

ARC
22



STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
NEW HAMPSHIRE HOSPITAL

Lori A. Weaver
Interim Commissioner

Ellen M. Lapointe
Chief Executive Officer

36 CLINTON STREET, CONCORD, NH 03301
603-271-5300 1-800-852-3345 Ext. 5300
Fax: 603-271-5395 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

January 3, 2023

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, New Hampshire Hospital, to enter into a **Sole Source** amendment to an existing contract with Granite VNA d/b/a Concord Regional Visiting Nurse Association, Inc (VC # 174069), Concord, NH, for speech therapy services at New Hampshire Hospital, by increasing the price limitation by \$10,000 from \$9,998 to \$19,998, and by exercising a renewal option to extend the completion date from June 30, 2023 to June 30, 2025, effective July 1, 2023, upon Governor and Council approval. 40% General Funds. 60% Other Funds (Provider Fees and Intra-agency Transfers).

The original contract was approved by the Department of Health and Human Services on June 9, 2021.

Funds are anticipated to be available in the following account for State Fiscal Years 2024 and 2025, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-94-940010-87500000 HEALTH AND SOCIAL SERVICES, DEPT OF HEALTH AND HUMAN SVS, HHS: NEW HAMPSHIRE HOSPITAL, ACUTE PSYCHIATRIC SERVICES

| State Fiscal Year | Class / Account | Class Title | Job Number | Current Budget | Increased (Decreased) Amount | Revised Budget |
|-------------------|-----------------|---------------------------|--------------|----------------|------------------------------|-----------------|
| 2022 | 101/500729 | Contracts For Program Svc | 94057300 | \$4,999 | \$0 | \$4,999 |
| 2023 | 101/500729 | Contracts For Program Svc | 94057300 | \$4,999 | \$0 | \$4,999 |
| 2024 | 101/500729 | Contracts For Program Svc | 94057300 | \$0 | \$5,000 | \$5,000 |
| 2025 | 101/500729 | Contracts For Program Svc | 94057300 | \$0 | \$5,000 | \$5,000 |
| | | | Total | \$9,998 | \$10,000 | \$19,998 |

EXPLANATION

This request is **Sole Source** because this contract amendment puts the cumulative value of all of the agency's contracts with this Contractor above the applicable threshold delineated in MOP 150; therefore G&C approval of this contract is required. Due to the highly personalized nature of the services, and the vulnerable, acute psychiatric population who receive the services, the Department is requesting to enter into a **Sole Source** contract amendment to ensure there is no interruption to the on-site continuity of care for patients at New Hampshire Hospital. The Granite State Visiting Nurses Association, Inc. provides skilled Speech Language Pathology services on-site within New Hampshire Hospital's acute psychiatric setting. The alternative of transporting acutely mentally ill and sometimes unpredictable patients off-site for outpatient speech services is far less safe, and more costly to the Department.

The purpose of this request is to allow the Contractor to continue providing Speech Therapy Services to clients at New Hampshire Hospital who require interventions that include specialized training, equipment, or techniques. The services will be provided as directed by the medical staff at New Hampshire Hospital and will include identifying, assessing and interpreting oral-pharyngeal function disorders and related disorders such as speech, language, cognitive communication, voice, fluency and/or other related disorders that limit clients' ability to communicate or affects the client's health.

Approximately 60 individuals will be served during State Fiscal Years 2024 and 2025.

The Contractor will evaluate clients, identify, assess and interpret disorders of clients' oral-pharyngeal function and speech, language, cognitive-communication, voice, fluency, or other related disorders. The Contractor will provides diagnoses, and develop client treatment plans using current best practice techniques. In addition, the Contractor will assess, select and develop augmentative and/or alternative communication systems, and provide training in their use.

The Department will monitor services by reviewing client evaluations that include:

- Goals and/or outcomes of treatment;
- Treatment technique(s);
- Proposed frequency and duration of visits (as applicable);
- Estimated potential for progress; and
- Any initial/final recommendations (as applicable).

As referenced in Exhibit A, Revisions to Standard Agreement Provisions, of the original agreement, the parties have the option to extend the agreement for up to four (4) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval. The Department is exercising its option to renew services for two (2) of the four (4) years available.

Should the Governor and Council not authorize this request, patients at New Hampshire Hospital may not be able to receive medically necessary speech therapy services, putting their health and safety at potentially high risk. Speech therapy must be available to clients within a reasonable time period to address conditions that require a clinically specific skilled assessment and intervention, such as silent aspiration and choking risk, which could cause death if not addressed in a timely manner.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
Page 3 of 3

Area served: New Hampshire Hospital.

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

Respectfully submitted,



Lori A. Weaver
Interim Commissioner

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

This Amendment to the Speech Therapy Services contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Granite VNA d/b/a Concord Regional Visiting Nurse Association, Inc. ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Department of Health and Human Services on June 9, 2021, the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, Paragraph 17, and Exhibit A, Revisions to Standard Agreement Provisions, Section 1, Revisions to Form P-37, General Provisions, Subsection 1.2, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

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

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

1. Form P-37 General Provisions, Block 1.7, Completion Date, to read:
June 30, 2025.

2. Form P-37, General Provisions, Block 1.8, Price Limitation, to read:
\$19,998.

3. Form P-37, General Provisions, Block 1.9, Contracting Officer for State Agency, to read:
Robert W. Moore, Director.

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective July 1, 2023, upon Governor and Council approval.

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

State of New Hampshire
Department of Health and Human Services

12/28/2022

Date

DocuSigned by:

Ellen Marie Lapointe

Name: Ellen Marie Lapointe

Title: chief executive officer

Granite VNA d/b/a Concord Regional Visiting Nurse
Association, Inc.

12/22/2022

Date

DocuSigned by:

Beth Slepian

Name: Beth Slepian

Title: President/CEO

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

OFFICE OF THE ATTORNEY GENERAL

1/3/2023

Date

DocuSigned by:
Robyn Guarino
Name: Robyn Guarino
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:

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE VNA, INC. is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 18, 1899. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: 63116

Certificate Number: 0005846311



IN TESTIMONY WHEREOF,

I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 15th day of August A.D. 2022.

A handwritten signature in black ink, appearing to read "D. Scanlan", is written over a faint circular stamp.

David M. Scanlan
Secretary of State



CERTIFICATE OF AUTHORITY

I, Michelline Dufort, hereby certify that:

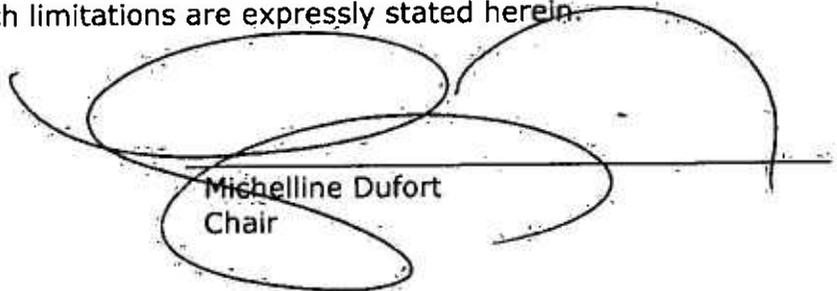
1. I am a duly elected Clerk/Secretary/Officer of Granite VNA dba Concord Regional Visiting Nurse Association, Inc.
2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on **December 13, 2022**, at which a quorum of the Directors/shareholders were present and voting.

VOTED: That Beth J. Slepian is duly authorized on behalf of Granite VNA dba Concord Regional Visiting Nurse Association, Inc. to enter into contracts or agreements with the State of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

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

Dated: 12/13/22




Michelline Dufort
Chair



VISION

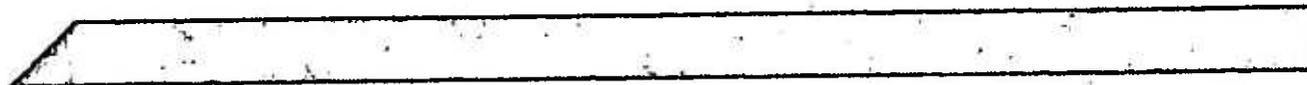
A community where wellness and well-being is achieved through compassionate care to those in need.

MISSION

We enhance dignity and independence for people by delivering quality health care and promoting wellness in homes and communities through all stages of life.

VALUES

Respect
Compassion
Competence
Culture of Excellence
Leadership
Stewardship



FINANCIAL STATEMENTS

September 30, 2022 and 2021

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Granite VNA, Inc.

