26,170

Note payable to a non-profit organization (related party), interest accrues 6% per annum, no monthly installments, full principal plus interest due during the Organization's fiscal year end 2013, informally extended. 149,866

Bond payable requiring monthly installments of \$15,260 including interest adjusted by a swap agreement with a fixed rate of 3.85%, adjusted by the difference between the fixed amount and a rate of interest equal to 69% of the sum of the 1 month LIBOR rate plus 3.25% (when the Organization's debt service coverage ratio is 1.10) or 3.00% (when the Organization's debt service coverage ratio is 1.20). Secured by first commercial real estate mortgage on various properties and assignment of rents at various properties. Final installment due August 2040. 3,016,868

Note payable requiring 240 monthly installments of \$4,518 including interest at 4.16% per annum. Secured by second mortgage on commercial property. Final installment due December 2032. 485,182
4,569,205
Less current portion due within one year (315,312)

Total long term debt \$ 4,253,893

The scheduled maturities of long term debt as of June 30, 2014 were as follows:

<u>Years ending</u> <u>June 30</u>	<u>Amount</u>
2015	\$ 315,312
2016	142,626
2017	146,154
2018	545,938
2019	134,263
Thereafter	<u>3,284,912</u>
	<u>\$ 4,569,205</u>

As described at **Note 2**, the Organization is required to maintain a reserve account with a bank for the first six notes payable listed above. In May 2013, the Organization began making monthly deposits to the reserve account, but had not yet accumulated the required balance.

Failure to meet this requirement may be construed by the Government to constitute default; however, the awarding agency is aware of this issue and has not made a request for advanced payment. The balance in this account as of June 30, 2014 was \$6,219.

As described at **Note 2**, the Organization is required to maintain a reserve account with a bank related to the bond payable listed above. Additionally, the Organization is required to maintain a debt coverage ratio of 1:1.10 as stipulated in the loan agreement.

NOTE 7. DEMAND NOTE PAYABLE

The Organization has available a \$45,000 unsecured line of credit with Northway Bank, at June 30, 2014. Borrowings under the line bear interest at 6.50% per annum, and totaled \$33,611 at June 30, 2014, respectively. The line of credit is unsecured.

The Organization has available a \$750,000 line of credit with TD Bank which was secured with real estate mortgages and assignments of leases and rents on various properties as disclosed in the line of credit agreement. Borrowings under the line bear interest at 4.25% per annum, and totaled \$400,000 at June 30, 2014. The line is subject to renewal each January.

The Organization has available a \$25,000 line of credit with Bank of New Hampshire which is secured with all business assets of the Northern Forest Heritage Park. Borrowings under the line bear interest at 4.25% per annum, and totaled \$16,601 at June 30, 2014.

The Organization was issued a revolving line of credit in 2014 with the New Hampshire Department of Administration Services. On June 30, 2014, the outstanding debt totaled \$50,839, which included accrued interest of \$839.

NOTE 8. LEASES

Capital Leases

The Organization leased equipment from Leaf Financial Corporation under the terms of a capital lease. The economic substance of the lease was that the Organization was financing the acquisition of the assets through the lease, and accordingly, it was recorded in the Organization's assets and liabilities. In 2014, the remaining balance was paid off and the balance was subsequently reduced to zero.

Operating Leases

The Organization has entered into numerous lease commitments for space. Leases under non-cancelable lease agreements have various starting dates, lengths, and terms of payment and renewal. Additionally, the Organization has several facilities which are leased on a month to month basis. For the year ended June 30, 2014, the annual rent expense for leased facilities was \$188,455.

Minimum future rental payments under non-cancelable operating leases having initial terms in excess of one year as of June 30, 2014, are as follows:

<u>Years ending June 30</u>	<u>Amount</u>
2015	\$ 171,566
2016	93,116
2017	81,757
2018	83,531
2019	70,936
Thereafter	<u>282,000</u>
	<u>\$ 782,906</u>

Rent expense for the year ended June 30, 2014 totaled \$714,004.

NOTE 9. IN-KIND CONTRIBUTIONS

Contributions of donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

The Organization records the value of in-kind contributions according to the accounting policy described in **Note 1**. The Head Start, Transportation and Elder Programs rely heavily on volunteers who donate their services to the Organization. These services are valued based upon the comparative market wage for similar paid positions. The Organization is also the beneficiary of a donation of in kind in the form of below market rent for some of the facilities utilized by the Head Start and Elder Programs. The value of the in-kind rent is recorded at the difference between the rental payment and the market rate for the property based upon a recent appraisal.

Many other individuals have donated significant amounts of time to the activities of the Organization. The financial statements do not reflect any value for these donated services since there is no reliable basis for making a reasonable determination.

NOTE 10. CONCENTRATION OF RISK

The Organization receives a large majority of its support from federal and state governments. For the year ended June 30, 2014 approximately \$14,018,226 (73%) of the Organization's total revenue was received from federal and state governments. If a significant reduction in the level of support were to occur, it would have an effect on the Organization's programs and activities.

NOTE 11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following specific program services as of June 30, 2014:

NH Charitable Foundation Grant, Mt. Jasper	\$ 32,653
Donations to Special Trustees	50,000
Champagne Family Rescue	616
Berlin Area Renewable Energy Initiative	19,838
Transitions in Caregiving Plus	3,235
10 Bricks Shelter Funds	107,221
Fuel Assistance Emergency Fund	8,689
Donations to Mahoosuc Trail	1,842
Carroll County Transit Program	7,954
Community Contact	3,543
Donations to Maple Fund	1,825
Private Funding for Fuel Assistance Program	149,178
Pellet Stove Program	25,000
Private Funding for Head Start	26,028
Loan Programs	153
Private Funding for Alcohol and Other Drug Program	50,000
Funding for Tyler Blain House	12,595
North Country Transit Other	22,041
Restricted Buildings	<u>140,802</u>
Total temporarily restricted net assets	<u>\$ 663,213</u>

NOTE 12. COMMITMENTS AND CONTINGENCIES**Grant Compliance**

The Organization received funds under several federal and state grants. Under the terms of the grants the Organization is required to comply with various stipulations including use and time restrictions. If the Organization was found to be noncompliant with the provisions of the grant agreements, the Organization could be liable to the grantor or face discontinuation of funding.

Environmental Contingencies

On March 30, 2009 the Organization's Board of Directors agreed to secure ownership of a 1.2-acre site located in Berlin, New Hampshire. There are 2 buildings on this site designated as the East Wing and West Wing Buildings which were formerly used as a research and development facility for the Berlin Mills Company. The exterior soil and interior parts of the East Wing Building contained contaminants which required environmental remediation. In a letter dated May 2, 2012, the State of New Hampshire Department of Environment Services (the Department) noted that the remedial actions for the exterior soils and parts of the East Wing Building had been completed to the Department's satisfaction.

In addition, the Department noted that the contaminants related to the West Wing Building did not pose an exposure hazard to site occupants, area residents, and the environment provided the West Wing Building is maintained to prevent further structural deterioration. If further deterioration occurs and contaminants are released into the environment, the Organization could be required to take additional action including containment and remediation.

Other Liabilities

During fiscal year 2012, the Organization withdrew \$375,000 from an account entrusted to the Organization as part of the Guardianship Program (see **Note 2**). This unauthorized withdrawal was reported to the New Hampshire Assistant Attorney General of the Charitable Trust Division and an agreement was reached to replenish the account. The Organization returned \$191,000 during the fiscal year ended June 30, 2013 and \$184,000 during the fiscal year ended June 30, 2014 to the Guardianship Services Program account.

In addition to the requirement to return the funds, the Organization was assessed a fee of \$5,244 related to the unauthorized use of these funds. This amount was still outstanding at June 30, 2014 as no official notice or request for payment had been received by the Organization.

NOTE 13. RELATED PARTY TRANSACTIONS

As disclosed in **Note 6**, the Organization has a loan payable to the wife of the former Chief Executive Officer. Also in **Note 6**, the Organization has a loan payable to a non-profit organization which also provides pass-through state and federal funding for some of the Organization's programs. See **Note 6** for terms of the note payables. Total note payables to related parties for the year ended June 30, 2014 was \$176,036.

NOTE 14. PRIOR PERIOD ADJUSTMENTS

The beginning net assets for 2014 have been restated to correctly classify unrestricted and temporarily restricted net assets. The prior auditors had modified their audit opinion for the year ended June 30, 2013 with regards to these balances stating that the Organization had previously not classified these net asset balances appropriately. They also stated that the effects on the financial statements were not reasonably determinable. During the year ended June 30, 2014, the Organization reviewed their entire unrestricted and temporarily restricted net asset balances and corrected this issue. The effect of the restatement was to increase unrestricted net assets and decrease temporarily restricted net assets for 2013 by \$402,386.

There was also another adjustment, totaling a net amount of \$76,316, related to refundable advances not recorded at June 30, 2013.

NOTE 15. SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date, but before financial statements are available to be issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the statement of financial position date, including the estimates inherent in the process of preparing financial statements. Non-recognized subsequent events are events that provide evidence about conditions that did not exist at the statement of financial position date, but arose after that date. Management has evaluated subsequent events through January 19, 2015, the date the financial statements were available to be issued.

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Health and Human Services			
<i>Direct</i>			
Head Start	01CH1041/47	93.600	\$ 1,174,745
Head Start	01CH1041/48	93.600	854,328
<i>Passed through New Hampshire Office of Energy and Planning</i>			
Low-Income Home Energy Assistance (Admin.)	1025875	93.568	86,709
Low-Income Home Energy Assistance (Assurance 16)	1025875	93.568	31,324
Low-Income Home Energy Assistance (Admin.)	1033340	93.568	384,079
Low-Income Home Energy Assistance (Program)	1033340	93.568	5,322,937
Low-Income Home Energy Assistance (Assurance 16)	1033340	93.568	103,369
Low-Income Home Energy Assistance (HRRP)	1025855	93.568	17,353
Low-Income Home Energy Assistance (HRRP)	1033553	93.568	72,444
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (SEAS)	14AANHT3SP	93.044	10,780
<i>Passed through New Hampshire Health and Human Services</i>			
Community Services Block Grant	1026069	93.569	112,288
Community Services Block Grant	102500731	93.569	486,633
Temporary Assistance for Needy Families (NHEP Workplace Success)		93.558	332,099
Temporary Assistance for Needy Families (JARC)		93.558	24,300
Preventative Health and Health Services Block Grant (Oral Health Program)	90072003	93.991	10,617
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (Sr Oral Health)	102-500731	93.043	210
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Adult Medical)	1016495	93.044	2,449
Special Programs for the Aging - Title III, Part C - Nutrition Services (HD Meals)	1016499	93.045	157,945
National Family Caregiver Support, Title III, Part E	1008784	93.052	8,591
National Family Caregiver Support, Title III, Part E	14AANHT3FC	93.052	10,738
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers (Sr Wheels)	1016495	93.044	50,593
Medical Assistance Program (Assessment & Counseling #1)	1008784	93.778	20,909
Medical Assistance Program (Options Counseling and I&R #7)		93.778	33,902
Medical Assistance Program (Transportation)		93.778	48,032
Nutrition Services Incentive Program (NSIP)		93.053	71,604
Social Services Block Grant (Title XX I&R)	G-1301NHSOSR	93.667	5,199
Social Services Block Grant (Title XX I&R)	1008784	93.667	2,063
Social Services Block Grant (Title XX Adult Daycare)	1016503	93.667	2,134
Social Services Block Grant (Title XX HD Meals APS)	1016496	93.667	2,857
Social Services Block Grant (Title XX HD Meals)	1016495	93.667	59,754
Special Programs for the Aging - Title III, Part C - Nutrition Services (Congregate Meals)	1016501	93.045	66,556
Affordable Care Act - Aging and Disability Resource Center (ADRC Optional)	90RO0028	93.517	14,544
Centers for Medicare and Medicaid Services (SHIP)	1008784	93.779	7,325
Centers for Medicare and Medicaid Services (SHIP)	1NOCMS020220	93.779	4,197
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	1008784	93.048	3,084
Special Programs for the Aging - Title IV and Title II - Discretionary Projects (SMPP)	90MP0176	93.048	7,354
Administration for Community Living - Medicare Enrollment Assistance Program (MIPPA)		93.071	2,818
Centers for Medicare and Medicaid Services (Marketplace Assister Services)		93.525	24,957
<i>Passed Through New Hampshire Coalition against Domestic and Sexual Violence</i>			
Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes (SPIRDV)		93.671	26,638
Family Violence Prevention and Services/Battered Women's Shelters - Grants to States and Indian Tribes (DVS)		93.671	22,884
<i>Passed through New Hampshire Division of Public Health Services</i>			
Block Grants for Prevention and Treatment of Substance Abuse		93.959	260,450
<i>Passed through New Hampshire Division of Child Support Services</i>			
Projects for Assistance in Transition from Homelessness (PATH)		93.150	79,629
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			10,021,622
U.S. Department of Energy			
<i>Passed through Governor's Office of Energy and Community Services</i>			
Weatherization Assistance for Low-Income Persons	1033409	81.042	209,433
<i>Passed through NH Community Development Finance Authority</i>			
Energy Efficiency and Conservation Block Grant Program (Better Buildings)		81.128	72,291
TOTAL U.S. DEPARTMENT OF ENERGY:			281,724
U.S. Corporation for National and Community Service			
<i>Direct</i>			
Retired and Senior Volunteer Program	13SRANH001	94.002	72,754
TOTAL U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:			72,754