Opinion

We have audited the accompanying financial statements of Granite VNA, Inc., which comprise the statements of financial position as of September 30, 2022 and 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Granite VNA, Inc. as of September 30, 2022 and 2021, and the results of its operations, changes in its net assets, and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Basis for Opinion

We conducted our audits in accordance with U.S. generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Granite VNA, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Granite VNA, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Trustees
Granite VNA, Inc.
Page 2

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with U.S. generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Granite VNA, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Granite VNA, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
December 13, 2022

GRANITE VNA, INC.**Statements of Financial Position****September 30, 2022 and 2021****ASSETS**

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 2,398,472 | \$ 8,903,547 |
| Patient accounts receivable, net | 10,652,489 | 7,240,565 |
| Other receivables | 312,802 | 161,179 |
| Prepaid expenses | <u>851,571</u> | <u>359,804</u> |
| Total current assets | 14,215,334 | 16,665,095 |
| Investments | 30,148,510 | 43,043,055 |
| Beneficial interest in perpetual trusts | 1,524,162 | 1,560,040 |
| Property and equipment, net | 5,720,642 | 6,077,151 |
| Other assets | <u>102,150</u> | <u>156,082</u> |
| Total assets | <u>\$ 51,710,798</u> | <u>\$ 67,501,423</u> |

LIABILITIES AND NET ASSETS

| | | |
|--------------------------------------|----------------------|----------------------|
| Current liabilities | | |
| Accounts payable | \$ 459,829 | \$ 517,522 |
| Accrued payroll and related expenses | 2,882,485 | 2,959,971 |
| Deferred revenue | 16,500 | 20,196 |
| Medicare accelerated payments | - | 3,864,006 |
| Refundable advance | <u>766,557</u> | <u>-</u> |
| Total current liabilities | 4,125,371 | 7,361,695 |
| Other liabilities | <u>102,150</u> | <u>156,082</u> |
| Total liabilities | <u>4,227,521</u> | <u>7,517,777</u> |
| Net assets | | |
| Without donor restrictions | 40,676,386 | 52,037,115 |
| With donor restrictions | <u>6,806,891</u> | <u>7,946,531</u> |
| Total net assets | <u>47,483,277</u> | <u>59,983,646</u> |
| Total liabilities and net assets | <u>\$ 51,710,798</u> | <u>\$ 67,501,423</u> |

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

GRANITE VNA, INC.

Statements of Operations

Years Ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|----------------------|
| Operating revenue | | |
| Net patient service revenue | \$ 34,963,551 | \$ 36,058,675 |
| COVID-19 relief funding and other revenue | 3,216,199 | 9,642,518 |
| Spending policy appropriations | 827,554 | 669,862 |
| Net assets released from restrictions for operations | <u>42,488</u> | <u>52,302</u> |
| Total operating revenue | <u>39,049,792</u> | <u>46,423,357</u> |
| Operating expenses | | |
| Salaries and wages | 28,894,723 | 25,956,565 |
| Employee benefits | 7,933,834 | 7,657,121 |
| Purchased services | 3,453,324 | 3,019,564 |
| Supplies and other expenses | 4,830,024 | 4,735,731 |
| Depreciation | <u>557,273</u> | <u>456,144</u> |
| Total operating expenses | <u>45,669,178</u> | <u>41,825,125</u> |
| Operating (loss) surplus | <u>(6,619,386)</u> | <u>4,598,232</u> |
| Nonoperating revenue (losses) and other support | | |
| Contributions | 741,070 | 548,963 |
| Net assets acquired from Central New Hampshire VNA & Hospice | - | 17,942,232 |
| Investment activity, net of fees and spending policy appropriation | <u>(5,482,413)</u> | <u>2,815,873</u> |
| Total nonoperating revenue (losses) and other support | <u>(4,741,343)</u> | <u>21,307,068</u> |
| (Deficit) excess of revenue and other support over expenses and (decrease) increase in net assets without donor restrictions | <u>\$(11,360,729)</u> | <u>\$ 25,905,300</u> |

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

GRANITE VNA, INC.

Statements of Changes in Net Assets

Years Ended September 30, 2022 and 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|----------------------|
| Balances, September 30, 2020 | \$ <u>26,131,815</u> | \$ <u>6,984,221</u> | \$ <u>33,116,036</u> |
| Excess of revenue and other support over expenses | 25,905,300 | - | 25,905,300 |
| Net appreciation on investments | - | 737,954 | 737,954 |
| Investment income, net of fees | - | 57,291 | 57,291 |
| Net assets acquired from Central New Hampshire VNA & Hospice | - | 194,275 | 194,275 |
| Change in fair value of beneficial interest in perpetual trusts held by others | - | 196,954 | 196,954 |
| Net assets released from restrictions for operations | - | (52,302) | (52,302) |
| Spending policy appropriation | - | (171,862) | (171,862) |
| Change in net assets | <u>25,905,300</u> | <u>962,310</u> | <u>26,867,610</u> |
| Balances, September 30, 2021 | <u>52,037,115</u> | <u>7,946,531</u> | <u>59,983,646</u> |
| Deficit of revenue and other support over expenses | (11,360,729) | - | (11,360,729) |
| Net depreciation on investments | - | (990,098) | (990,098) |
| Investment income, net of fees | - | 100,687 | 100,687 |
| Contribution of beneficial interest in perpetual trust held by others | - | 189,624 | 189,624 |
| Change in fair value of beneficial interest in perpetual trusts held by others | - | (225,503) | (225,503) |
| Net assets released from restrictions for operations | - | (42,488) | (42,488) |
| Spending policy appropriation | - | (171,862) | (171,862) |
| Change in net assets | <u>(11,360,729)</u> | <u>(1,139,640)</u> | <u>(12,500,369)</u> |
| Balances, September 30, 2022 | <u>\$ 40,676,386</u> | <u>\$ 6,806,891</u> | <u>\$ 47,483,277</u> |

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

GRANITE VNA, INC.

Statements of Cash Flows

Years Ended September 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Cash flows from operating activities | | |
| Change in net assets | \$(12,500,369) | \$ 26,867,610 |
| Adjustments to reconcile change in net assets to net cash used by operating activities | | |
| Depreciation | 557,273 | 456,144 |
| Loss on disposal of property and equipment | - | 4,507 |
| Net depreciation (appreciation) on investments | 6,469,586 | (3,766,639) |
| Contribution of beneficial interest in perpetual trust held by others | (189,624) | - |
| Change in fair value of beneficial interest in perpetual trusts | 225,503 | (196,954) |
| Net assets acquired from Central New Hampshire VNA & Hospice, net of cash and cash equivalents of \$1,969,356 | - | (16,167,151) |
| Decrease (increase) in the following assets | | |
| Patient accounts receivable | (3,411,924) | (1,483,566) |
| Other receivables | (151,623) | (30,433) |
| Prepaid expenses | (491,767) | 8,017 |
| Increase (decrease) in the following liabilities | | |
| Accounts payable | (57,693) | (52,474) |
| Accrued payroll and related expenses | (77,486) | (457,850) |
| Deferred revenue | (3,696) | (13,583) |
| Medicare accelerated payments | (3,864,006) | (2,299,065) |
| Refundable advance | 766,557 | (1,860,176) |
| Paycheck Protection Program Funds | - | (6,169,200) |
| Net cash used by operating activities | <u>(12,729,269)</u> | <u>(5,160,813)</u> |
| Cash flows from investing activities | | |
| Acquisition of property and equipment | (200,764) | (472,830) |
| Purchases of investments | (16,918,804) | (7,762,559) |
| Proceeds from sale of investments | <u>23,343,762</u> | <u>7,997,370</u> |
| Net cash provided (used) by investing activities | <u>6,224,194</u> | <u>(238,019)</u> |
| Net decrease in cash and cash equivalents | (6,505,075) | (5,398,832) |
| Cash and cash equivalents, beginning of year | <u>8,903,547</u> | <u>14,302,379</u> |
| Cash and cash equivalents, end of year | <u>\$ 2,398,472</u> | <u>\$ 8,903,547</u> |

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

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021****1. Summary of Significant Accounting Policies****Organization**

Granite VNA, Inc., formerly known as Concord Regional Visiting Nurse Association, Inc., (the Association) is a non-stock, non-profit corporation organized in New Hampshire. The Association's primary purposes are to provide home health care, hospice, and community health services to residents of Concord, New Hampshire and surrounding communities. Credit is extended at regular terms without collateral.

The Association is a subsidiary of Capital Region Health Care Corporation (CRHC), its sole corporate member. CRHC is a holding company for various providers of health care services to residents in central New Hampshire, including Concord Hospital.

Central New Hampshire VNA & Hospice Acquisition

Effective April 1, 2021, Central New Hampshire VNA & Hospice (CNH) merged into the Association. This resulted in the Association acquiring substantially all assets and liabilities of CNH. The acquisition occurred in order to better serve the community. The acquisition resulted in a contribution of net assets of \$18,136,507, as follows:

| | |
|--|---------------------|
| Cash and cash equivalents | \$ 1,969,356 |
| Patient accounts receivable, net | 724,347 |
| Investments | 13,728,492 |
| Other receivables | 20,604 |
| Other current assets | 83,290 |
| Beneficial interest in perpetual trust | 179,098 |
| Property and equipment, net | 2,216,979 |
| Accounts payable | (67,311) |
| Accrued payroll and related expenses | (247,324) |
| Provider Relief Funds | <u>(471,024)</u> |
| Fair value of net assets acquired | <u>\$18,136,507</u> |

The acquisition resulted in a contribution because the fair value of the identifiable assets exceeds the fair value of the liabilities assumed and no consideration was transferred from the Association. The governing boards of the entities believed the merger presented an opportunity to provide enhanced services to the CNH community by merging into a larger home health provider (the Association); therefore, no consideration was given.

The acquisition agreement provided that the Association is the surviving entity, and would change its name to Granite VNA, Inc.

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on the existence or absence of donor-imposed restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-For-Profit Entities*, as described below. Under FASB ASC Topic 958 and FASB ASC Topic 954, *Health Care Entities*, all not-for-profit healthcare organizations are required to provide a statement of financial position, statements of operations and changes in net assets, and a statement of cash flows. FASB ASC Topic 954 requires reporting amounts for an organization's total assets, liabilities, and net assets in a statement of financial position; reporting the change in an organization's net assets in statements of operations and changes in net assets; and reporting the change in its cash and cash equivalents in a statement of cash flows.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the Board of Trustees (Board).

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of operations and changes in net assets. 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 property and equipment are reported as support with donor restrictions. Absent explicit donor stipulations as to how long-lived assets must be maintained, satisfactions of donor restrictions are reported when the property and equipment are acquired and placed in service.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with an original maturity of three months or less, excluding investments.

The Association has cash deposits in a major financial institution which may exceed federal depository insurance limits. The Association has not experienced any losses in such accounts. Management believes it is not exposed to any significant risk with respect to these accounts.

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Patient Accounts Receivable

Patient accounts receivable is stated at the amount management expects to collect from outstanding balances. Management provides a reserve for payment adjustments based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are applied against the reserve for payment adjustments.

Patient accounts receivable, net amounted to \$10,652,489; \$7,240,565; and \$5,032,652 as of September 30, 2022, 2021, and 2020, respectively.

Investments

The Association reports investments at fair value, and has elected to report all gains and losses in the (deficit) excess of revenue and other support over expenses to simplify the presentation of these amounts in the statements of operations, unless otherwise stipulated by the donor or State law. All gains and losses related to investments stipulated by the donor or State law are reported in the statement of changes in net assets.

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

Funds have been pooled for investment purposes. Income received, and realized and unrealized gains and losses, are apportioned to the participating funds based on their respective units in the pool, and then apportioned to the appropriate net asset categories according to donor restrictions and State law. The units held by each fund are determined using fair value.

Property and Equipment

Purchased property and equipment are recorded at cost. Owned property and equipment are depreciated on the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized by the straight-line method over the lesser of the lease term or the estimated useful life of the related asset.

Net Patient Service Revenue

Services to all patients are recorded as revenue when services are rendered at the estimated net realizable amounts from patients, third-party payors and others, 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 in future periods as final settlements are determined. Patients unable to pay full charge, who do not have other third-party resources, are charged a reduced amount based on the Association's published sliding fee scale. Reductions in full charge are recognized when the service is rendered.

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Performance obligations are determined based on the nature of the services provided by the Association. Revenue for performance obligations satisfied over time is recognized based on actual services rendered. Generally, performance obligations satisfied over time relate to patients receiving skilled and non-skilled services in their home or facility. The Association measures the period over which the performance obligation is satisfied from admission to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge.

Providers of home health services to clients eligible for Medicare home health benefits are paid on a prospective basis, with no retrospective settlement. The prospective payment is based on the scoring attributed to the acuity level of the client at a rate determined by federal guidelines. As the performance obligations for home health services are met, revenue is recognized based upon the portion of the transaction price allocated to the performance obligation. The transaction price is the prospective payment determined for the medically necessary services.

Providers of hospice services to clients eligible for Medicare hospice benefits are paid on a per-diem basis, with no retrospective settlement, provided the Association's aggregate annual Medicare reimbursement is below a predetermined aggregate capitated rate. Revenue is recognized as the services are performed based on the fixed rate amount. As the performance obligations for hospice services are met, revenue is recognized based upon the portion of the transaction price allocated to the performance obligation. The transaction price is the predetermined aggregate capitated rate per day.

Because all of the Association's performance obligations relate to short-term periods of care, the Association has elected to apply the optional exemption provided in FASB ASC Subtopic 606-10-50-14 (a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Income Taxes

The Association is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code (IRC). As a public charity, the Association is exempt from state and federal income taxes on income earned in accordance with its tax-exempt purpose. Unrelated business income is subject to state and federal income tax. Management has evaluated the Association's tax positions and concluded that the Association has no unrelated business income or uncertain tax positions that require adjustment to the financial statements.

COVID-19 and Relief Funding

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. In response to the global pandemic, The Centers for Medicare & Medicaid Services (CMS) implemented certain relief measures and also issued guidance for limiting the spread of COVID-19.

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021**

Local, U.S., and world governments encouraged self-isolation to curtail the spread of COVID-19, by mandating the temporary shut-down of business in many sectors and imposing limitations on travel and the size and duration of group meetings. Many sectors are experiencing disruption to business operations and may feel further impacts related to delayed government reimbursement, volatility in investment returns, and reduced philanthropic support. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them.

The U.S. government has responded with several phases of relief legislation as a response to the COVID-19 outbreak. Legislation was enacted into law on March 27, 2020, called the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), a statute to address the economic impact of the COVID-19 outbreak. The CARES Act, among other things, 1) authorizes emergency loans to distressed businesses by establishing, and providing funding for, forgivable bridge loans; 2) provides additional funding for grants and technical assistance; 3) delays due dates for employer payroll taxes and estimated tax payments for corporations; and 4) revises provisions of the IRC, including those related to losses, charitable deductions, and business interest.

CARES Act Provider Relief Stimulus Funds

The Association has received emergency federal grant funding under the CARES Act from the Provider Relief Fund (PRF) which are funds to support healthcare providers in responding to the COVID-19 outbreak.

The PRF is being administered by the U.S. Department of Health and Human Services. These funds are to be used for qualifying expenses and to cover lost revenue due to COVID-19. The PRF are considered conditional contributions and are recognized as revenue when qualifying expenditures or lost revenues have been incurred. The following table outlines the distributions received, period of availability and revenue recognized during the years ended September 30, 2022 and 2021.

| <u>Distribution Period</u> | <u>Distribution Amount</u> | <u>Funds Available for Use Through</u> | <u>Revenue Recognized in 2022</u> | <u>Revenue Recognized in 2021</u> |
|-----------------------------------|----------------------------|--|-----------------------------------|-----------------------------------|
| Period 1 (4/10/2020 to 6/30/2020) | \$ 1,947,624 | 6/30/2021 | \$ - | \$ 1,860,176 |
| Period 4 (7/1/2021 to 12/31/2021) | <u>1,705,658</u> | 12/31/2022 | <u>1,705,658</u> | <u> </u> |
| Total | <u>\$ 3,653,282</u> | | <u>\$ 1,705,658</u> | <u>\$ 1,860,176</u> |

The Association received advance funding from CMS totaling \$6,163,071 as of September 30, 2020, which was to be paid back over an eighteen month period beginning in April 2021. The balance remaining at September 30, 2021 was \$3,864,006 reflected in current liabilities in the statement of financial position. The full balance was paid back as of September 30, 2022.

The Association also received and recognized \$357,000 of CARES Act money passed through the State of New Hampshire for hazard pay during the year ended September 30, 2021.

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021****CARES Act Paycheck Protection Program**

On April 16, 2020, the Association received a loan from the U.S. Small Business Administration (SBA) within the CARES Act under the Paycheck Protection Program (PPP) in the amount of \$6,169,200. The loan proceeds were to be used for payroll and other allowable costs authorized in the PPP rules, and forgiveness of the loan balances was dependent upon compliance with this and other terms and conditions of the CARES Act. The Association received notification of forgiveness from the SBA on June 29, 2021. The Association followed the conditional contribution model to account for the PPP loan and, accordingly, recorded the forgiveness of the loan as COVID-19 relief funding and other revenue in the statement of operations for the year ended September 30, 2021.

American Rescue Plan Act

On March 11, 2021, the U.S. government enacted the American Rescue Plan Act (ARPA). ARPA, amongst other things, provided support for health and human services workforce development in response to COVID-19 and broader economic impacts of the pandemic. The Association received \$895,185 in grant funding under ARPA during the year ended September 30, 2022 for the purpose of workforce investment. As of September 30, 2022, the Association had incurred qualifying recruitment and retention expenses in the amount of \$128,628 that was recorded as revenue as COVID-19 relief funding and other revenue in the statement of operations for the year ended September 30, 2022. The remaining unspent ARPA funds of \$766,557 are reported as a refundable advance on the statement of financial position.

2. Availability and Liquidity of Financial Assets

The Association had working capital of \$10,089,963 as of September 30, 2022 and average days (based on normal expenditures) of cash and cash equivalents and liquid investments on hand of 32 and 92 at September 30, 2022 and 2021, respectively.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses and capital acquisitions costs not financed with debt or restricted funds, were as follows:

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Cash and cash equivalents, less donor restricted funds | \$ 2,382,985 | \$ 8,888,060 |
| Patient accounts receivable, net | 10,652,489 | 7,240,565 |
| Other receivables | 312,802 | 161,179 |
| Investments without donor restrictions or Board designations | 810,300 | 868,239 |
| Estimated spending policy appropriation - donor restricted | 172,000 | 172,000 |
| Estimated spending policy appropriation - board designated | <u>625,000</u> | <u>498,000</u> |
| Financial assets available to meet general expenditures within one year | <u>\$ 14,955,576</u> | <u>\$ 17,828,043</u> |

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021**

The Board has designated a portion of its resources without donor-imposed restrictions to act as endowment funds. These funds are invested for long-term appreciation and current income, but remain available and may be spent at the discretion of the Board. The Association also has board designated long-term investments that are intended to fund certain costs or projects that could be made available for general expenditure upon Board approval. The Association has other assets restricted to use, which are more fully described in Note 6, and which are not available for general expenditure within the next year. These amount are not reflected in the amounts above.