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass Through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>			
<i>Direct</i>			
Supplemental Nutrition Assistance Program (food stamps)		10.551	6,520
Rural Housing Preservation Grants		10.433	4,392
<i>Passed Through New Hampshire Department of Education</i>			
Child and Adult Care Food Program		10.558	105,782
TOTAL U.S. DEPARTMENT OF AGRICULTURE:			116,694
<u>U.S. Department of Homeland Security</u>			
<i>Direct</i>			
Emergency Management Performance Grants (FEMA)	128735	97.042	21,889
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY:			21,889
<u>U.S. Department of Justice</u>			
<i>Passed through New Hampshire Coalition Against Domestic and Sexual Violence</i>			
Crime Victim Assistance (VOCA)		16.575	66,702
Sexual Assault Services Formula Program (SASP)	2012-KF-AX-0021	16.017	7,878
TOTAL U.S. DEPARTMENT OF JUSTICE:			74,580
<u>U.S. Department of Transportation</u>			
<i>Passed through New Hampshire Department of Transportation</i>			
Formula Grants for Rural Areas (Section 5311)	NH-18-X044	20.509	293,798
Job Access and Reverse Commute Program (FTA- Section 5316)		20.516	37,386
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, NCC)	NH-65-X002	20.513	47,225
Enhanced Mobility of Seniors and Individuals with Disabilities (5310 POS, MWVEC)		20.513	29,258
TOTAL U.S. DEPARTMENT OF TRANSPORTATION:			407,666
<u>U.S. Department of Housing and Urban Development</u>			
<i>Passed through New Hampshire Office of Family Services</i>			
Emergency Solutions Grant Program		14.231	32,512
Supportive Housing Program (HOIP)		14.235	130,188
<i>Passed through New Hampshire Health and Human Services then Southwestern Community Services</i>			
Emergency Solutions Grant Program (Rapid Re-Housing and Prevention)		14.231	40,126
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:			202,826
<u>U.S. Department of Labor</u>			
<i>Passed through New Hampshire Department of Labor</i>			
WIA Adult Program	2009-005	17.258	64,919
WIA Dislocated Worker Formula Grants	2009-005	17.278	77,328
TOTAL U.S. DEPARTMENT OF LABOR:			142,247
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 11,342,002

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Tri-County Community Action Program, Inc. under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Program, Inc., it is

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**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 of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 19, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tri-County Community Action Program Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tri-County Community Action Program Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program Inc.'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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies: FS-2014-001, FS-2014-002, and FS-2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tri-County Community Action Program Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Leon McDonnell: Roberts
Professional Association*

North Conway, New Hampshire
January 19, 2015

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Directors of
Tri-County Community Action Program, Inc.
Berlin, New Hampshire

Report on Compliance for Each Major Federal Program

We have audited Tri-County Community Action Program 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 Tri-County Community Action Program Inc.'s major federal programs for the year ended June 30, 2014. Tri-County Community Action Program Inc.'s major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Tri-County Community Action Program 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 Tri-County Community Action Program 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 Tri-County Community Action Program Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Tri-County Community Action Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Tri-County Community Action Program, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tri-County Community Action Program Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Tri-County Community Action Program, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Leone, McDonnell & Roberts
Professional Association*

North Conway, New Hampshire
January 19, 2015

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

1. The auditors' report expresses an unmodified opinion on the financial statements of Tri-County Community Action Program, Inc.
2. Three significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* and are included in the Findings – Financial Statement Audit below.
3. No instances of noncompliance material to the financial statements of Tri-County Community Action Program, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs during the audit are reported in the *Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Program, Inc. expresses an unmodified opinion on all major programs.
6. There were no audit findings which the auditor would be required to report under section 510(a) of OMB Circular A-133.
7. The programs tested as major programs included:
 - Low Income Home Energy Assistance – CFDA #93.568
 - Aging Cluster:
 - Special Programs for the Aging – Title III, Part B – CFDA #93.044
 - Special Programs for the Aging – Title III, Part C – CFDA #93.045
 - Nutrition Services Incentive Program – CFDA #93.053
 - Community Services Block Grant – CFDA #93.569
 - Head Start – CFDA #93.600
 - Temporary Assistance for Needy Families – CFDA #93.558
8. The threshold for distinguishing Type A and B programs was \$340,260.
9. Tri-County Community Action Program, Inc. was determined not to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

FS-2014-001

Condition: The Organization records their monthly receivables based on the invoicing done by the Program Directors. The non-contract billings are recorded as miscellaneous receivables for the year-end balance. Management reviews subsequent cash receipts to capture any payments that may have been overlooked by a Program Director when completing their reports for year end.

Criteria: A system needs to be developed to ensure that all financial information, including the receivable balances and estimates for allowance for doubtful accounts, is captured and reported in the financial statements.

Cause: Procedures have not been fully designed and implemented over the accounts receivable in order to safeguard the assets.

Effect: Although we did not encounter receivables that were not properly recorded, there is the risk that the miscellaneous receivables balance would be misstated.

Recommendation: The Organization should design and implement policies and procedures for the recording, reporting and collection of all receivables.

Management Response: Management agrees with this finding. Due to the structure of the Organization, billing needs to be initiated by the program departments after reviewing their monthly results from their records and the Organization's accounting system. The Finance Department reviews the revenue and expense reports to review for flags (such as budget variances) that indicate possible unbilled items due to an unexpected revenue and expense imbalance. Monthly inquiries are made of Department Directors to ask about potential unbilled items. Written procedures will be created for Directors and/or their designees to follow to help prevent missed billings, receivable adjustments, and/or the accrual of as yet unbilled but earned receivables.

FS-2014-002

Condition: The Organization failed to comply with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted.

Criteria: The Organization needs to have a process in place to identify restrictions on grants and donations, as well as monies received from Federal funds.

Cause: The predecessor auditor provided guidance to management on how to record the net assets.

Effect: The Organization required assistance and guidance on how to calculate the amount of Federal funds included in temporarily restricted net assets, resulting in a prior period adjustment.

Recommendation: The Organization needs to develop a policy to properly record the donations and grants to the appropriate net asset classification.

Management Response: Management agrees with this finding. The predecessor auditor and former fiscal management had discussions related to the treatment of the net asset section. The Organization decided to seek and utilize the guidance of the predecessor auditor. Before this finding current management was reviewing and questioning the prior recommended net asset classifications. After review of documentation and consulting with the current auditors, the current management concurs that net assets need to be classified differently and that specific written instructions are required to insure proper classification in the future. Subsequent to June 30, 2014, management analyzed the net asset balances and posted adjustments to properly classify net assets by restriction at June 30 2014.

FS-2014-003

Condition: The Organization failed to design and implement procedures to control and monitor the use of a certain bank account and the proper recording of another account.

Criteria: Controls over the bank accounts must be designed and implemented to prevent, or detect and correct, errors including misappropriations.

Cause: A lack of internal control procedures over the Organization's bank accounts, noted above, and the reconciliation of those accounts.

Effect: One bank account was not properly recorded in the Organization's general ledger, resulting in an adjustment to the trial balance. Another bank account was reported on a cash basis, rather than an accrual basis, and had to be adjusted accordingly.

Recommendation: Management should further improve controls over the bank accounts in order to ensure that they are being reported properly.

Management Response: Management agrees with this finding. Although immaterial to the financial statements in this instance, Management agrees that all bank accounts need to be recorded and reconciled properly due to the responsibility related to the custody of these cash assets. The Organization has corrected the issue related to both referenced accounts above and is performing further research to ensure no other such accounts have been omitted.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

TRI-COUNTY COMMUNITY ACTION PROGRAM, INC.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE YEAR ENDED JUNE 30, 2013

Financial Statement Audit

FS-2013-01

Condition: Although some improvements have been made since the prior year audit, the financial reporting system continues to be inadequate in its ability to identify, capture, and record information. Procedures to prevent, or detect and correct material misstatements in the financial statements are not effective. Customary accounting procedures were not fully implemented and those procedures which did exist were not consistently done in a timely manner.

Audit fieldwork was scheduled to begin on September 30, 2013, three months after the fiscal year end. Although we held a pre-audit conference on June 13, 2013 and provided the Chief Financial Officer with specific requests for information, we did not receive an adjusted trial balance until September 26, 2013 which, when received, was labeled as "Draft".

When we arrived to perform audit procedures, the client was in still in the process of reconciling revenues and total expenditures to a worksheet used to prepare the draft Schedule of Expenditures of Federal Awards (SEFA). This process was required, because as noted in the prior year audit deficiencies letter, there were many inaccuracies in the posting of revenue throughout the year. Many adjustments were required before the financial reporting system accurately reported the total revenues by program. Therefore a final SEFA could not be prepared until January 2014. This also made it difficult for program managers to manage their programs since the revenue as reported to them during the year was incorrectly allocated by source.

The financial reporting system was closed on a monthly basis without ensuring all accounts payable invoices relating to the period were posted. Entries for internal expenses such as depreciation and occupancy costs were missing from several month end reports. These errors not only caused an issue for program managers during the fiscal year because financial information used to support reimbursement requests frequently changed when these adjustments were finally calculated and posted, but also caused determining final expenditures by program extremely difficult.

Additionally, although reconciliations of most balance sheet accounts had been prepared at year end, there had been little to no effort made to reconcile the annual amounts for payroll, depreciation, or occupancy costs to the trial balance. Our audit procedures found issues with the depreciation and occupancy costs as reported on the trial balance which were later corrected through adjusting entries.

It was also noted that on the Aging Cluster quarterly program service reports, that the amounts reported as expenditures of the program were incorrect because the departments are not receiving timely financial reports with correct financial information.

Recommendation: The Organization should continue its efforts to further enhance and refine the financial reporting system so that information can be obtained in a timely manner.

Prior Year Management Response: Management agrees with this finding.

The Organization did have difficulty with completing the preparation for the audit and closing out the year. The prior year audit was not finished until March 31st, and it appears that the new Chief Financial Officer and Senior Accountant, who started in May 2013 and June 2013 respectively, spent their time acclimating themselves as best they could.

The Organization was struggling to keep its doors open and much activity and effort was being placed on survival activities like cash management. Management expects that closing out the fiscal year and audit preparation will be much quicker in FY14 as the Organization's financial stability has improved significantly and less staff time and energy is diverted to survival efforts.

Management agrees with the finding that not all accounts payable expenses were being properly recorded by the end of the posting period. Because the Organization was so strapped for cash, it would close the monthly quickly, usually around the 5th of the month, so that it could send out billings. Some accounts payable invoicing was not being recorded in the monthly posting period, usually due to a lag in receiving invoices from vendors. The Organization would capture these payables in the next month.

Management sees this as a problematic process that frankly will probably continue until there is an adequate cash reserve. The Organization is currently working on improving cash reserves by selling off surplus real estate. The Lancaster property has already sold, an offer has been made on the Ashland property (contingent upon a vote at Town Meeting), and a proposal is being negotiated for the Northern Forest Heritage Park property. The School Street property in Berlin is actively on the market. As each property closes, a portion of the proceeds will move into a cash reserve account, so the Organization will be able to remedy this problem over time.

Starting late in fiscal 2013, and continuing to the present time, on the advice of a consultant, the Organization changed its methodology of posting depreciation, posting to the departments where the item is used, rather than to the whole agency. The posting is now done monthly, rather than annually, as previously done.

Current Status: We have found significant improvement over the Organization's ability to identify and record information, as well as the procedures to prevent, or detect and correct material misstatements. We have identified one item (FS-2014-002) that we would consider to be a significant deficiency that needs adjustment in order to produce financial statements.

FS-2013-02

Condition: Procedures for the recording of receivables are poorly designed and inadequate to ensure reporting in accordance with generally accepted accounting principles

In fiscal year 2013, the Organization began utilizing the accounts receivable module of the financial reporting system. This system was used for a portion of the year and was not used for all types of receivables. Programs with significant client activity such as the Dental Center, Restorative Justice, Alcohol and Other Drugs and Transportation track their receivables using a variety of systems which range from patient billing systems to excel worksheets. Because the fiscal department does not track receivables for these program areas, the finance department has no way to ensure that all receivables have been recorded, an allowance has been established for doubtful accounts, or that collection efforts are made to ensure payment is received.

Recommendation: The Organization should design and implement policies and procedures for the recording, reporting and collection of all receivables.

Prior Year Management Response: Management agrees with this finding.

In April, 2013 the Organization initiated the use of the "accounts receivable" module for contract receivables. Later that year, the Organization also began the process of recording receivables for non-contract billings, such as for Alcohol & Other Drugs and Dental receivables. This is a new process for the Organization, but staff seems to be taking it very seriously. Staff in the finance department now have a method to remind program directors when non-contract receivable information is due. This has been a work in progress, but management believes the information is much more accurate now.

Receivables for the Alcohol & Other Drugs and Dental programs require more intensive attention. The Chief Financial Officer is working with the leadership of those two programs, both to collect what is collectable from old accounts, and to put procedures in place to better assure payments in the future. It is likely that there will always be some accounts from both of these programs that will remain uncollectable, due to the population the Organization serves: low-income, transient, jail-bound in some cases. But we need to follow best practices to ensure as much as possible is collected at the point of service, and to stay in touch with clients after they have left.

Current Status: The Organization records their monthly receivables based on invoicing done by the Program Directors. The non-contract billings are recorded as miscellaneous receivables for the year-end balance. Management reviews subsequent cash receipts to capture any payments that may have been overlooked by a Program Director when completing their reports for year end. If there was a delay in payment to the Organization, there is the risk that the miscellaneous receivables would be misstated. During our testing in the current year, we noted the Organization had properly captured the appropriate receivables balance (FS-2014-001).

FS-2013-03

Condition: Although the Organization states in its accounting policies that it complies with the requirements to report net assets as unrestricted, temporarily restricted, and permanently restricted, it appears that finance department personnel did not fully understand the requirements related to each classification.

This was evidenced by the Chief Financial Officer closing all temporarily restricted net asset accounts from fiscal year 2012 into one summary account, thereby losing the detail of which grant had remaining temporarily restricted funds to be expended.

It was further evidenced by the entries related to the sale of vehicles by the transportation program, the proceeds of which have to be used to reacquire new vehicles. This amount was recorded as sales revenue and not identified as temporarily restricted proceeds until questioned by the auditor.

Furthermore, the Organization lacks a process to identify the amount of temporarily restricted net assets at year end because they are unable to correctly adjust the financial reporting system to report the total expenditures by program, do not have a mechanism in place to calculate the restricted revenues in excess of expenditures once correctly adjusted, and do not appear to be working toward developing a methodology to correct this deficiency.

Recommendation: The Organization should develop a policy regarding the acceptance of donations and other grants. This should be completed in conjunction with consideration of a risk management policy. The Organization should create a standard form which should include an identification of any restrictions imposed by the donors on the award since many private donors fail to stipulate this in their own documentation. The finance department employees, as well as other program staff, should be educated on the proper classification of net assets. The accounting system or other mechanism should be utilized to track revenues which are unexpended at the fiscal year end. If the donation is restricted as to the allowable time frame for expenditure, then the donation should be returned to the donor. If there is no time restriction then they should record these assets as temporarily restricted in the financial statements. These funds should be made available in the subsequent year for continuation of the donated purpose.

Prior Year Management Response: Management agrees with this finding.

There is a policy regarding the acceptance of donations and other grants, but it appears to be outdated, and does not include a standard form which would document the donor's restrictions as to the use of funds. Management will work with the finance department to ensure that the policy is updated and such a form is created. Moreover, the finance department will be directed to create a simple, less cumbersome system to track expended and unexpended grant and donation revenues, and record them accurately in the financial statements.

Current Status: We noted that there were some items within temporarily restricted net assets that related to programs and should be transferred to unrestricted, resulting in a prior period adjustment (FS-2014-002).

FS-2013-04

Condition: Procedures to allocate shared occupancy costs to the benefiting programs were inadequate and failed to allocate the costs accurately. Furthermore, reconciliation procedures that would have identified the errors were not performed.

Recommendation: Procedures to identify, allocate and reconcile occupancy costs to the benefiting programs should be refined to ensure that all costs are captured, properly allocated and posted to the financial reporting system.

Prior Year Management Response: Management agrees with this finding.

FY 2013 was the first year that the Organization moved to capture occupancy costs and assign them to benefiting programs, rather than to the agency as a whole. Naturally, with so many properties, and so many programs, there have been some errors in implementing this process. But it does seem to capture true programs costs much better than the previous method. Management's position is that the agency needs to get this right, so there is a process for cost allocation that can be used in future years.

Management plans to review occupancy costs regularly, to ensure that they are captured. Finance department now reconciles occupancy costs quarterly for accuracy, and this practice will continue.

Current Status: During our testing, we noted that the costs were allocated properly and that reconciliation procedures were performed.

FS-2013-05

Condition: The listing of property and equipment as originally received from the Organization did not include \$661,615 of assets which were included in the total assets per the trial balance. Further inquiry revealed that the Chief Financial Officer had removed the assets from the listing because they were fully depreciated and planned to post a journal entry to remove the asset balance and related depreciation from the accounts. However, no procedures were performed to identify if the assets were still in existence and still being used by the Organization.

Recommendation: Design and implement a policy for property and equipment which includes the requirement to periodically take a physical inventory of assets currently in use and to update the fixed asset as needed for additions and disposals.

Prior Year Management Response: Management agrees with this finding.

In the new Accounting Policy and Procedure Manual, there is a process for property and equipment that allows the Organization to dispose of or write off fully depreciated assets.

During FY 2014, the Chief Operating Officer assigned an employee to list all property and equipment in existence, and there is a draft that needs to be reviewed, so there is a listing of all the Organization's assets in one place. This list will be reviewed at least annually in the future.

Current Status: The assets mentioned were added back to the schedule and the full listing was reviewed by management. Those assets that were no longer in existence, or in service, were removed from the listing and the accounts were reconciled to the trial balance.

FS-2013-06

Condition: The Organization failed to design and implement procedures to control and monitor the use of the organizations bank accounts.

A test of the controls over the bank reconciliation process identified missing reconciliations for July 2013 for nine bank accounts used for the senior meal site locations, senior wheels program and the Head Start policy council. These bank accounts are reconciled at the individual site/program locations and a copy of the reconciliation is to be sent to the fiscal department for review. The July reconciliations had not been received by the fiscal department as of September 30, 2013, the first date of audit fieldwork. Although the reconciliation had been identified as missing by the Accounting Manager, the Chief Financial Officer had not requested or obtained the missing items. The balances in the account were immaterial however; failure to monitor and enforce controls may create opportunities for fraud or errors to go undetected.

Confirmations of account balances with banking institutions revealed two accounts with the Woodsville Guaranty Savings Bank which were not listed in the financial reporting system and appeared to have been overlooked. The accounts balances were immaterial however, the accounts should be closed if no longer being used. Bank accounts which are not monitored and reconciled may create opportunities for fraudulent activity.

Examination of the operating bank account reconciliation revealed an unusual adjustment related to the line of credit. The operating account is tied to a line of credit which is automatically drawn upon when checks presented for payment exceed the available bank balance. At fiscal year end, the organization had \$96,818 in outstanding checks against a bank balance of \$5,832. The checks had not been presented for payment and therefore the line of credit had not been accessed to cover the overdraft, however, the Organization recorded a reconciliation adjustment to increase cash by the amount of available credit on the line of credit. As a result, the bank balance and the line of credit balance were overstated by the available credit line of \$122,648.

Recommendation: Because of the liquid nature of cash, preventative controls should be the first area of focus because controls often identify the error too late to prevent the loss of resources. Management should further refine controls over the bank accounts to strengthen the internal control system.

Prior Year Management Response: Management agrees with this finding.

The need for better controls of cash and bank accounts is a priority for the Organization's management. In FY 2014, the Organization closed several smaller, problematic accounts, where getting programs managers to reconcile was a challenge.

The finance department will now reconcile all bank accounts monthly, before the month is closed. The Organization management commits to ensuring that unusual practice, such as writing checks that exceed the available cash, will not take place.

Current Status: There were bank reconciliations prepared monthly for all bank accounts and amounts agreed to the trial balance; however, we did note that the Head Start Policy Council bank account was not properly recorded on the trial balance of the Organization and the Guardianship account was being reported on a cash basis, rather than accrual basis, creating two adjusting entries (FS-2014-003).

FS-2013-07

Condition: Although the client is preparing a worksheet to reconcile the payroll reports from the payroll module of the accounting system to the quarterly 941 reports, the reconciliation process did not include a reconciliation to the totals per the general ledger accounts. Reconciling to the general ledger is an important control which helps to identify miss-postings which may otherwise go unnoticed due to the large dollar amount and transaction volume processed through the payroll general ledger accounts. This control is especially important at the Organization because the accounting system includes an additional step of posting to a summary account and then allocating the costs to the individual program general ledger accounts. Assuming that the amount posted to the summary account equals the amount posted to the individual program general ledger accounts without verification could create an opportunity for errors or fraud to be undetected.

Recommendation: Management should implement procedures to include a quarterly reconciliation of the payroll information to the general ledger accounts.

Prior Year Management Response: Management agrees with this finding.

The Organization now has a process for reconciliation of payroll at every payroll period. This reconciliation is conducted by the Organization's senior accountant, and his work is overseen by the Chief Financial Officer. Payroll is now being reconciled down to the individual program general account level through the year-to-date time sheet charges, by the activity report in our accounting system.

Current Status: During our testing, we noted that the payroll accounts were properly reconciled to the 941 returns with no exceptions.

FS-2013-08

Condition: A general journal entry was posted to record the liability for credit card transactions which were included on a statement which spanned the fiscal year end. The entry correctly recorded the liability, however the expenses were posted to a summary account which was included in miscellaneous expenses rather than posting each expense to the appropriate expense account. As a result, although the liability is correctly recorded, the expense is not reported by natural classification or by function. Additionally, the expense will not be included in expenses which were eligible for grant reimbursement.

Recommendation: Procedures should be implemented to ensure that all expenses are posted to the correct general ledger account including those posted through general journal entries.

Prior Year Management Response: Management agrees with this finding.

During FY 2014, the Organization created a new credit card policy designed to provide better internal controls, and direct expenses to the programs where they belong. Beginning in FY 2014, the Finance department is recording all outstanding payables down to the grant award level. This should ensure more accurate accounting of expenses, and also allow the Organization to capture all allowable federal and state reimbursements.

Current Status: During our testing, we noted that the credit card transactions were appropriately recorded to the proper expense accounts and by function.

FS-2013-09

Condition: Procedures over the control of the weatherization/better buildings materials inventory are inadequate.

The Organization purchases inventory in bulk for use by all of the weatherization programs. The materials used by the Better Buildings program are recorded on a worksheet and an entry should be posted at year end to transfer the expense related to the program from a general expense account to a Better Buildings program specific account. The Organization failed to post this entry which caused the Better Building program costs to be understated by approximately \$39,300.

Additionally, the finance department makes one entry at the end of the fiscal year to adjust the balance in the inventory account to agree to the value calculated from a physical count. However, no procedure exists to track and record the value of the items removed from inventory to ensure that all inventory has been accounted for and used for the weatherization programs.

Recommendation: The Organization should develop a system which would allow the tracking of items removed from inventory so that the expense can be properly recorded. In this manner, the ending inventory should require minimal adjustment at year end, costs can be properly allocated by program, and any errors or misappropriations can be detected.

Prior Year Management Response: Management agrees with this finding.

Prior to FY 2014 there does not seem to have been an adequate system for internal control of the Weatherization materials inventory. Since that time, there has been a change in leadership in the program, and new procedures for tracking inventory.

Currently, as items are removed from inventory and used to weatherize homes, the Weatherization Director tracks each job's actual use of materials, as well as labor and other expenses. The process of tracking expenses and revenues is overseen by the EHCCO Division Director and reported regularly to the Finance department. The CFO reviews these inventory uses, revenues and expenses, and makes value adjustments in the balance sheet quarterly. The Organization now conducts a physical count of materials each quarter, and captures these in journal entries. Finance department has also created a written policy and procedure regarding procurement and inventory management.

Current Status: During our testing we found that updated controls were in place over the inventory and that the inventory was being reconciled. The Organization has improved their internal controls over the last fiscal year and is still in the process of making updates to improve their procedures. We noted during our testing of internal controls that there were missing signatures of approval and signs-offs on routing sheets; however, these appear to be isolated incidents.