The Association manages its cash and cash equivalents available to meet general expenditures following two guiding principles:

- Operating within a prudent range of financial soundness and stability.
- Maintaining adequate liquid assets.

3. Investments

Investments by class of net assets and designation consist of the following:

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Without donor restrictions and undesignated | \$ 810,300 | \$ 868,239 |
| Without donor restrictions - designated by Board | | |
| Functions as endowment | 15,932,621 | 20,249,780 |
| Hospice House | 495,850 | 560,110 |
| Hospice House replacement reserve | 284,218 | 314,013 |
| 30 Pillsbury Street replacement reserve | 331,250 | 368,471 |
| Donahue Fund | 40,442 | 46,910 |
| Leadership Fund | 23,260 | 30,041 |
| Operating reserve | - | 7,499,863 |
| Contribute to operating budget | - | 3,224,628 |
| Information Technology special projects | - | 560,000 |
| Strategic mission | - | 950,000 |
| Workforce development | 6,363,330 | 500,000 |
| Mission enhancement | - | 400,000 |
| Community initiatives | - | 500,000 |
| Building capital improvements and maintenance | 600,000 | 600,000 |
| With donor restrictions | | |
| Temporary in nature | 1,893,833 | 2,402,263 |
| Perpetual in nature (income of which is expendable) and appreciation thereon | <u>3,373,406</u> | <u>3,968,737</u> |
| | <u>\$ 30,148,510</u> | <u>\$ 43,043,055</u> |

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Investment (loss) income consisted of the following:

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|---------------------|
| Interest and dividends, net of fees | \$ 753,454 | \$ 342,479 |
| Net (depreciation) appreciation on investments | (6,469,586) | 3,766,639 |
| | <u>\$ (5,716,132)</u> | <u>\$ 4,109,118</u> |

Investment management fees were \$200,868 for 2022 and \$171,791 for 2021.

Endowment

The Association's endowment consists of individual funds established for a variety of purposes by donors. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Changes in endowment net assets for the years ended September 30 are as follows:

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|----------------------|
| Endowment net assets, September 30, 2020 | \$ <u>18,188,638</u> | \$ <u>3,755,341</u> | \$ <u>21,943,979</u> |
| Investment return | | | |
| Investment income, net of fees | 178,263 | 27,808 | 206,071 |
| Net appreciation | <u>2,380,879</u> | <u>357,450</u> | <u>2,738,329</u> |
| Total investment return | <u>2,559,142</u> | <u>385,258</u> | <u>2,944,400</u> |
| Spending policy appropriations | <u>(498,000)</u> | <u>(171,862)</u> | <u>(669,862)</u> |
| Endowment net assets, September 30, 2021 | <u>20,249,780</u> | <u>3,968,737</u> | <u>24,218,517</u> |
| Investment return | | | |
| Investment income, net of fees | 460,718 | 47,843 | 508,561 |
| Net depreciation | <u>(3,623,881)</u> | <u>(471,312)</u> | <u>(4,095,193)</u> |
| Total investment losses | <u>(3,163,163)</u> | <u>(423,469)</u> | <u>(3,586,632)</u> |
| Release to operations | (498,304) | - | (498,304) |
| Spending policy appropriations | <u>(655,692)</u> | <u>(171,862)</u> | <u>(827,554)</u> |
| Endowment net assets, September 30, 2022 | <u>\$ 15,932,621</u> | <u>\$ 3,373,406</u> | <u>\$ 19,306,027</u> |

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Return Objectives and Strategies Employed for Achieving Objectives

The primary objective of the investment funds is preserving the purchasing power of the assets. The investment funds are managed based on relative performance, in a manner that provides diversification, liquidity and a dependable source of income. The goal is to attain a rate of return equal to the Consumer Price Index plus 4%.

Funds with Deficiencies

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or the State of New Hampshire Uniform Prudent Management of Institutional Funds Act (the Act) requires the Association to retain as a fund of perpetual duration ("underwater"). The Board's policy does permit spending from underwater endowment. Any deficiencies are reported in net assets with donor restrictions. At September 30, 2022, donor endowment funds with a fair value of \$3,373,406 were below the donor's original gift or stipulated levels by \$34,163. There were no such deficiencies at September 30, 2021.

Spending Policy

The Association has interpreted the Act as allowing the Board to appropriate for expenditure for the uses and purposes for which the endowment fund is established, unless otherwise specified by the donor, so much of the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund as is prudent. In doing so, the Board must consider the long and short-term needs of the Association in carrying out its purpose, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. For the years ended September 30, 2022 and 2021, the Board retained all appreciation over 7% of the original gift value on donor-restricted endowment funds in net assets with donor restrictions, excluding three funds.

The Association developed an additional spending policy for funds donated to the Association without donor restrictions and designated by the Board as endowment funds. The policy is a 3% annual draw calculated on a three year rolling market value historical average regardless of deficiencies due to temporary market fluctuations. The funds are released monthly and transferred from the investment account to the operating account to help support operations and continue to meet the Association's mission.

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021****4. Beneficial Interest in Perpetual Trusts**

The Association is a beneficiary of the Benjamin and Gertrude Couch, George Griffin, Jeanne C. and Walter W. Dwyer, and Thelma A. Larson Trusts, the assets of which are not in the possession of the Association. In addition, as a result of the CNH acquisition, the Association is a beneficiary of the Muriel Devens Bond Fund, Leo and Marguerite LaFrance Fund, and Fernald-Gilman-Leavitt VNA Hospice Continuing Education Fund. The Association has legally enforceable rights and claims to such assets, including the right to income therefrom. Consistent with the provisions of FASB ASC Subtopic 958-605 related to accounting for contributions received, these funds are included in the Association's financial statements. The fair value of the trust assets is reflected as an estimate of the present value of the future cash flows from the trusts and is reported as net assets with donor restrictions. Appreciation of the trusts is not available for expenditure by the Association unless the trustee decides to appropriate it. Total distributions from these trusts were \$63,094 in 2022 and \$54,764 in 2021.

5. Property and Equipment

A summary of property and equipment as of September 30 follows:

| | <u>2022</u> | <u>2021</u> |
|-------------------------------|----------------------------|----------------------------|
| Land | \$ 306,000 | \$ 306,000 |
| Buildings and improvements | 5,745,191 | 5,745,191 |
| Leasehold improvements | 1,160,818 | 1,160,818 |
| Furniture and equipment | 2,287,269 | 2,287,269 |
| Information system equipment | <u>1,340,032</u> | <u>1,139,268</u> |
| | 10,839,310 | 10,638,546 |
| Less accumulated depreciation | <u>5,118,668</u> | <u>4,561,395</u> |
| Property and equipment, net | <u>\$ 5,720,642</u> | <u>\$ 6,077,151</u> |

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

6. Net Assets

Net assets with donor restrictions were as follows at September 30:

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| Funds maintained with donor restrictions temporary in nature: | | |
| Slusser Fund - scholarships | \$ 104,231 | \$ 123,245 |
| Audrey Lindgren Fund - financial assistance | 1,314,862 | 1,568,242 |
| Barstow Trust | 2,131 | 2,131 |
| Special Needs Bearded Men | 13,046 | 13,046 |
| Bishop Scholarship - nursing education | 3,329 | 8,527 |
| Ruby Raine Nydegger Fund - pediatric education | 20,210 | 29,920 |
| Penacook Village Fund - homemaker services for residents of Penacook and Lower Boscawen | 451,200 | 672,329 |
| Hospice preparatory course and certification | <u>314</u> | <u>314</u> |
| | <u>\$ 1,909,323</u> | <u>\$ 2,417,754</u> |
| Funds subject to the Association's spending policy and appropriation Perpetual in nature, the income of which is expendable to support: | | |
| General | 1,136,359 | 1,136,359 |
| Hospice House | 823,377 | 823,377 |
| Bishop Scholarship | 20,543 | 20,543 |
| Heston Hospice | 463,242 | 463,242 |
| Donahue Fund | 32,199 | 32,199 |
| Ruby Raine Nydegger Fund | 32,282 | 32,282 |
| Penacook Village Fund | 899,567 | 899,567 |
| (Deficit) appreciation of net assets with perpetual donor restrictions | <u>(34,163)</u> | <u>561,168</u> |
| | <u>3,373,406</u> | <u>3,968,737</u> |
| Funds maintained in perpetuity | | |
| Beneficial interest in perpetual trusts; income without restrictions | <u>1,524,162</u> | <u>1,560,040</u> |
| Total | <u>\$ 6,806,891</u> | <u>\$ 7,946,531</u> |

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021****7. Net Patient Service Revenue**

A summary of net patient service revenue for the years ended September 30 is as follows:

| | <u>2022</u> | <u>2021</u> |
|---|----------------------|----------------------|
| Gross patient service revenue | | |
| Medicare | \$ 32,259,909 | \$ 32,120,411 |
| Medicaid | 2,176,499 | 3,016,365 |
| Private patient | 598,359 | 739,240 |
| Other third-party | <u>3,826,286</u> | <u>3,756,959</u> |
| | 38,861,053 | 39,632,975 |
| Less contractual adjustments and charity care | <u>3,897,502</u> | <u>3,574,300</u> |
| Net patient service revenue | <u>\$ 34,963,551</u> | <u>\$ 36,058,675</u> |

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. The Association believes that it is in substantial compliance with all applicable laws and regulations. However, there is at least a reasonable possibility that recorded estimates could change 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 revenue in the year that such amounts become known.