FS-2013-10

Condition: Management failed to design and implement a procedure to ensure that the drawdown of federal funds was only for immediate needs and that reimbursement was requested only after the costs had been incurred.

Advanced funding of \$533,667 for program costs for the fuel assistance program funded through federal CFDA 93.568 was received on 10/31/12. Expenditures for the grant period had not been incurred however the funds were spent on organizational operating expenses.

Recommendation: The Organization should continue in its efforts to design and implement procedures to ensure that funds advanced by an awarding agency are expended as closely as possible to receipt of the advance.

Prior Year Management Response: Management agrees with this finding.

This particular finding is vital for the Organization's future program integrity. The Organization MUST comply with cash management requirements regarding the drawdown of an awarding agency's funds. Management believes that the spirit of the Auditor's recommendation has been followed in FY 2014. For example, the Organization began a procedure of drawdowns with Head Start and RSVP that guaranteed that funds were not requested until payroll and accounts payable were completed and only represented costs to date. Other major federal accounts such as CSBG were drawn only on a 1/12th basis, and FAP monies were segregated into a separate restricted account which prohibited movement of funds without dual signatories from Senior Management.

However, Management commits to taking the additional step of creating a policy and procedure that contains language specifically referencing how monies advanced by an awarding agency are to be treated.

Current Status: Corrected.

Single Audit

SA-2013-01

Condition: Our audit of the controls over the Better Buildings Program revealed that the Organization failed to comply with Davis-Bacon Act wage requirements.

The current year issue was identified and reported by NH Community Development Finance Authority during a monitoring visit in July 2013 and related to the June 2013 payroll. Additionally, we identified issues with the May 2013. Both of these errors were after the fiscal 2012 deficiency letter was issued which identified a similar finding related to the Weatherization Program.

Additionally per the Better Buildings grant document, certified payrolls were to be sent to the NH Office of Energy and Planning within 7 days of payroll processing. The Organization did not comply with this requirement.

Recommendation: The Organization should design and implement a system to comply with Davis Bacon Wage requirements.

Prior Year Management Response: Management commits to complying with Davis-Bacon Act wage requirements.

As of FY 2014, the Better Buildings program no longer exists. In future, when the Organization takes on projects that are subject to Davis-Bacon, Management will ensure that all requirements under the Act will be met. The Organization will seek the guidance of an employment attorney to ensure its practices are designed to be fully compliant.

Current Status: Corrected.

SA 2013-02

Condition: The listing of property and equipment did not include any information regarding the source of funds used to acquire or improve each asset. Some of the assets were purchased with federal funds in accordance with grant requirements. However, depreciation related to those assets would not be an allowable expenditure for grant reimbursement. The Organization did not have a procedure in place to identify assets purchased with federal funds and to ensure that the depreciation related to the assets was charged to the correct program for proper financial reporting, but not included in expenses submitted for reimbursement for grant compliance.

Recommendation: Procedures should be implemented which would include the identification of assets purchased with federal funds and a mechanism for tracking and posting the related depreciation expense.

Prior Year Management Response: Management agrees with this finding.

In FY 2014, the Finance department created a "Federal, un-reimbursable" code in its accounting software, to keep track of non-allowable depreciation expenses.

Starting with a reminder to Program Directors in March, 2014, Management will take the additional step of making sure Program Directors and Finance staff are all well-versed in the requirement to identify assets purchased with federal funds.

Current Status: Corrected.

SA 2013-03

Condition: Procedures have not been designed or implemented to allocate expenses to grants with periods which differ from the Organization's fiscal year.

The Head Start grant year includes the period of February 1 to January 31 of each year. Because the Organization did not post depreciation on a monthly basis until March of 2013, no depreciation was posted to the grant year which ended on January 31, 2013. However, 12 months of depreciation was posted to the grant year ending January 31, 2014 although only 5 months of depreciation was attributable to this time frame.

Similarly, in-kind occupancy costs were not allocated to the correct grant year. No in-kind occupancy costs were charged to the grant year which ended on January 31, 2013. Instead all in-kind occupancy costs were charged to the grant year ended January 31, 2014.

Recommendation: Posting expenses on a monthly basis will help to alleviate issues related to differing grant periods. However, careful review of financial information by an individual independent of the preparation will help to identify errors with calculations and application of allocation methods.

Prior Year Management Response: Management agrees with this finding.

It appears that when the Organization began posting expenses on a monthly basis, this was a step in the right direction. But it also appears that initially, a careful review of the information reported was not done.

Management appreciates the Auditor's suggestion that the Organization should not only post expenses on a monthly basis, but also provide a careful review by someone not involved in the preparation, as a check against errors. The current process is that the Senior Accountant prepares the journal entries for grant accounts monthly, and these entries are reviewed and approved by the Chief Financial Officer monthly.

Current Status: Corrected.

SA 2013-04

Condition: Controls over the accumulation of allowable costs and related reimbursement requests for the Better Buildings program were inadequate.

Testing of reimbursement requests for 3 out of 10 requests submitted during the fiscal year identified 2 out of the 3 requests selected could not be reconciled to the financial reporting system. In both cases, the administrative costs did not agree to the financial reports. Additionally, in one case the program costs did not agree to the financial reports. Of the 3 requests tested, 2 requests were not approved by the appropriate personnel.

Because the grant remained open after the current fiscal year end, the Organization had an opportunity to research and correct the issue prior to the grant close out.

Recommendation: Procedures must be designed and implemented which provide for the accumulation of information which will allow for an accurate reimbursement request, supported by verifiable data to be prepared.

Prior Year Management Response: Management agrees with this finding.

The new Weatherization Director has begun a reconciling process using accounting software to put together reimbursements. He also obtains signatures of senior staff, who review his work prior to transmission of billing. This practice was begun October 2013 and continues today.

Current Status: Corrected.

SA 2013-05

Condition: In testing expenditures for the Head Start program, we noted numerous reimbursement requests which lacked the employee's signature and the approval of the supervisor.

Recommendation: We recommend that procedures be implemented which would require proper approval of all invoices, including expense reimbursements prior to payment.

Prior Year Management Response: Management agrees with this finding.

In FY 14 a process was created where any employee requesting reimbursement is required to prepare and sign the employee reimbursement form. A supervisor is required to review and approve the reimbursement, and the Payroll Accountant is required to review the reimbursement and make sure it was free of error, charged to the correct expense and element codes, accompanied by adequate backup documents and appropriately approved. The Payroll Accountant then requests the Chief Financial Officer signature on the document before release of payment.

Current Status: Corrected.

SA 2013-06

Condition: In testing reporting required for the Aging cluster, we noted that the reports for the quarter ended June 2013 were filed late for both the transportation program as well as the senior meals program. Additionally we noted that the number of trips reported on the March quarterly report for transportation reported 64 fewer trips than were actually reimbursed. Further inquiry with the Program Director revealed that the trips were properly reimbursed but were mistakenly left off the quarterly report.

It was also noted that on the Aging cluster quarterly program service reports, the amounts reported as expenditures of the program were incorrect.

Recommendation: We recommend that procedures be implemented which would require a reconciliation of supporting data to the quarterly reports. We also recommend that a schedule be developed to ensure timely filing of reports.

Prior Year Management Response: Management agrees with this finding.

In FY14 a process will be developed to ensure the timely filing of accurate reports.

Current Status: Corrected.



TRI-COUNTY COMMUNITY ACTION PROGRAM Inc.

Serving Coos, Carroll & Grafton Counties

30 Exchange Street, Berlin, NH 03570 • (603) 752-7001 • Toll Free: 1-800-552-4617 • Fax: (603) 752-7607

Website: <http://www.tccap.org> • E-mail: admin@tccap.org

Chief Executive Officer: Michael W. Coughlin

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(603) 752-7001

AOD
(603) 752-7941



Community Contact
(603) 752-3248

R.S.V.P.
(603) 752-4103

Energy Programs
(603) 752-7100

SUMMARY/OBJECTIVE

☑ Professional with excellent managerial, analytical, financial and teamwork skills. ☑ Able to take the lead or supporting role on crucial projects. ☑ Accustomed to tight, rapid deadlines and innovative, proactive and reactive work environments. ☑ Can adjust to varied software systems and research situations rapidly, and able to teach a team to do so. ☑ Seek professional managerial/analytical operations position within driving distance of North Conway, New Hampshire.

SKILLS/ABILITIES

☑ Certified Management Accountant (CMA).
☑ Goal oriented manager with ability to manage assigned budget.
☑ Ability to supervise and manage staff to set and achieve directed goals.
☑ Comfortable working with all levels of staff and management.
☑ Ability to implement, manage and direct crucial programs – financial and operational.
☑ Excellent analytical abilities - including capital budgeting, cost/benefit analysis, and benchmarking analysis.
☑ Detailed exposure to mergers and acquisitions. ☑ Can coordinate purchasing and Requisition for Proposals.
☑ Manufacturing (cost accounting), construction, governmental and service industry exposure.
☑ Knowledge of internal and external corporate and governmental reporting needs.
☑ Worked on and led various projects which saved employers sizable tax and operating expense dollars.
☑ Can construct complete accounting/reporting system. ☑ Can implement controls related to accounting and systems.
☑ Excellent with mainframe and PC based software packages including Excel, PowerPoint, and Access.

WORK EXPERIENCE

Town of Falmouth

Director of Finance

Falmouth, Maine

August 2011 –Present

- ☑ Responsible for financial operations and reporting related to the \$11 million budget for the Town – population 11,165. A vibrant coastal town in Maine, in 2011 Falmouth was among the “Top Cities to Live and Learn” in the United States, according to the second-annual national ranking released by Forbes Magazine.
- ☑ Finance area includes, but is not limited payroll, budgeting, accounting, purchasing, investments and financial analysis/forecasting. ☑ Report directly to Town Manager. ☑ On the Senior Management Team.
- ☑ Responsible for and prepared the Town CAFR (Comprehensive Annual Financial Report). Have received the Government Finance Officers Award for Excellence in Financial Reporting for fiscal year 2011 and 2012. Presently will outsource part of this to free up more time for strategic planning/special projects.
- ☑ Responsible for financial presentation to Standard and Poor's – Credit rating raised from AA+ to AAA.
- ☑ Decentralized/reassigned clerical finance duties such as property tax bill creation, payroll and invoice entry out to entitywide clerical workers. Finance, through a bookkeeper and accountant, now supervises/coordinates such duties.
- ☑ Decentralized budgeting and purchasing duties entitywide - creating more accountability for the departments. Finance and Administration now supervises/coordinates such duties.
- ☑ Restructured the Finance department and positions within it. Prior staff duties of the Finance Director, such as bank reconciliations and high level monthly financial reports have been moved to staff in order to allow the Finance Director to manage. Replaced the Budget & Purchasing Director with a Staff Accountant.
- ☑ Created a reporting system that allows departments to run their own financial reports and at any time.
- ☑ Created five year forecasting model. ☑ Performed Requests for Proposal that led to new banking partner.
- ☑ Manage financial staff and all their duties. ☑ Responsible for government financial reports.
- ☑ Responsible for staff that coordinates the MUNIS system. Major version upgrade occurred at the time of my arrival.
- ☑ Finance Department budget is \$250K. ☑ Responsible for the accounts payable for the combined City/School budget of \$42 million. ☑ Responsible for investments of \$30 million.

City of Waterville

Director of Finance/Treasurer

Waterville, Maine

October 2006 – August 2011

- ☑ Responsible for financial operations and reporting related to the \$16 million budget for the City – population 15,600 - a service center that expands to roughly 40,000 during the work day. Finance area includes, but is not limited to tax and fee collections, payroll, budgeting, accounting and financial analysis/forecasting, lien procedures and investments.
- ☑ Report directly to City Manager. ☑ On the Senior Management Team.
- ☑ Responsible for and prepare the City CAFR (Comprehensive Annual Financial Report).
- ☑ Manage financial staff and all their duties. ☑ Responsible for government financial reports.
- ☑ Responsible for financial presentation to Standard and Poor's – Credit rating raised from A- to A+.
- ☑ Responsible for staff that coordinates the MUNIS system. Modules include but are not limited to G/L, payroll, fixed assets, billing, and accounts payable. System implementation began at the time of my arrival.
- ☑ Finance Department budget is \$450K. ☑ Interact with all levels of City government.
- ☑ Responsible for the accounts payable and payroll for the combined City/School budget of \$36 million.