In assessing collectability, the Association has elected the portfolio approach. This portfolio approach is being used as the Association has similar contracts with similar classes of patients. The Association reasonably expects that the effect of applying a portfolio approach to a group of contracts would not differ materially from considering each contract separately. Management's judgment to group the contracts by portfolio is based on the payment behavior expected in each portfolio category. As a result, management believes aggregating contracts (which are at the patient level) by the particular payor or group of payors results in the recognition of revenue approximating that which would result from applying the analysis at the individual patient level.

8. Charity Care

The Association has a policy of providing charity care to its clients who are unable to pay. Eligible clients are identified based on their financial information obtained and subsequent analysis. Since the Association does not expect payment, estimated charges for charity care are not included in revenue.

The amount of home care charges foregone for services furnished under the Association's charity care policy was \$89,300 and \$166,000 for 2022 and 2021, respectively. Costs incurred for these activities approximated \$62,700 and \$169,700 for 2022 and 2021, respectively.

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021**

The Association also provided services in other health-related activities, primarily to indigent patients, at rates substantially below cost. Costs incurred for these activities, for services to Medicaid patients, approximated \$991,000 and \$1,863,000 for 2022 and 2021, respectively.

The Association was able to provide the above charity care under sliding fee scale policies and in activities without established rates or at rates substantially below cost through a combination of local community support and state grants. Local community support consisted of contributions and municipal appropriations.

In 2022 and 2021, approximately 1% of nongovernmental home health and hospice clients served received services on a discounted basis.

9. Concentrations of Credit Risk

The Association generated approximately 89% of its gross patient service revenues from the New Hampshire Medicaid and federal Medicare programs in 2022 and 2021. Under these programs, the provider is reimbursed for the care of the qualified clients at amounts which may differ from its standard charges.

The Association grants credit without collateral to its patients, most of whom are local residents and insured under third-party payor agreements. The mix of receivables for patients and third-party payors at September 30 were as follows:

| | <u>2022</u> | <u>2021</u> |
|---|--------------|--------------|
| Medicare | 64 % | 64 % |
| Medicaid, other third-party payors and patients | <u>36</u> | <u>36</u> |
| | <u>100 %</u> | <u>100 %</u> |

Due to the large concentration of clients who receive benefits from the Medicare reimbursement program, the Association is highly dependent upon regulatory authorities establishing reimbursement rates that are adequate to sustain the Association's operations.

10. Commitments and Contingencies**Malpractice Insurance**

The Association carries malpractice insurance coverage under a claims-made policy through a group risk sharing arrangement with CRHC. The policy is a claims-made policy that includes basic liability, as well as excess liability coverage on varying levels. The cost of purchasing the coverage is shared between the entities that have entered into the risk sharing agreement.

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Association intends to renew its coverage on a claims-made basis and has no reason to believe that it may be prevented from renewing such coverage. The Association is subject to complaints, claims, and litigation due to potential claims which arise in the normal course of business. U.S. GAAP requires the Association to accrue the ultimate cost of malpractice claims when the incident that gives rise to the claim occurs, without consideration of insurance recoveries. Expected recoveries are presented as a separate asset. The Association has evaluated its exposure to losses arising from potential claims and determined that no such accrual is necessary for the years ended September 30, 2022 and 2021.

Lease

The Association has entered into a 30-year building lease, expiring February 2024, for a cost of \$1 per year with CRHC. The lease is for the building that the Association utilizes for the hospice house.

11. Functional Expenses

The Association provides various services to residents within its geographic location. Expenses related to providing these services are as follows:

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|----------------------|----------------------|
| Program services | | |
| Salaries and benefits | \$ 29,449,556 | \$ 29,722,013 |
| Other operating expenses | | |
| Supplies | 2,056,313 | 2,158,360 |
| Purchased services | 1,180,789 | 1,683,724 |
| Transportation | 930,847 | 855,742 |
| Other | 143,625 | 322,853 |
| Depreciation | <u>295,242</u> | <u>273,865</u> |
| Total program services | <u>34,056,372</u> | <u>35,016,557</u> |
| Administrative and general | | |
| Salaries and benefits | 7,379,001 | 3,891,673 |
| Other operating expenses | | |
| Supplies | 130,718 | 158,277 |
| Purchased services | 2,272,535 | 1,335,840 |
| Transportation | 41,137 | 28,466 |
| Other | 1,527,384 | 1,212,033 |
| Depreciation | <u>262,031</u> | <u>182,279</u> |
| Total administrative and general | <u>11,612,806</u> | <u>6,808,568</u> |
| Total | <u>\$ 45,669,178</u> | <u>\$ 41,825,125</u> |

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

The Association allocates expenses between program services and administrative and general functions. Benefits are allocated based on a percentage of total salaries, and depreciation, rent, and repairs and maintenance are allocated based on square footage. The remaining expenses are allocated using a Medicare cost reporting methodology.

12. Retirement Plan

The Association sponsors a 401(k) profit sharing plan (Plan) that includes an Association match covering employees who meet certain age and time requirements. Contributions to the Plan were \$1,059,290 for 2022 and \$1,026,332 for 2021.

13. Deferred Compensation Plan

The Association had established a funded deferred compensation plan for the former President/Chief Executive Officer (CEO). The plan was designed to defer a portion of annual compensation and provide payments, as determined by the plan, at disability, retirement, death, separation from service, or for certain financial hardships. All amounts contributed and income earned under the funded plan are held in a trust, remain, until made available to the participant or designated beneficiary, the sole property and rights of the Association, and are included in other assets and other liabilities in the statements of financial position. The former President/CEO has elected distribution at a future time.

14. Related Party Transactions

The Association engages in activities with CRHC and its subsidiaries on a regular basis. Services provided to affiliates by the Association include nursing services of \$114,540 for 2022 and \$103,375 for 2021. Services purchased from affiliates by the Association include information system support, telephone services, and supplies of \$245,456 for 2022 and \$457,141 for 2021. The Association owed Concord Hospital \$46,435 and \$124,536 as of September 30, 2022 and 2021, respectively. These amounts are included in accounts payable in the statements of financial position.

15. Fair Value Measurement

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

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

GRANITE VNA, INC.

Notes to Financial Statements

September 30, 2022 and 2021

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

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

The following table sets forth by level, within the fair value hierarchy, the Association's assets measured at fair value on a recurring basis as of September 30:

| | 2022 | | | |
|---|----------------------------|---------------------|---------------------|---------------------|
| | <u>Carrying Amount</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Investments | | | | |
| Cash and cash equivalents | \$ 2,014,706 | \$ 2,014,706 | \$ - | \$ - |
| Equities | 18,074,539 | 18,074,539 | - | - |
| Commodities | 474,748 | 474,748 | - | - |
| Corporate bonds and notes | <u>9,584,517</u> | <u>-</u> | <u>9,584,517</u> | <u>-</u> |
| | 30,148,510 | 20,563,993 | 9,584,517 | - |
| Beneficial interest in perpetual trusts | 1,524,162 | - | - | 1,524,162 |
| Assets to fund deferred compensation | <u>102,150</u> | <u>102,150</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$31,774,822</u> | <u>\$20,666,143</u> | <u>\$ 9,584,517</u> | <u>\$ 1,524,162</u> |
| | | | | |
| | 2021 | | | |
| | <u>Carrying Amount</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Investments | | | | |
| Cash and cash equivalents | \$ 1,096,098 | \$ 1,096,098 | \$ - | \$ - |
| Mutual funds | 4,392,019 | 4,392,019 | - | - |
| U.S. Government bonds | 4,741,361 | 4,741,361 | - | - |
| Equities | 27,356,843 | 27,356,843 | - | - |
| Commodities | 811,394 | 811,394 | - | - |
| Corporate bonds and notes | <u>4,645,340</u> | <u>-</u> | <u>4,645,340</u> | <u>-</u> |
| | 43,043,055 | 38,397,715 | 4,645,340 | - |
| Beneficial interest in perpetual trusts | 1,560,040 | - | - | 1,560,040 |
| Assets to fund deferred compensation | <u>156,082</u> | <u>156,082</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$44,759,177</u> | <u>\$38,553,797</u> | <u>\$ 4,645,340</u> | <u>\$ 1,560,040</u> |

Fair value of the investments is measured using quoted prices in active markets where available. Fair value of Level 2 corporate bonds and notes is primarily based on quoted market prices of comparable securities.

GRANITE VNA, INC.**Notes to Financial Statements****September 30, 2022 and 2021**

Fair value of the beneficial interest in perpetual trusts is measured based on quoted market prices of the investments in the trusts, but is classified as Level 3 as there is no market in which to trade the beneficial interest itself.