State of Maine, Department of Health and Human Services (DHHS), Augusta, Maine Nov 2003 - Oct 2006**Director of Finance for the Office of Medical Services (Medicaid)****Aug 2005 - Oct 2006****Director of Finance & Reimbursement for Bureau of Medical Services (Medicaid)****Nov 2003 - Jul 2005**

- ☐ Responsible for financial operations, strategies and tactics for the over \$2.3 billion budget for the MaineCare (Medicaid) and related Medicare budget. This consisted of approximately 25% to 30% of the State of Maine's budget and insures over 20% of the State of Maine's population.
- ☐ Duties became more sophisticated financial analysis, forecasting and reporting oriented as two separate units related to reimbursement were elevated to their own Division status with their own full Directorships.
- ☐ Reported directly to Deputy Commissioner of Finance for DHHS. On the Senior Management Team (SMT) of the Office/Bureau. Interacted with all levels of State government including the Governor's Office for Health Planning.
- ☐ Consistently managed and balanced sensitive political implications with financial issues.
- ☐ Dealt with numerous providers on their fiscal issues and requests for informal reviews of reimbursement.
- ☐ Bureau contained about 240 employees. Approximately 100 reported to the Director of Finance and Reimbursement position. These included financial staff responsible for ORACLE financials.
- ☐ Responsible for budget, financial analysis, rate setting, third party liability, data capture & control and AR/AP cash unit.
- ☐ Incorporated a monthly budget and detailed budgeting/forecasting model for MaineCare. Refined a cash flow model to insure sufficient State and Federal funds are available.
- ☐ The Certificate of Need Unit (CON) for hospitals was under this Division until combined with other CON areas.
- ☐ Executive Committee member on the new Maine Claims Management System (MECMS). This was a \$25MM to \$30MM system that became the claims processing system for MaineCare.
- ☐ Developed and maintained an interim payment system that supplemented the payments for MECMS.
- ☐ Reviewed policies and regulations for the Bureau to ensure financial issues are in compliance.

M&H Logging and Construction**Rangeley, Maine****Controller****September 2001 - November 2003**

- ☐ Responsible for the financials, human resources, and office operations (including information technology) for a construction business and its related entities including a logging corporation and a land enterprise. Company grew from 30 to 70 employees.
- ☐ Initiated working capital updates and monthly closings. Included percentage-of-completion analyses.
- ☐ Managed two offices responsible for payroll, billing, accounts payable, job accounting and various other duties.
- ☐ Responsible for insurance audits and price proposal bids from insurance companies for all insurances.
- ☐ Coordinated worker's compensation cases. ☐ Managed land accounts.
- ☐ Prepared forms for sales taxes, unemployment taxes, W-2s, 1099s, fuel excise tax refunds, and other related forms.
- ☐ Kept W-9s and insurance certificates updated. A project to update these saved the companies tens of thousands of dollars in insurance fees. ☐ Maintained system hardware and software integrity.
- ☐ Updated an in-house project tracking system and devising a method to reconcile it to the Peachtree Accounting System.

Franklin Community Health Network**Farmington, Maine****Controller****October 1997 - September 2001**

- ☐ Reported directly to CFO for this rural health network that had about \$63 million in revenues.
- ☐ Involved in coordination of Certificate of Need to expand hospital facilities. Expansion was about \$12.5 million.
- ☐ Vastly improved analysis and reporting tools used by the Finance Department and the Network.
- ☐ Involved with various special projects, many that involve heavy legal contact - one, providing Charity Care for the indigent, as the start-up and continuing project manager, the other, a community based health card, as a financial manager. Both were featured in the New England section of the Wall Street Journal. The former program received national attention in various large publications including the Chicago Tribune and Boston Globe. It was featured on the Today show as a revolutionary new program in health care.
- ☐ Presentations to all boards including parent, hospital, physician association and others.
- ☐ Analyzed and created budgets to obtain grants. ☐ Coordinated governmental grant audit.
- ☐ Created a consolidated network income statement, balance sheet, and self-standing statement of cash flows.
- ☐ Coordinated contracts with outside providers and strategic partners. One project, required support as a financial manager, involved a forward thinking managed care cardiovascular program saving thousands per patient on cardiac rehabilitation.
- ☐ Involved in various other strategic and tactical projects including purchases of buildings and medical practices.
- ☐ Involved in contract negotiation, including prices, and writing/formation of contracts. ☐ Created reports in MEDITECH.

WORK EXPERIENCE (Continued)**Robert Boschen, Jr.**

Aetna, Inc and Aetna Life and Casualty**September 1991- July 1997****Aetna, Inc. - Aetna/US Healthcare - Midwest Region****Chicago, Illinois****Director Planning and Budgeting****September 1996 - July 1997**

- ☐ Responsible for operating plans, membership reporting and budget for the Midwest region (one of six and the largest). \$52 million in operating expenses. \$1.4 billion revenue. \$375 million projected profit.
- ☐ Analyzed contribution margin, medical PMPM, and operating expenses on a monthly basis. Made recommendations to improve the results related to these measures.
- ☐ Built reports and data gathering methods from foundation up. ☐ Presentations to senior management.
- ☐ Corrected/prepared financials for startup HMO state filing. ☐ Managed special projects and financial planning staff.

Aetna Life & Casualty Company - Pharmacy - Finance Department Middletown, Connecticut**Director/CFO - Finance****February 1994 - September 1996**

- ☐ Complete responsibility for Finance Department. Reported to CEO. Cost center manager duties.
- ☐ Detailed exposure to mergers and acquisitions. ☐ Taught audit department to perform non-statistical sampling.
- ☐ \$825 million in revenue in 1996. Exceeded \$1.1 billion by 1997. Profits of \$4 million in 1993 expanded to \$32 million for 1996. ☐ Created 1996 to 1998 strategic plans.
- ☐ Converted billing method to be in line with industry standards. This improved our competitive marketing status.
- ☐ Responsible for financial reporting, controls, rebates, accounts payable, accounts receivable, pricing, policies and procedures, budgeting, accounting research, special projects, and other financial duties.
- ☐ Worked on projects to improve systems, automate reports, and increase data integrity. ☐ Coordinated major project to integrate Pharmacy data and systems into Aetna standard reporting systems.

Aetna Life & Casualty Company - Information Technology**Hartford, Connecticut****Expense Management Consultant & Account Representative****September 1991 - February 1994**

United Technologies - Otis Elevator International/Hamilton Standard**Connecticut****Senior Tax Specialist, Consolidations Accountant & G/L Systems Admin.****February 1988 - September 1991****Kaiser Permanente, Accountant - Medical Group****Hartford, Connecticut, Dec 1986 - Feb. 1988****KMG Main Hurdman, Tax Specialist****Stamford, Connecticut, March 1986 - Dec 1986**

PROFESSIONAL ORGANIZATIONS & EDUCATION

- ☐ Member of Institute of Management Accountants ☐ Member of Government Finance Officers Association
- ☐ Associate Member Maine Society of Certified Public Accountants
- ☐ The University of Connecticut, Storrs, Connecticut **Master of Business Administration**
- ☐ The University of Connecticut, Storrs, Connecticut **Bachelor of Science in Business Administration - Finance**

Résumé

Peter G. Higbee

Professional Experience

February, 1999 to
present

Tri-County CAP, Inc.
Berlin, NH

Deputy Director/Chief Operating Officer, responsible for organizational development, IT, and planning and management support for large (275 employees) human service agency's comprehensive array of programs and projects. Chief Operating Officer since June, 2012.

February, 1996 to
January 1999

Tri-County CAP, Inc.
Berlin, NH

Planning & Administrative Coordinator, responsible for planning and management support for comprehensive array of human service programs.

September, 1987 to
August, 1996

College for Lifelong Learning, University System of NH (now Granite State College)
Littleton & Berlin, NH offices, various sites

Teaching Faculty, responsible for courses in Early Childhood Education Degree and Certificate programs, including Parent-Staff Relations, Guiding the Behavior of Young Children, Pre-school Child Development, and Foundations of Early Childhood Education.

October, 1986 to
February, 1996

Tri-County CAP, Inc. - Head Start
Berlin, NH

Director of Head Start program, responsible for overall operation of comprehensive child and family development program offering center-based and home-based services to 238 families through 10 community-based sites. \$1 million* budget, 50* staff.

September, 1980 to
October, 1986

Tri-County CAP, Inc. - Head Start
Berlin, NH

Education/Special Needs/Mental Health Coordinator, responsible for planning and supervising implementation of Education, Special Needs and Mental Health services to up to 177 Head Start children and families, through community-based staff.

September, 1977 to
September, 1980

Tri-County CAP, Inc. - Head Start
No. Stratford & Littleton, NH

Head Teacher, responsible for classroom of up to 20 3- to 5-year-old Head Start children, including integration of nutrition and health services, parent support and parent involvement. Classes included special needs children.

February, 1975 to
August, 1977

Coppermine School
Franconia, NH

Teacher/Parent Participant in the co-operative founding and operation of an alternative, ungraded, parent-run elementary school, including Teaching at the primary level.

Education

State College at Boston
Boston, MA
B.A., English, minor in Psychology, 1982

Education (continued)

Additional coursework includes Psychology courses at Plymouth (NH) State College and Lesley College (Cambridge, MA); Adult and Early Childhood Education courses at Antioch New England Graduate School (Keene, NH); and Management courses at Texas Tech (Dallas, TX) and Management Fellows program at The Anderson Graduate School of Management at UCLA (Los Angeles, CA). Mediation training includes child and family and victim-offender mediation.

Organizations & Memberships

Nov., 2011 to present

City of Berlin, NH Berlin, NH

Elected City Council Member, Ward III.

2008 to present

Berlin Industrial Development and Park Authority Berlin, NH

Authority Member, appointed by Mayor and Council. Vice-Chair 2010 - present.

1999 to 2009

North Country Health Consortium Littleton, NH

Board Member of organization of Northern NH health and social service providers, including area hospitals, home health agencies, etc. Served on Technology committee, Oral Health Work Group and Executive Committee, including five terms as **Vice-President** of NCHC.

1998 to present

NH CAP Association – Technology Committee Statewide, NH

Committee Member (currently **Co-Chair**) of statewide technology Committee overseeing development and implementation of a statewide electronic intake, referral, and case management system for the six NH CAPs and the Governor's Office of Energy & Community Services.

1988 to 1998

Ammonoosuc Community Health Services Littleton, NH

Board Member 1988 - 98, **President**, 1989 - 95. During tenure as president, agency received Corporate Fund Award for Management Excellence; constructed new facility; and merged with rural health care provider to form Community Health Center Network.

1986 to 1996

New Hampshire Head Start Directors' Association Statewide, NH

Association Member, President 1989 to 1994. During tenure state Head Start Programs sought and secured supplemental funding for Head Start from the State of NH through special-legislation. Represented State programs at national level, and provided timely and accurate information exchange between local and national groups.

1984 to 1998

Region I, (New England) Administration for Children and Families Boston, MA (Working through consultant contracts managed by 3rd parties)

Consultant/Program Monitor, participating in reviews of Head Start programs throughout New England, monitoring compliance with federal Performance Standards in the areas of Education, Disabilities, Mental Health and Administration.

Consultant/Member of Race Relation Work Group, researching the status of and making recommendations to improve the quality of interracial relations within the New England Head Start community.

JANICE S. HEMPEL

Experience

April 2001-present

School Smiles

The Children's Dental Health Project of Tri-County Cap's Tamworth Dental Center for Southern Carroll County and Vicinity

Dental Hygienist/Dental Coordinator

Responsibilities: design and implement all aspects of the school based program, create all necessary forms and policies, inform parents of eligible students, collaborate with the participating dentists and schools in scheduling and performing education, screenings, fluoride treatments, sealants and prophylaxis for children in grades Pre K-3. To gather and maintain data for internal and external tracking purposes, keep confidential records, order supplies, maintain equipment and follow OSHA guidelines for infection control.

August 2008 – June 2009

Third Grade Healthy Smiles – Healthy Growth Survey

Contractor/Self employed – Dental Hygienist

Responsibilities: classroom education, conducting oral health and height and weight screenings on third grade students for selected schools, gather data for 2009 Third Grade Oral Health/BMI Survey

April 2002-June 2007

Dr. Kimberly A. Meyer D.M.D.

24 Rochester Road

Northwood NH

Dental Hygienist

Responsibilities: provided oral prophylaxis, root planing and curettage for periodontal patients, maintain oral disease prevention and education programs for patients, and scheduling and maintaining the patient recall system on computers

September 1999-April 2002

Dr. Robert W. Christian D.M.D.

Route 108, Somersworth NH

Dental Hygienist

June 1995-September 1999

Dr. Richard Farina D.M.D.