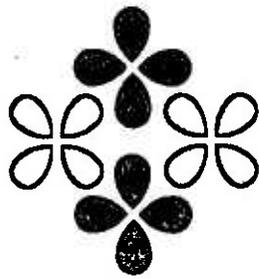
Changes in the fair value of assets classified as Level 3 are comprised of the following:

| | |
|-----------------------------|---------------------|
| Balance, September 30, 2020 | \$ 1,183,988 |
| Acquired from CNH | 179,098 |
| Change in value | <u>196,954</u> |
| Balance, September 30, 2021 | 1,560,040 |
| Addition | 189,624 |
| Change in value | <u>(225,502)</u> |
| Balance, September 30, 2022 | <u>\$ 1,524,162</u> |

16. Subsequent Events

For purposes of the preparation of these financial statements, management has considered transactions or events occurring through December 13, 2022, the date which the financial statements were available to be issued.

On October 1, 2022, the Association renewed the hospice house lease with CRHC for 10 years, expiring September 2032, with an automatic 10 year renewal period, for a cost of \$1 per year.



Granite VNA

BOARD OF TRUSTEES

Natalya Pearl- Bangor Wealth Management
Daniel L. Andrus - Foundation for Healthy Communities
Joel Arsenault – PlanFirst, LLC
Patricia Bourgault– Concord Eye Center
Deacon Winton DeRosia – Christ the King Church
Brian D. Duffy – Northeast Delta Dental
Michelline Dufort - UNH CEO & Family Enterprise Center
Mark Edelstein - Retired
Stephen Whitley - Drummond Woodsum
J. Kristen Gardiner – Gardiner Law, PLLC
David F. Green, MD, FACS - Retired
Paul Greenan – Associated Grocers of New England
Michael T. Griffin – Cross Insurance
David Huot - Retired
Lyn Lindpaintner, MD - Retired
Andrew Livernois - County Attorney at Belknap County
Robin Michaud – Retired
James Mullins - Carlson Investments
Melvin J. Severance, III - Curbstone Financial Management Corporation
Corrine Smith – Retired
Andrea M. Stevenson – Derryfield School

ELIZABETH "LIZ" SIROIS

EDUCATION

- August 2016 Western Kentucky University, Bowling Green, KY
Master of Science, Speech Language Pathology
- August 2014 Utah State University, Logan, UT
Bachelor of Arts, Communication Sciences and Disorders
- August 2013 Southern New Hampshire University, Manchester, NH
Bachelor of Arts, Psychology

CLINICAL EXPERIENCE

**Granite VNA (Formerly Concord Regional VNA)
Concord, NH**

Speech Language Pathologist (October 2020 - Present)

Description: Home health agency

Responsibilities: Administered formal and informal assessments, provided therapy in a home setting for adults with swallowing, cognitive, communication motor speech and voice disorders. Incorporated low tech and high tech AAC into therapy for patients with complex communication disorders.

**Encompass Health Rehabilitation Hospital
Concord, NH**

Speech Language Pathologist (December 2018 - October 2020)

Description: Inpatient rehabilitation hospital

Responsibilities: Administered formal and informal assessments, provided therapy in an acute rehabilitation setting for adults with swallowing, cognitive, motor speech, communication and voice disorders. Stroke Committee representative for Speech department.

**Northeast Rehabilitation Hospital
Nashua, NH**

Speech Language Pathologist (April 2018 - December 2018)

Description: Inpatient rehabilitation hospital

Responsibilities: Administered formal and informal assessments, provided therapy in an acute rehabilitation setting for adults with swallowing, cognitive, motor speech, communication and voice disorders.

**Pleasant View Center, Genesis Rehabilitation Services
Concord, NH**

Speech Language Pathologist (February 2017 - April 2018)

Description: Skilled nursing facility with short term rehabilitation and long term care

Responsibilities: Assessed and treated speech, language, cognitive, voice, motor speech and swallowing disorders in a skilled nursing facility. Incorporated low tech and high tech AAC into therapy for patients with complex communication disorders.

**Goldenview Health Care Center
Meredith, NH**

Speech Language Pathologist (July 2016 - February 2017)

Description: Skilled nursing facility with short term rehabilitation, assisted living and long term care

Responsibilities: Assessed and treated speech, language, cognitive and swallowing disorders in a skilled nursing facility and retirement living community.

OTHER PROFESSIONAL EXPERIENCE

**Cellular Specialties, Inc. (March 2002 - August 2014)
Manchester, NH**

Description: Manufacturer of wireless telecommunications products

Product Manager

Responsibilities: Managed lifecycle of assigned product lines from concept phase through product retirement

Account Manager

Responsibilities: Managed customer service department with focus on customer satisfaction, on-time delivery, and just-in-time manufacturing processes. Developed business analysis reporting for Sales department.

Project Manager

Responsibilities: Coordinated with vendors, contractors and customers for in-building wireless project implementation.

CERTIFICATIONS

LSVT LOUD Certified Clinician

Interactive Metronome Certified Clinician

BETH J. SLEPIAN, MBA, PT

Dynamic leader with strong communication and interpersonal skills. Experienced in all levels of home care and hospice operations, including budgeting, strategic planning, and personnel management. Proven ability to ensure high quality patient outcomes and patient satisfaction. Successful track record of leading complex organizational improvement efforts and implementation of best practices. Demonstrated ability to work throughout a continuum of care. Passionate about advocacy and legislative issues with relationships at state and national level.

Professional Experience

- 2015-Present **President/Chief Executive Officer, Granite VNA (formerly Concord Regional Visiting Nurse Association), Concord, NH**
Responsible to the Board of Trustees for the strategic, operational, and development activities of the agency's Home Care and Hospice Program, Hospice House, Private Duty Program and Community Health Services.
- 2013-2015 **Vice President, Education and Clinical Compliance, Concord Regional Visiting Nurse Association, Concord, NH**
Researched and analyzed federal, state, and local regulations, to insure compliance. Prepared and implemented education and corrective actions for clinical staff.
- 1994-2013 **Northeast Rehabilitation Health Network, Salem, NH**
Administrator, NRH Home Care, 2011-2013
Directed all daily operations of NRH Home Care to ensure that care is delivered according to the philosophy, goals, objectives, and policies and procedures of the department.
Clinical Director, NRH Home Care, 1995-2011
Physical Therapist, NRH Home Care, 1994-1995
- 1992-1994 **Director of Physical Therapy, New Hampshire Rehabilitation Hospital, Concord, NH**
- 1987-1992 **Northeast Rehabilitation Hospital, Salem, NH**
Stroke Program Director, 1990-1992
Staff/Senior Staff Physical Therapist 1987-1990

Community/Committee Participation

- National Association for Home Care & Hospice – Board of Directors (2021-Present)
 - Government Affairs Committee & Advocacy Medicare Advantage Subcommittee (2020-Present)
- Strategic Healthcare Programs Advisory Board (2020-Present)
- New Hampshire Cares ACO - Management Committee, Transformation of Care Committee (2020-Present)
- UNH Peter T. Paul College of Business and Economics CEO Peer Group – Member (2020-Present)
- CATCH Community Housing – Board of Directors (2019-Present)
- Greater Concord Chamber of Commerce – Board of Directors (2018-Present)
- Havenwood Heritage Heights, Concord, NH – Board of Directors (2017-Present)
- VNA Health System of Northern New England (2017-Present)
 - President (2019- 2021)
- Home Care, Hospice & Palliative Care Alliance of New Hampshire – Board of Directors (2016-Present)
 - Chair of the Legislative Committee (2020-Present)
- National Government Services Provider Outreach and Education Advisory Group for Home Health (2014-Present)
- Region 2 Lead for 1115 (a) Medicaid Waiver Demonstration Project to Build Capacity for Transformation of the delivery of Behavioral Health Services. – Executive Committee Member (2017-2020)
- Accountable Care Partners ACO, Management Committee, Quality Committee (2015-2019)

Education

- Master of Business Administration, Non-Profit Leadership, New England College
- Excellence in Governance Certificate Program, NH Center for Nonprofits/Saint Anselm College
- Bachelor of Science, Physical Therapy, University of Vermont

Award

- 2018 Mary Ellen LaRoche Home Care Public Policy Award Recipient, Home Care Association of NH

Licensure, Professional Organizations

- Current New Hampshire Physical Therapist #964
- American Physical Therapy Association

Geraldine Holmes

Chief Financial Officer - Concord Regional VNA

Highly motivated individual looking to obtain a position where my leadership skills in finance, customer service and communication will be utilized.

Authorized to work in the US for any employer

Work Experience

Chief Financial Officer

Concord Regional VNA
May 2016 to Present

- Oversees and provides direct supervision of the finance, payroll, billing and accounting staff
- Assists management team in preparing financial data for contract and grant requests
- Maintains the reporting for donations and schedules related to restricted assets/ endowment funds
- Coordinates the preparation of all finance schedules for the annual external audit
- Prepares quarterly cost reports and program statements
- Compiles and reports data for the annual Medicare Cost Report
- Maintains the chart of accounts and processes the month end general ledger transactions
- Develops and implements streamlined and sophisticated procedures within the finance department
- Prepares and presents annual budgets to Board of Directors
- Prepares and presents monthly Financial Statements for Finance Committee and Board of Directors.