74 South Main Street, Rochester NH

Dental Hygienist

March 1992-June1995
Dr. Paul T. Tousignant D.M.D.
144 South Main Street, Rochester NH
Dental Hygienist

November 1991-March 1992
Dr. David Sporcic D.M.D.
Main Street, Conway NH
Dental Hygienist

July 1991-November1991
Dr. Avrum R. Goldstein D.M.D.
419 Whalley Avenue, New Haven CT
Dental Hygienist

Education

September 1989-May 1991
Fones School of Dental Hygiene
University of Bridgeport
Bridgeport CT
Associate of Science degree in Dental Hygiene
Cum Laude

September 1983-March1985
The Berkeley Business School
White Plains NY
Associate in Applied Science degree

Licensure

October 2014	Public Health Certificate
May 1991	Connecticut License
September 1991	New Hampshire License (current)
September 1989	CPR (current)
September 1989	American Dental Hygienists Assoc.(current)

References furnished upon request



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



6/19/13
93

May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
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Funds to support this request are anticipated to be available in the following account for SFY 2014 and SFY 2015 upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education, or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
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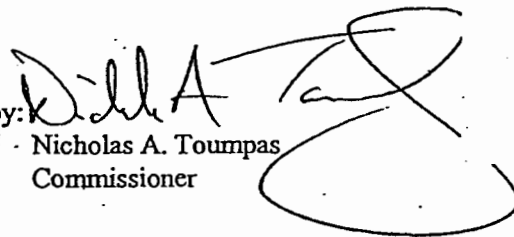
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:

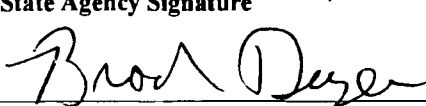
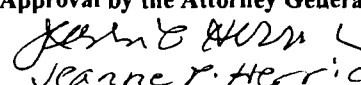


Nicholas A. Toumpas
Commissioner

Subject: School-based oral health services for underserved students in Carroll County**AGREEMENT**

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS**1. IDENTIFICATION.**

1.1 State Agency Name NH Department of Health and Human Services Division of Public Health Services		1.2 State Agency Address 29 Hazen Drive Concord, NH 03301-6504	
1.3 Contractor Name Tri-County Community Action Program, Inc. (Tri-County CAP)		1.4 Contractor Address 30 Exchange Street Berlin, NH 03570	
1.5 Contractor Phone Number (603) 752-7001 Ext. 13	1.6 Account Number 05-95-90-902010-4527-102-500731	1.7 Completion Date June 30, 2015	1.8 Price Limitation \$48,200
1.9 Contracting Officer for State Agency Lisa L. Bujno, MSN, APRN Bureau Chief		1.10 State Agency Telephone Number 603-271-4501	
1.11 Contractor Signature 		1.12 Name and Title of Contractor Signatory Peter Higley, Chief Operating Officer	
1.13 Acknowledgement: State of <u>NH</u> , County of <u>Coch</u> On <u>5/14/13</u> before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace  [Seal]			
1.13.2 Name and Title of Notary or Justice of the Peace Suzanne C. French, Notary		SUZANNE C. FRENCH NOTARY PUBLIC State of New Hampshire My Commission Expires August 13, 2013	
1.14 State Agency Signature 		1.15 Name and Title of State Agency Signatory Brock Dwyer Lisa L. Bujno, Bureau Chief	
1.16 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.17 Approval by the Attorney General (Form, Substance and Execution) By:  Jeanne P. Herrick, Attorney On: <u>19 Jan. 2013</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.

NH Department of Health and Human Services

Exhibit A

Scope of Services

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Tri-County Community Action Program, Inc. (Tri-County CAP)

ADDRESS: 30 Exchange Street
Berlin, NH 03570

Chief Operating Officer: Peter Higbee
TELEPHONE: (603) 752-7001 Ext. 13

The Contractor shall provide school-based oral health services as specified below:

I. General Provisions:

The contractor shall provide oral health assessment, preventive services, and referrals for restorative treatment for low-income, uninsured, and underinsured children within the defined service area who don't have regular access to oral health care.

A. Numbers Served

Oral assessment services are to be provided to a minimum of 1,000 students throughout each year of the contract term.

B. Eligibility and Income Determination

1. Low-income children and families are defined as $\leq 185\%$ of the U.S. Department of Health and Human Services (USDHHS), Poverty Guidelines, updated annually and effective as of July 1 of each year), in the State of New Hampshire.
2. If parental permission forms indicate that the child may be eligible for enrollment in NH Medicaid, the Contractor shall assist the family to complete the most recent version of the Medicaid enrollment form.

C. The contractor shall use one of the following models:

1. The "clinic model" that provides on-site comprehensive preventive and/or restorative treatment.
2. The "combination clinic referral model" that provides preventive treatment at one site and provides care coordination to link clients with restorative treatment at another site.

D. Oral health services for the targeted population(s) shall include:

1. risk assessment;
2. oral health education;
3. oral screening;
4. early diagnosis of oral diseases;
5. preventive care focused on age appropriate dental sealants and fluoride application; and
6. care coordination that links children to restorative treatment and disease management in a "dental home."

E. Relevant Policies and Guidelines

The school-based oral health program shall:

1. Require no fee for any NH Medicaid client.
2. Assist eligible families with NH Medicaid enrollment directly or through referral.
3. Become a NH Medicaid provider for qualified clients.
4. Provide a sliding fee scale for children from families without NH Medicaid or private dental insurance.
5. Assist students in finding a dental home that will provide ongoing comprehensive oral health care.
6. Direct resources to evidence-based interventions.
7. Explore and secure future funding sources.

F. Culturally and Linguistically Appropriate Standards of Care

The Department of Health and Human Services (DHHS) recognizes that culture and language have considerable impact on how consumers access and respond to public health services. Culturally and linguistically diverse populations experience barriers in efforts to access health services. To ensure equal access to quality health services, the Division of Public Health Services (DPHS) expects that Contractors shall provide culturally and linguistically appropriate services according to the following guidelines:

1. Assess the ethnic/cultural needs, resources and assets of their community.
2. Promote the knowledge and skills necessary for staff to work effectively with consumers with respect to their culturally and linguistically diverse environment.
3. When feasible and appropriate, provide clients of limited English proficiency (LEP) with interpretation services. Persons of LEP are defined as those who do not speak English as their primary language and whose skills in listening to, speaking, or reading English are such that they are unable to adequately understand and participate in the care or in the services provided to them without language assistance.
4. Offer consumers a forum through which families of children served through the program have the opportunity to provide feedback to providers and organizations regarding cultural and linguistic issues that may deserve response.
5. The Contractor shall maintain a program policy that sets forth compliance with Title VI, Language Efficiency and Proficiency Citation 45 CFR 80.3(b) (2). The policy shall describe the way in which the items listed above were addressed and shall indicate the circumstances in which interpretation services are provided and the method of providing service (e.g. trained interpreter, staff person who speaks the language of the client or language line).

G. State and Federal Laws

The Contractor is responsible for compliance with all relevant state and federal laws. Special attention is called to the following statutory responsibilities:

1. The Contractor shall report all cases of communicable diseases according to New Hampshire RSA 141-C and He-P 30, effective 01/05.
2. Persons employed by the Contractor shall comply with the reporting requirements of New Hampshire RSA 169-C, Child Protection Act; RSA 161-F46, Protective Services to Adults and RSA 631:6, Assault and Related Offenses.

3. The contractor shall comply with standards developed by the Occupational Safety and Health Administration (OSHA).

H. Publications Funded Under Contract

1. The DHHS and/or its funders will retain COPYRIGHT ownership for any and all original materials produced with DHHS contract funding, including, but not limited to, brochures, resource directories, protocols or guidelines, posters, or reports.
2. All documents (written, video, audio) produced, reproduced or purchased under the contract shall have prior approval from DPHS before printing, production, distribution, or use.
3. The Contractor shall credit DHHS on all materials produced under this contract following the instructions outlined in Exhibit C-1 (5).

I. Subcontractors

If services required to comply with this Exhibit are provided by a subcontracted agency or provider, the DPHS Oral Health Program must be notified in writing, receive a copy of the subcontract or Memorandum of Agreement (MOA), and approve the subcontract (MOA) prior to its initiation. In addition, subcontractors must be held responsible to fulfill all relevant requirements included in this Exhibit.

I. Minimal Scope of Core Services

A. Service Requirements

The school-based oral health program shall consist of the following components:

1. Clinical services shall be provided under the supervision of a dentist licensed to practice in New Hampshire.
2. Visual oral screenings or exams by a NH Licensed Dentist or a NH Registered Dental Hygienist with screening results available to clients or to parents of children screened.
3. Oral health educational presentations by health professionals to individual students at chairside or to groups in a classroom setting as part of a health care curriculum.
4. Topical fluoride application as part of a regular preventive routine or, when appropriate, through a school-based fluoride rinse program in schools wishing to participate.
5. A preventive dental sealant program for students through a school-based or school-linked program that assesses risk of dental disease and tooth eruption.
6. With the exception of orthodontic care, the program shall provide assistance in obtaining restorative care for students without an established dental provider.
7. Oral health data collection to support a knowledge base and dental data surveillance system for use in policy development, assessment, and capacity building at state and local levels.
8. Notice to families without access to dental services that a sliding fee scale is available and that no student will be denied school-based dental services for inability to pay. The sliding fee scale must be updated annually based on USDHHS Poverty guidelines as published in the Federal Register.

Contractors considering clinical or sociological research using clients as subjects must adhere to the legal requirements governing human subjects' research. Contractors must inform the Oral Health Program prior to initiating any research related to this contract.

B. Staffing Provisions

The Contractor shall be responsible for compliance with the New Hampshire Dental Practice Act. All dental health professionals shall have the appropriate New Hampshire license. The Contractor shall provide the DPHS Oral Health Program with a resume, a copy of the NH license if appropriate, and job description for any current professional staff in the program and notify the State in writing of any staffing changes, along with a copy of the resume of any new staff hired within one month of date of hire.

Staffing Changes

1. New Hires

The Contractor shall notify the Oral Health Program in writing within one month of hire when a new administrator or coordinator or any staff person essential to carrying out this scope of services is hired to work in the program. A resume of the employee and New Hampshire license if appropriate shall accompany this notification.

2. Vacancies

The Contractor must notify the Oral Health Program in writing if the dentist or dental hygienist positions are vacant for more than one month. This may be done through a budget revision. In addition, the Oral Health Program must be notified in writing if at any time any program funded under this agreement does not have adequate staffing to perform all required services for more than one month.

C. Coordination of Services

1. The agency shall make arrangements for coordination of oral health services and exchange of information with other health care providers and agencies. Attach copies of appropriate contractual agreements, memoranda of understanding, or letters of support from the appropriate persons summarizing the nature of the collaboration and indicating the level of support.
2. Agencies that deliver oral health services in communities that are part of a Public Health Region (PHR) should be active participants in the PHR. As appropriate, agencies should participate in community needs assessments, public health performance assessments, and the development of regional public health improvement plans, all of which integrate oral health. Agencies should also engage PHR staff as appropriate to enhance the implementation of community-based public health prevention initiatives being implemented by the agency.

D. Meetings and Trainings

The Contractor will be responsible to send staff to meetings and trainings required by the Oral Health Program, including but not limited to the Annual Oral Health Forum and Calibration Clinic for School-Based Hygienists.

II. Quality or Performance Improvement (QI/PI)

A. Work Plans

1. Performance Work Plans are required annually for this program and are used to monitor achievement of standard measures of performance of the services provided under this contract. The work Plans are a key component of the Oral Health Program performance-based contracting system and of this contract.
2. The Contractor shall incorporate required performance measures into quality/performance improvement plan. Reports on Oral Health Work Plan Progress/Outcomes shall explain how the program plans for future improvement describing activities that monitor and evaluate the program's progress toward reaching performance measure targets.

3. The Contractor shall submit a performance-based work plan with this application for funding and by July 15th of the contract year.
4. The Contractor shall comply with minor modifications and/or additions to the work plan and annual report format as requested by the Oral Health Program. The Oral Health Program will provide the Contractor with advance notice of such changes and the Contractor is not expected to incur any substantial costs relative to such changes.

B. Data and Reporting Requirements

In addition to Performance Work Plans, the Contractor shall submit to the Oral Health Program the following data used to monitor program performance:

1. Work Plans and Work Plan Outcome reports according to the schedule and instructions provided by the Oral Health Program. The Oral Health Program shall notify the Contractor at least 30 days in advance of any changes in the submission schedule.
2. A Year End Report Form shall be completed annually to describe the reach of the school-based program beyond the second and third grade population targeted for dental sealants.
3. The Sources of Revenue report must be resubmitted at any point when changes in revenue threaten the ability of the agency to carry out the planned program.
4. A copy of the Sliding Fee Scale provided to participating students' families shall be submitted on request to the DPHS Oral Health Program. The sliding fee scale must be updated annually based on the US DHHS Poverty Guidelines as published in the Federal Register.
5. A summary of feedback from teachers, school nurses, administrators and families obtained during the prior contract year and of the method by which the results were obtained shall be submitted on request to the DPHS Oral Health Program to accompany the annual work plan.

C. On-Site Reviews

1. The Contractor shall allow a team or person authorized by the Oral Health Program to periodically review the Contractor's systems of governance, administration, data collection and submission, clinical, and financial management in order to assure systems are adequate to provide the contracted services.
2. The Contractor shall make corrective actions as advised by the review team if contracted services are not found to be provided in accordance with this Exhibit.
3. On-Site reviews may be waived or abbreviated at the discretion of the Oral Health Program, upon submission of satisfactory reports of reviews such as the Health and Human Services Administration (HRSA) Office of Performance Review (OPR) or reviews from nationally accredited organizations such as the Joint Commission, the Community Health and Accreditation Program (CHAP) or the Accreditation Association for Ambulatory Health Care (AAA). Abbreviated reviews will focus on any deficiencies found in previous reviews, issues of compliance with this Exhibit, and actions to strengthen performance as outlined in the agency Performance Work Plan.

D. Performance Measures

School-Based Oral Health Performance Measures

- A minimum of 80% of 2nd and 3rd grade students returning consent forms
- A minimum of 400 2nd and 3rd grade students shall receive oral screenings
- Percent of all 2nd and 3rd grade students in the school screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- 100% of all 2nd and 3rd grade students screened with untreated decay who are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

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NH Department of Health and Human Services

Exhibit B

**Purchase of Services
Contract Price**

School-Based Oral Health Services

CONTRACT PERIOD: July 1, 2013 or date of G&C approval, whichever is later, through June 30, 2015

CONTRACTOR NAME: Tri-County Community Action Program, Inc. (Tri-County CAP)

ADDRESS: 30 Exchange Street
Berlin, NH 03570

Chief Operating Officer: Peter Higbee
TELEPHONE: (603) 752-7001, Ext. 13

Vendor #177195-B011

Job #90072003

Appropriation #05-95-90-902010-4527-102-500731

1. The total amount of all payments made to the Contractor for cost and expenses incurred in the performance of the services during the period of the contract shall not exceed:

\$48,200 for oral health initiatives, funded from 44.7% Federal funds from the Centers for Disease Control (CDC) (CFDA #93.991) and 55.3% from general funds.

TOTAL: \$48,200

2. The Contractor agrees to use and apply all contract funds from the State for direct and indirect costs and expenses including, but not limited to, personnel costs and operating expenses related to the Services, as detailed in the attached budgets. Allowable costs and expenses shall be determined by the State in accordance with applicable state and federal laws and regulations. The Contractor agrees not to use or apply such funds for capital additions or improvements, entertainment costs, or any other costs not approved by the State.
3. This is a cost-reimbursement contract based on an approved budget for the contract period. Reimbursement shall be made monthly based on actual costs incurred during the previous month.
4. Invoices shall be submitted by the Contractor to the State in a form satisfactory to the State for each of the Service category budgets. Said invoices shall be submitted within twenty (20) working days following the end of the month during which the contract activities were completed, and the final invoice shall be due to the State no later than sixty (60) days after the contract Completion Date. Said invoice shall contain a description of all allowable costs and expenses incurred by the Contractor during the contract period.
5. Payment will be made by the State agency subsequent to approval of the submitted invoice and if sufficient funds are available in the Service category budget line items submitted by the Contractor to cover the costs and expenses incurred in the performances of the services.
6. The Contractor may amend the contract budget for any Service category through line item increases, decreases, or the creation of new line items provided these amendments do not exceed the contract price for that particular Service category. Such amendments shall only be made upon written request to and written approval by the State. Budget revisions will not be accepted after June 20th of each contract year.
7. The Contractor shall have written authorization from the State prior to using contract funds to purchase any equipment with a cost in excess of three hundred dollars (\$300) and with a useful life beyond one year.

NH Department of Health and Human Services

Exhibit C

SPECIAL PROVISIONS

1. **Contractors Obligations:** The Contractor covenants and agrees that all funds received by the Contractor under the Contract shall be used only as payment to the Contractor for services provided to eligible individuals and, in the furtherance of the aforesaid covenants, the Contractor hereby covenants and agrees as follows:
2. **Compliance with Federal and State Laws:** If the Contractor is permitted to determine the eligibility of individuals such eligibility determination shall be made in accordance with applicable federal and state laws, regulations, orders, guidelines, policies and procedures.
3. **Time and Manner of Determination:** Eligibility determinations shall be made on forms provided by the Department for that purpose and shall be made and remade at such times as are prescribed by the Department.
4. **Documentation:** In addition to the determination forms, required by the Department, the Contractor shall maintain a data file on each recipient of services hereunder, which file shall include all information necessary to support an eligibility determination and such other information as the Department requests. The Contractor shall furnish the Department with all forms and documentation regarding eligibility determinations that the Department may request or require.
5. **Fair Hearings:** The Contractor understands that all applicants for services hereunder, as well as individuals declared ineligible have a right to a fair hearing regarding that determination. The Contractor hereby covenants and agrees that all applicants for services shall be permitted to fill out an application form and that each applicant or re-applicant shall be informed of his/her right to a fair hearing in accordance with Department regulations.
6. **Gratuities or Kickbacks:** The Contractor agrees that it is a breach of this Contract to accept or make a payment, gratuity or offer of employment on behalf of the Contractor, any Sub-Contractor or the State in order to influence the performance of the Scope of Work detailed in Exhibit A of this Contract. The State may terminate this Contract and any sub-contract or sub-agreement if it is determined that payments, gratuities or offers of employment of any kind were offered or received by any officials, officers, employees or agents of the Contractor or Sub-Contractor.
7. **Retroactive Payments:** Notwithstanding anything to the contrary contained in the Contract or in any other document, contract or understanding, it is expressly understood and agreed by the parties hereto, that no payments will be made hereunder to reimburse the Contractor for costs incurred for any purpose or for any services provided to any individual prior to the Effective Date of the Contract and no payments shall be made for expenses incurred by the Contractor for any services provided prior to the date on which the individual applies for services or (except as otherwise provided by the federal regulations) prior to a determination that the individual is eligible for such services.
8. **Conditions of Purchase:** Notwithstanding anything to the contrary contained in the Contract, nothing herein contained shall be deemed to obligate or require the Department to purchase services hereunder at a rate which reimburses the Contractor in excess of the Contractor's costs, at a rate which exceeds the amounts reasonable and necessary to assure the quality of such service, or at a rate which exceeds the rate charged by the Contractor to ineligible individuals or other third party funders for such service. If at any time during the term of this Contract or after receipt of the Final Expenditure Report hereunder, the Department shall determine that the Contractor has used payments hereunder to reimburse items of expense other than such costs, or has received payment in excess of such costs or in excess of such rates charged by the Contractor to ineligible individuals or other third party funders, the Department may elect to:
 - 8.1 Renegotiate the rates for payment hereunder, in which event new rates shall be established;

8.2 Deduct from any future payment to the Contractor the amount of any prior reimbursement in excess of costs;

8.3 Demand repayment of the excess payment by the Contractor in which event failure to make such repayment shall constitute an Event of Default hereunder. When the Contractor is permitted to determine the eligibility of individuals for services, the Contractor agrees to reimburse the Department for all funds paid by the Department to the Contractor for services provided to any individual who is found by the Department to be ineligible for such services at any time during the period of retention of records established herein.

RECORDS: MAINTENANCE, RETENTION, AUDIT, DISCLOSURE AND CONFIDENTIALITY:

9. **Maintenance of Records:** In addition to the eligibility records specified above, the Contractor covenants and agrees to maintain the following records during the Contract Period:

9.1 **Fiscal Records:** Books, records, documents and other data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor during the Contract Period, said records to be maintained in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.

9.2 **Statistical Records:** Statistical, enrollment, attendance, or visit records for each recipient of services during the Contract Period, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.

9.3 **Medical Records:** Where appropriate and as prescribed by the Department regulations, the Contractor shall retain medical records on each patient/recipient of services.

10. **Audit:** Contractor shall submit an annual audit to the Department within nine months after the close of the agency fiscal year. It is recommended that the report be prepared in accordance with the provision of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non Profit Organizations" and the provisions of Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office (GAO standards) as they pertain to financial compliance audits.

10.1 **Audit and Review:** During the term of this Contract and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Contract for purposes of audit, examination, excerpts and transcripts.

10.2 **Audit Liabilities:** In addition to and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department, all payments made under the Contract to which exception has been taken or which have been disallowed because of such an exception.

11. **Confidentiality of Records:** All information, reports, and records maintained hereunder or collected in connection with the performance of the services and the Contract shall be confidential and shall not be disclosed by the Contractor, provided however, that pursuant to state laws and the regulations of the Department regarding the use and disclosure of such information, disclosure may be made to public officials requiring such information in connection with their official duties and for purposes directed connected to the administration of the services and the Contract; and provided further, that the use or disclosure by any party of any information concerning a recipient for any purpose not directly connected with the administration of the Department or the Contractor's responsibilities with respect to purchased services hereunder is prohibited except on written consent of the recipient, his attorney or guardian.

Notwithstanding anything to the contrary contained herein the covenants and conditions contained in the Paragraph shall survive the termination of the Contract for any reason whatsoever.

12. **Reports: Fiscal and Statistical:** The Contractor agrees to submit the following reports at the following times if requested by the Department

12.1 Interim Financial Reports: Written interim financial reports containing a detailed description of all costs and non-allowable expenses incurred by the Contractor to the date of the report and containing such other information as shall be deemed satisfactory by the Department to justify the rate of payment hereunder. Such Financial Reports shall be submitted on the form designated by the Department or deemed satisfactory by the Department.

12.2 Final Report: A final report shall be submitted within sixty (60) days after the end of the term of this Contract. The Final Report shall be in a form satisfactory to the Department and shall contain a summary statement of progress toward goals and objectives stated in the Proposal and other information required by the Department.

13. **Completion of Services: Disallowance of Costs:** Upon the purchase by the Department of the maximum number of units provided for in the Contract and upon payment of the price limitation hereunder, the Contract and all the obligations of the parties hereunder (except such obligations as, by the terms of the Contract are to be performed after the end of the term of this Contract and/or survive the termination of the Contract) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

14. **Credits:** All documents, notices, press releases, research reports, and other materials prepared during or resulting from the performance of the services of the Contract shall include the following statement:

14.1 The preparation of this (report, document, etc.), was financed under a Contract with the State of New Hampshire, Department of Health and Human Services, Division of Public Health Services, with funds provided in part or in whole by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services.

15. **Operation of Facilities: Compliance with Laws and Regulations:** In the operation of any facilities for providing services, the Contractor shall comply with all laws, orders and regulations of federal, state, county and municipal authorities and with any direction of any Public Officer or officers pursuant to laws which shall impose an order or duty upon the Contractor with respect to the operation of the facility or the provision of the services at such facility. If any government license or permit shall be required for the operation of the said facility or the performance of the said services, the Contractor will procure said license or permit, and will at all times comply with the terms and conditions of each such license or permit. In connection with the foregoing requirements, the Contractor hereby covenants and agrees that, during the term of this Contract the facilities shall comply with all rules, orders, regulations, and requirements of the State Office of the Fire Marshal and the local fire protection agency, and shall be in conformance with local building and zoning codes, by-laws and regulations.

16. **Insurance:** Select either (1) or (2) below:

As referenced in the Request for Proposal, Comprehensive General Liability Insurance Acknowledgement Form, the Insurance requirement checked under this section is applicable to this contract:

Insurance Requirement for (1) - 501(c) (3) contractors whose annual gross amount of contract work with the State does not exceed \$500,000, per RSA 21-I:13, XIV, (Supp. 2006): The general liability insurance requirements of standard state contracts for contractors that qualify for nonprofit status under section 501(c)(3) of the Internal Revenue Code and whose annual gross amount of contract work with the state does not exceed \$500,000, is comprehensive general liability insurance in amounts of not less than \$1,000,000 per claim or occurrence and \$2,000,000 in the aggregate. *These amounts may NOT be modified.*

- ☐ (1) The contractor certifies that it **IS** a 501(c) (3) contractor whose annual total amount of contract work with the State of New Hampshire does **not** exceed \$500,000.

Insurance Requirement for (2) - All other contractors who do not qualify for RSA 21-I:13, XIV, (Supp. 2006), Agreement P-37 General Provisions, 14.1 and 14.1.1. Insurance and Bond, shall apply: 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, both for the benefits of the State, the following insurance: 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 incident or occurrence. *These amounts MAY be modified if the State of NH determines contract activities are a risk of lower liability.*

- X (2) The contractor certifies it does **NOT** qualify for insurance requirements under RSA 21-I:13, XIV (Supp. 2006).