Director of Finance

Hanover Hill Health Care Center
January 2000 to May 2016

- Manage all Financial Functions of a 124 Bed Skilled Facility
- Oversees the management and implementation of Billing processes for Medicare, Medicaid, Private and Commercial Insurances to ensure continued compliance
- Preparation and presentation of Financial Statements for monthly management meetings and other financial reporting requirements
- Prepare and analyze monthly General Ledger to ensure ongoing compliance
- Prepare Quarterly Federal, State Tax Returns and Annual Cost Reports
- Manage all Cash Flow transactions
- Prepare and implement Annual Budgets
- Manage Information Technology- including hardware and software purchases, website changes, software updates and daily maintenance and troubleshooting
- Develop forecasts based on upcoming regulatory changes
- Work closely with Administrator to ensure facility is compliant with all regulatory guidelines

Education

MBA

Southern New Hampshire University

Bachelor's Degree In Accounting

Southern New Hampshire University

Skills

- Financial Reporting
- accounting
- cash
- budget
- payroll

Additional Information

Computer Skills:

Microsoft Office, Netsolutions Clinical/Financial Software, Peachtree Accounting, ADP, PolicyTech, Quick Books, Kronos Timekeeper Manager, Microsoft Publisher and Mckesson.

Other:

- Served as Chair of Customer Service Committee for 5 years,
- Serves on the Finance Committee for Region 2
- Serves on the Board of Directors of the Concord Family YMCA
- Serves on the Finance Committee of the Home Care Association of NH
- Voted by peers for annual Managers Star Award 2010, 2012 and 2013
- Serves as Administrative Support for the Candia Trustees of Trust Funds



Main Office: 30 Pillsbury Street Concord, NH 03301 603-224-4093
Key Personnel

| Name | Job Title | Salary | % Paid from this Contract | Amount Paid from this Contract |
|------------------|------------------|-----------|---------------------------|--------------------------------|
| Beth Slepian | President & CEO | \$386,420 | 0% | 0 |
| Geraldine Holmes | CFO | \$219,538 | 0% | 0 |
| Elizabeth Sirois | Speech Therapist | \$85,280 | 3% | \$2558.40 |
| | | | | |
| | | | | |

Subject: Speech Therapy Services (SS-2022-NHH-03-SPEEC-01)

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

AGREEMENT

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

GENERAL PROVISIONS

I. IDENTIFICATION.

| | | | |
|--|---|---|---------------------------------|
| 1.1 State Agency Name New Hampshire Department of Health and Human Services | | 1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857 | |
| 1.3 Contractor Name Granite VNA d/b/a Concord Regional Visiting Nurse Association, Inc. | | 1.4 Contractor Address 30 Pillsbury Street, Concord, NH 03301 | |
| 1.5 Contractor Phone Number (603) 224-4093 | 1.6 Account Number 05-95-94-940010-8750-101-500729 | 1.7 Completion Date June 30, 2023 | 1.8 Price Limitation \$9,998 |
| 1.9 Contracting Officer for State Agency Nathan D. White, Director | | 1.10 State Agency Telephone Number (603) 271-9631 | |
| 1.11 Contractor Signature DocuSigned by: <i>Beth Slepian</i> Date: 6/7/2021 | | 1.12 Name and Title of Contractor Signatory Beth Slepian President/CEO | |
| 1.13 State Agency Signature DocuSigned by: <i>Heather M. Moquin</i> Date: 6/7/2021 | | 1.14 Name and Title of State Agency Signatory Heather M. Moquin Chief Executive Officer, New Hampshire Hospital | |
| 1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) DocuSigned by: By: <i>Michael Moranti</i> Director, On: 6/9/2021 | | | |
| 1.16 Approval by the Agency Chief of Financial Services and Budget (if applicable) DocuSigned by: By: <i>Nathan White</i> On: 6/9/2021 | | | |
| 1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: Not Applicable G&C Meeting Date: Not Applicable | | | |

Contractor Initials ^{DS}
BS
 Date 6/7/2021

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement as indicated in block 1.17, unless no such approval is required, in which case the Agreement shall become effective on the date the Agreement is signed by the State Agency as shown in block 1.13 ("Effective Date").

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

4. CONDITIONAL NATURE OF AGREEMENT.

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

5. CONTRACT PRICE/PRICE LIMITATION/PAYMENT.

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

5.2 The payment by the State of the contract price shall be the only and the complete reimbursement to the Contractor for all expenses, of whatever nature incurred by the Contractor in the performance hereof, and shall be the only and the complete

compensation to the Contractor for the Services. The State shall have no liability to the Contractor other than the contract price.

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

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

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

6.1 In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, civil rights and equal employment opportunity laws. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

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

6.3. The Contractor agrees to permit the State or United States access to any of the Contractor's books, records and accounts for the purpose of ascertaining compliance with all rules, regulations and orders, and the covenants, terms and conditions of this Agreement.

7. PERSONNEL.

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

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

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

8. EVENT OF DEFAULT/REMEDIES.

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

8.1.1 failure to perform the Services satisfactorily or on schedule;

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

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

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

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

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

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

8.2.4 give the Contractor a written notice specifying the Event of Default, treat the Agreement as breached, terminate the Agreement and pursue any of its remedies at law or in equity, or both.

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

9. TERMINATION.

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

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

submit to the State a Transition Plan for services under the Agreement.

10. DATA/ACCESS/CONFIDENTIALITY/PRESERVATION.

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

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

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

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

12. ASSIGNMENT/DELEGATION/SUBCONTRACTS.

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

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

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

Contractor, or subcontractors, including but not limited to the negligence, reckless or intentional conduct. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph 13. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant in paragraph 13 shall survive the termination of this Agreement.

14. INSURANCE.

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

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

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

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

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

15. WORKERS' COMPENSATION.

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

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

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

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

18. **CHOICE OF LAW AND FORUM.** This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assigns. The wording used in this Agreement is the wording chosen by the parties to express their mutual intent, and no rule of construction shall be applied against or in favor of any party. Any actions arising out of this Agreement shall be brought and maintained in New Hampshire Superior Court which shall have exclusive jurisdiction thereof.

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

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

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

22. **SPECIAL PROVISIONS.** Additional or modifying provisions set forth in the attached EXHIBIT A are incorporated herein by reference.

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

24. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

New Hampshire Department of Health and Human Services
Speech Therapy Services

EXHIBIT A

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

1.1. Paragraph 3, Subparagraph 3.1, Effective Date/Completion of Services, is amended as follows:

3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to appropriate State approval, this Agreement, and all obligations of the parties hereunder, shall become effective on July 1, 2021 ("Effective Date").

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

3.3. The parties may extend the Agreement for up to four (4) additional year(s) from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

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

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

New Hampshire Department of Health and Human Services
Speech Therapy Services

EXHIBIT B

Scope of Services

1. Statement of Work

- 1.1. The Contractor shall provide Speech Therapy Services to individuals who require interventions that include specialized training, equipment and/or techniques, as directed by the New Hampshire Hospital (NHH) Medical Staff.
- 1.2. For the purposes of this agreement, all references to days shall mean calendar days.
- 1.3. The Contractor shall:
 - 1.3.1. Provide Speech Therapy Services on-site at the New Hampshire Hospital Acute Psychiatric Facility located at 36 Clinton Street, Concord, NH. The Contractor shall ensure these services are provided by a New Hampshire licensed speech language pathologist(s). The Contractor will provide New Hampshire Hospital with a copy of said license(s) within five (5) days of the effective date of the Agreement or the date of any newly issued license.
 - 1.3.2. Evaluate patients within seven (7) days of receiving orders from the prescribing NHH Medical Staff, for up to thirty (30) days of treatment as prescribed.
 - 1.3.3. Identify, assess and interpret disorders of clients' oral-pharyngeal function and related disorders, speech, language, cognitive-communication, voice, fluency and/or other related disorders that limit clients' ability to communicate and/or affects clients' health.
 - 1.3.4. Diagnose clients' oral-pharyngeal, speech, language or cognitive communication disorder.
 - 1.3.5. Develop Client Treatment Plans using current best practice techniques to prevent negative sequelae or rehabilitate/treat clients' oral-pharyngeal or speech disorder.
 - 1.3.6. Assess, select and develop augmentative and/or alternative communication systems and provide training in their use.
- 1.4. The Contractor shall submit a handwritten and dated Client Evaluation within twenty-four (24) hours of the end of the initial session by placing the evaluation in the unit secretary's file box or other designated location. The Contractor shall ensure the Client Evaluation includes, but is not limited to:

1.4.1. Goals/and or outcomes of treatment;

1.4.2. Treatment technique(s);

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

EXHIBIT B

- 1.4.3. Proposed frequency and duration of visits (as applicable);
- 1.4.4. Estimated potential for progress; and
- 1.4.5. Any initial/final recommendations (as applicable).
- 1.5. The Contractor shall submit a handwritten and dated Speech Therapy Progress Note immediately at the end of client session by placing the Progress Note in the unit secretary's file box or other designated location.
- 1.6. The Contractor shall maintain NHH client records that include, at a minimum:
 - 1.6.1. Client name;
 - 1.6.2. Medical record number;
 - 1.6.3. Date of service;
 - 1.6.4. Time and duration of therapy;
 - 1.6.5. Description of treatment; and
 - 1.6.6. Client progress.
- 1.7. The Contractor shall submit a handwritten and dated Speech Therapy Progress Note at the conclusion of a client's treatment, or by the end of the thirty (30) day treatment order period, to:
 - 1.7.1. Recommend discharge plans and collaborate with NHH Medical Staff on implementation of each plan; or
 - 1.7.2. Request a re-certification order after thirty (30) days from the beginning of the prior order for additional treatment to modify or continue Therapy Services to achieve the anticipated goals and outcomes. The recertification order must be approved by Department Medical Staff prior to continuing treatment with the client.
- 1.8. The Contractor shall request a re-evaluation order for therapy to continue after ninety (90) days from the initiation of client treatment (initial thirty (30) day order period plus two re-certifications). The Contractor shall ensure:
 - 1.8.1. A re-evaluation is completed in order for therapy to continue.
 - 1.8.2. Re-evaluations include, but are not limited to:
 - 1.8.2.1. Goals and outcomes;
 - 1.8.2.2. Proposed treatment technique(s);
 - 1.8.2.3. Likely duration of visit(s);