17. **Renewal:**

As referenced in the Request for Proposals, Renewals Section, this competitively procured Agreement has the option to renew for two (2) additional year(s), contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

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18. 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.

19. 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.

SPECIAL PROVISIONS – DEFINITIONS

As used in the Contract, the following terms shall have the following meanings:

COSTS: Shall mean those direct and indirect items of expense determined by the Department to be allowable and reimbursable in accordance with cost and accounting principles established in accordance with state and federal laws, regulations, rules and orders.

DEPARTMENT: NH Department of Health and Human Services.

PROPOSAL: If applicable, shall mean the document submitted by the Contractor on a form or forms required by the Department and containing a description of the Services to be provided to eligible individuals by the Contractor in accordance with the terms and conditions of the Contract and setting forth the total cost and sources of revenue for each service to be provided under the Contract.

UNIT: For each service that the Contractor is to provide to eligible individuals hereunder, shall mean that period of time or that specified activity determined by the Department and specified in Exhibit B of the Contract.

FEDERAL/STATE LAW: Whenever federal or state laws, regulations, rules, orders, and policies, etc., are referred to in the Contract, the said reference shall be deemed to mean all such laws, regulations, etc., as they may be amended or revised from time to time.

CONTRACTOR MANUAL: Shall mean that document prepared by the NH Department of Administrative Services containing a compilation of all regulations promulgated pursuant to the New Hampshire Administrative Procedures Act. NH RSA Ch 541-A, for the purpose of implementing State of NH and federal regulations promulgated thereunder.

SUPPLANTING OTHER FEDERAL FUNDS: The Contractor guarantees that funds provided under this Contract will not supplant any existing federal funds available for these services.

KEY ADMINISTRATIVE PERSONNEL

NH Department of Health and Human Services Division of Public Health Services

Agency Name: Tri-County Community Action Program, Inc.

Name of Bureau/Section: Community Health Services/Community and School Based Oral Health Services

BUDGET PERIOD: SFY 16 (7/1/15 - 6/30/16)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Peter Higbee, Human Resource Manager	\$54,080	0.00%	\$0.00
Rob Boschen, Chief Financial Officer	\$100,000	0.00%	\$0.00
Janice Hempel, Dental Hygienist/Dental Coordinator	\$21,683	77.00%	\$16,800.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$16,800.00

BUDGET PERIOD: SFY 17 (7/1/16 - 6/30/17)			
Name & Title Key Administrative Personnel	Annual Salary of Key Administrative Personnel	Percentage of Salary Paid by Contract	Total Salary Amount Paid by Contract
Peter Higbee, Human Resource Manager	\$54,080	0.00%	\$0.00
Rob Boschen, Chief Financial Officer	\$100,000	0.00%	\$0.00
Janice Hempel, Dental Hygienist/Dental Coordinator	\$23,400	80.00%	\$18,643.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
	\$0	0.00%	\$0.00
TOTAL SALARIES (Not to exceed Total/Salary Wages, Line Item 1 of Budget request)			\$18,643.00

Key Administrative Personnel are top-level agency leadership (President, Executive Director, CEO, CFO, etc.), and individuals directly involved in operating and managing the program (project director, program manager, etc.). These personnel **MUST** be listed, **even if no salary is paid from the contract.** Provide their name, title, annual salary and percentage of annual salary paid from the agreement.



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
603-271-4535 1-800-852-3345 Ext. 4535
Fax: 603-271-4506 TDD Access: 1-800-735-2964



48 ~~SW~~
7/10/13 #48

June 18, 2013

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

44.7% federal
55.3% state

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division of Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$269,288.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

Vendor	SFY 2014/2015 Amount
Catholic Medical Center	\$71,200.00
Dental Health Works	\$54,096.00
Monadnock Hospital	\$47,896.00
Sullivan County	\$47,896.00
Tri-County Community Action Program	\$48,200.00
TOTAL	\$269,288.00

Funds to support this request are anticipated to be available in the following account for SFY 2014 and SFY 2015 upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of the final five of 15 agreements that represent \$268,288.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. The first ten agreements were presented to, and approved by, Governor and Council on June 19, 2013, Item #93. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
June 18, 2013
Page 3 of 3

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to access oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

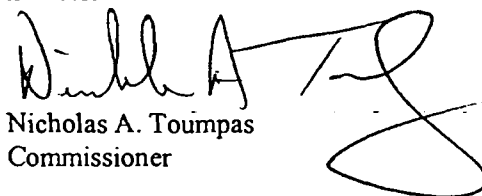
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner

FINANCIAL DETAIL ATTACHMENT SHEET

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS:
DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH AND COMMUNITY SERVICES,
ORAH HEALTH PROGRAM

SFY 2014/2015 - 44.7% Federal Funds and 55.3% General Funds

Catholic Medical Center (Vendor #000000)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$36,100.00	\$35,100.00	\$71,200.00

Concord Hospital (Vendor #177653-B011)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$23,500.00	\$23,500.00	\$47,000.00

Coos County Family Health Services, Inc. (Vendor #155327-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$97,000.00	\$97,000.00	\$194,000.00

Dental Health Works (Vendor #00000-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs		90072003	\$28,472.00	\$25,624.00	\$54,096.00

Easter Seals New Hampshire (Vendor #177204-B005)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$36,100.00	\$35,100.00	\$71,200.00

Families First of the Greater Seacoast (Vendor #166629-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$23,500.00	\$23,500.00	\$47,000.00
102-500731	Contracts for Program Svcs	School-Based	90072003	\$29,299.00	\$26,369.00	\$55,668.00
Subtotal				\$52,799.00	\$49,869.00	\$102,668.00

Goodwin Community Health (Vendor #154703-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$23,500.00	\$23,500.00	\$47,000.00
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00
Subtotal				\$46,308.00	\$48,588.00	\$94,896.00

Greater Nashua Dental Connection, Inc. (Vendor #158470-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	Community-Based	90072003	\$36,100.00	\$35,100.00	\$71,200.00

Health First Family Care Center (Vendor #158221-B001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$22,808.00	\$25,088.00	\$47,896.00

Lamprey Health Care, Inc. (Vendor #177677-R001)

Class/Object	Class Title	Service Provided	Activity Code	SFY 2014	SFY 2015	Total
102-500731	Contracts for Program Svcs	School-Based	90072003	\$25,367.00	\$22,830.00	\$48,197.00



Nicholas A. Toumpas
Commissioner

José Thier Montero
Director

STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES

29 HAZEN DRIVE, CONCORD, NH 03301-6527
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Fax: 603-271-4506 TDD Access: 1-800-735-2964



6/19/13
93

May 24, 2013

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 Public Health Services, Bureau of Population Health and Community Services, Oral Health Program, to enter into agreements with vendors for an amount not to exceed \$770,694.00 to provide access to preventive and reparative dental treatment for individuals participating in the statewide school-based and/or community-based dental programs, to be effective July 1, 2013 or date of Governor and Executive Council approval, whichever is later, through June 30, 2015.

Summary of contracted amounts by vendor:

44.7% Federal 55.3% General Fund

Vendor	SFY 2014/2015 Amount
Concord Hospital	\$47,000.00
Coos County Family Health Services, Inc.	\$194,000.00
Easter Seals New Hampshire	\$71,200.00
Families First of the Greater Seacoast	\$102,668.00
Goodwin Community Health	\$94,896.00
Greater Nashua Dental Connection, Inc.	\$71,200.00
Health First Family Care Center	\$47,896.00
Lamprey Health Care, Inc.	\$48,197.00
Manchester Health Department	\$47,896.00
Speare Memorial Hospital	\$45,741.00
TOTAL	\$770,694.00

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 2 of 4

Funds to support this request are anticipated to be available in the following account for SFY 2014 and SFY 2015 upon the availability and continued appropriation of funds in the future operating budgets with authority to adjust amounts within the price limitation and amend the related terms of the contract without further approval from Governor and Executive Council.

05-95-90-902010-4527 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS,
HHS: DIVISION OF PUBLIC HEALTH, BUREAU OF POPULATION HEALTH & COMMUNITY
SERVICES, ORAL HEALTH PROGRAM

See attachment for financial details

EXPLANATION

This requested action seeks approval of ten of 15 agreements that represent \$770,694.00 of the \$1,039,982.00 total anticipated to be spent statewide to provide increased access oral health care services. These services include oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth for low income and uninsured children and adults statewide. The Department anticipates that the remaining five agreements will be presented to Governor and Council on July 7, 2013.

Oral health problems, such as dental caries (decay) in children and tooth loss in adults, are still common in New Hampshire. The causes of oral health problems are multifaceted: Individuals with less income, less education or who have disabilities are less likely to be able to access dental care and more likely to have dental problems. In difficult economic times, more people have less access to dental care. Individuals with oral pain and infection end up in hospital emergency departments where treatment is costly and their dental issues remain unresolved. Among third grade students, without access to care and assessed in the 2009 statewide school-based survey forty-three percent (43%) had a history of tooth decay. Among older adults in six senior centers and congregate meal sites, thirty-one percent (31%) had untreated decay. In addition, increasing numbers of refugees have even greater difficulty accessing oral health care when the need for foreign language interpretation presents another barrier to dental treatment.

Second and third grade children eligible for school-based dental services will receive oral health education, prophylaxis (cleanings), dental sealants, and treatment needed to repair decayed teeth within the school environment. Children through age 19, and adults eligible for community-based dental services will receive oral health basic preventive, diagnostic, and restorative dental services at a community dental provider's office. Anticipated outcomes from this program will include fewer numbers of low-income, uninsured residents with untreated decay and more residents receiving preventive oral health care in New Hampshire.

Should Governor and Executive Council not authorize this Request, children, teens, pregnant women, and adults from low-income, uninsured families living in New Hampshire may not receive oral health care services.

This contract is awarded as the result of a competitive bid process. On January 3, 2013 and again on February 18, 2013 the Division posted a Request for Proposals on the Department of Health and Human Services' web site for statewide School- and Community-Based oral health services. In addition, oral health stakeholders statewide were notified by e-mail of the Request for Proposals and a bidder's conference was held on January 16, 2013. An agency could apply to deliver community, school-based services, or both.

Sixteen agencies submitted 19 proposals. An evaluation committee of fourteen reviewers, internal and external to the Division of Public Health Services, evaluated the proposals. The reviewers represent seasoned public health administrators and program managers experienced in contract and vendor management, as well as professionals who work external to the Division of Public Health Services who hold leadership positions in municipal, nonprofit public health, and health policy advocacy organizations.

Fifteen agencies were selected for funding. The selection was based on review criteria specified in the Request for Proposals. The criteria evaluated the agency's capacity to carry out a program that provides oral health screening services to children and other vulnerable populations; assurance of ongoing oral health services with dentists in the community; program structure and plan to successfully complete the work; a reasonable and justifiable budget; and the appropriate format requested by the proposal. The proposals were scored and selected by taking an average of all reviewers' scores. The Bid Summary is attached.

As referenced in the Request for Proposals, Renewals Section, these competitively procured Agreements have the option to renew for two (2) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and approval of the Governor and Council.

The following measures will be used to evaluate the performance of the agreement for School-Based oral health services:

- Number of 2nd and 3rd grade students that return consent forms
- Number of 2nd and 3rd grade students that receive oral screenings
- Percent of all 2nd and 3rd grade students screened to assess oral health needs
- Percent of all 2nd and 3rd grade students screened with at least one sealant on a permanent molar
- Percent of all 2nd and 3rd grade students screened with untreated decay that are referred for service
- Percent of all 2nd and 3rd grade students screened with a history of decay

The following measures will be used to evaluate the performance of the agreement for Community-Based oral health services:

- Number of pediatric clients that receive oral screenings
- Number of adult clients that receive oral screenings
- Percent of clients that receive prophylaxis (cleanings)
- Percent of clients that receive restorative treatment
- Percent of children that receive dental sealants
- Percent of broken dental appointments

Area served: Statewide.

Source of Funds: 44.7% Federal Funds from the Preventive Health and Human Services Block Grant and 55.3% General Funds.

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
May 24, 2013
Page 4 of 4

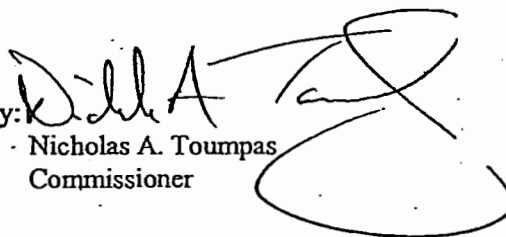
In the event that the Federal Funds become no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



José Thier Montero, MD
Director

Approved by:



Nicholas A. Toumpas
Commissioner