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

EXHIBIT B

- 1.8.2.4. The potential for progress;
 - 1.8.2.5. Recommended number of visits per week; and
 - 1.8.2.6. Recommended number of weeks for treatment.
- 1.9. The Contractor shall provide verification of immunization immediately upon request by the Department, as needed for on-site business, in accordance with the Centers for Disease Prevention and Control recommendations for Immunization of Health-Care Workers; Recommendations of the Advisory Committee on Immunization Practices; and the Hospital Infection Control Practices Advisory committee, including:
- 1.9.1. Tuberculosis screening results-dated within the last year prior to beginning of the Agreement;
 - 1.9.2. Hepatitis B vaccination or immunity initiation;
 - 1.9.3. Immunity to measles, mumps, rubella and chickenpox;
 - 1.9.4. Influenza vaccination during influenza season if not contraindicated; and
 - 1.9.5. Tetanus, Diphtheria, & Pertussis (TDaP) vaccination within the past ten (10) years.
 - 1.9.6. COVID-19 vaccination.
- 1.10. The Contractor's assigned Speech Therapist(s) shall participate in all or a portion of the Hospital Orientation training series designed to ensure the safety and confidentiality of patients and Contractor, as required by NHH. Trainings may include, but are not limited to:
- 1.10.1. Fire Safety;
 - 1.10.2. Boundaries;
 - 1.10.3. Cultural Awareness;
 - 1.10.4. Cues to Crisis;
 - 1.10.5. Rehabilitation Orientation; and
 - 1.10.6. Infection Control.
- 1.11. At the discretion of the Hospital Director or designee, and based on the Contractor's credentials and experience, the trainings in Subsection 1.10 above may be covered individually with the Contractor in a condensed format.

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

EXHIBIT B

- 1.12. The Contractor shall obtain, at the Contractor's expense, a Criminal Background Check for each assigned Speech Therapist and shall release the results to the NHH Office of Human Resources to ensure no convictions for the following:
 - 1.12.1. A felony for child abuse or neglect, spousal abuse, any crime against children or adults, including but not limited to: child pornography, rape, sexual assault, or homicide;
 - 1.12.2. A violent or sexually-related crime against a child or adult, or a crime which may indicate a person might be reasonably expected to pose a threat to a child or adult; and
 - 1.12.3. A felony for physical assault, battery, or a drug-related offense committed within the past five (5) years in accordance with 42 USC 671 (a)(20)(A)(ii).
- 1.13. The Contractor shall authorize the Department to conduct a Bureau of Elderly and Adults Services (BEAS) State Registry check and a Division for Children Youth and Families (DCYF) Central Registry check, at no cost to the Contractor, for each assigned Speech Therapist.
 - 1.13.1. The BEAS State Registry check and DCYF Central Registry check confidential results are returned directly to the NHH Office of Human Resources.
- 1.14. The Contractor shall not commence services prior to receipt and verification of the required documentation in 1.12 and 1.13 by the NHH Office of Human Resources. In the event that the Contractor's assigned Speech Therapist(s) have a change in status or are convicted of a crime, a new criminal background check will be provided to NHH, at the Contractor's expense, for determination by NHH Human Resources Office.

2. Exhibits Incorporated

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

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

EXHIBIT B

3. Performance Measures

- 3.1. The Contractor shall actively and regularly collaborate with the Department to enhance contract management, improve results, and adjust program delivery and policy based on successful outcomes.
- 3.2. The Contractor may be required to provide other key data and metrics to the Department, including client-level demographic, performance, and service data.
- 3.3. Where applicable, the Contractor shall collect and share data with the Department in a format specified by the Department.

4. Additional Terms

4.1. Impacts Resulting from Court Orders or Legislative Changes

- 4.1.1. The Contractor agrees that, to the extent future state or federal legislation or court orders may have an impact on the Services described herein, the State has the right to modify Service priorities and expenditure requirements under this Agreement so as to achieve compliance therewith.

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

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

4.3. Credits and Copyright Ownership

- 4.3.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement shall include the following statement, "The preparation of this (report, document etc.) was financed under an Contract with the State of New Hampshire, Department of Health and Human Services, with funds provided in part by the State of New Hampshire and/or such other funding sources as were available or required, e.g., the United States Department of Health and Human Services."
- 4.3.2. All materials produced or purchased under the Agreement shall have prior approval from the Department before printing, production, distribution or use.
- 4.3.3. The Department shall retain copyright ownership for any and all

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

EXHIBIT B

original materials produced, including, but not limited to:

- 4.3.3.1. Brochures.
 - 4.3.3.2. Resource directories.
 - 4.3.3.3. Protocols or guidelines.
 - 4.3.3.4. Posters.
 - 4.3.3.5. Reports.
- 4.3.4. The Contractor shall not reproduce any materials produced under the Agreement without prior written approval from the Department.

5. Records

- 5.1. The Contractor shall keep records that include, but are not limited to:
- 5.1.1. Books, records, documents and other electronic or physical data evidencing and reflecting all costs and other expenses incurred by the Contractor in the performance of the Contract, and all income received or collected by the Contractor.
 - 5.1.2. All records must be maintained in accordance with accounting procedures and practices, which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department, and to include, without limitation, all ledgers, books, records, and original evidence of costs such as purchase requisitions and orders, vouchers, requisitions for materials, inventories, valuations of in-kind contributions, labor time cards, payrolls, and other records requested or required by the Department.
 - 5.1.3. Statistical, enrollment, attendance or visit records for each recipient of services, which records shall include all records of application and eligibility (including all forms required to determine eligibility for each such recipient), records regarding the provision of services and all invoices submitted to the Department to obtain payment for such services.
 - 5.1.4. Medical records on each patient/recipient of services.
- 5.2. During the term of this Agreement and the period for retention hereunder, the Department, the United States Department of Health and Human Services, and any of their designated representatives shall have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts. Upon the purchase by the Department of the maximum number of units provided for in the Agreement and upon payment of the price limitation hereunder, the Agreement and all the obligations of the parties hereunder (except such obligations as, by the terms of the Agreement are to be performed after the end of the term of this Agreement

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

EXHIBIT B

and/or survive the termination of the Agreement) shall terminate, provided however, that if, upon review of the Final Expenditure Report the Department shall disallow any expenses claimed by the Contractor as costs hereunder the Department shall retain the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

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

EXHIBIT C

Payment Terms

1. This Agreement is funded by:
 - 1.1. 36% General funds.
 - 1.2. 64% Other funds (Provider fees).
2. For the purposes of this Agreement:
 - 2.1. The Department has identified the Contractor as a Contractor, in accordance with 2 CFR 200.331.
 - 2.2. The Department has identified this Agreement as NON-R&D, in accordance with 2 CFR §200.332.
3. Payment shall be on an hourly basis at rate of \$105 per hour for actual hours worked in the fulfillment of this Agreement.
4. The Contractor shall submit an invoice in a form satisfactory to the Department by the fifteenth (15th) working day of the following month, which identifies and requests reimbursement for authorized expenses incurred in the prior month. The Contractor shall include, at a minimum on the invoice, the client's name, medical record number, date(s) of service, number of hours worked per client, and total hours for the billing period. The Contractor shall ensure the invoice is completed, dated and returned to the Department in order to initiate payment.
5. In lieu of hard copies, all invoices may be assigned an electronic signature and emailed to NHHFinancialServices@dhhs.nh.gov, or invoices may be mailed to:

NH Hospital Accounts Payable
121 South Fruit Street
Concord, NH 03301
6. The Department shall make payment to the Contractor within thirty (30) days of receipt of each invoice, subsequent to approval of the submitted invoice and if sufficient funds are available, subject to Paragraph 4 of the General Provisions Form Number P-37 of this Agreement.
7. The final invoice shall be due to the Department no later than forty (40) days after the contract completion date specified in Form P-37, General Provisions Block 1.7 Completion Date.
8. The Contractor must provide the services in Exhibit B, Scope of Services, in compliance with funding requirements.
9. The Contractor agrees that funding under this Agreement may be withheld, in whole or in part in the event of non-compliance with the terms and conditions of Exhibit B, Scope of Services.
10. Notwithstanding anything to the contrary herein, the Contractor agrees that funding under this agreement may be withheld, in whole or in part, in the event

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

EXHIBIT C

of non-compliance with any Federal or State law, rule or regulation applicable to the services provided, or if the said services or products have not been satisfactorily completed in accordance with the terms and conditions of this agreement.

11. Notwithstanding Paragraph 17 of the General Provisions Form P-37, changes limited to adjusting amounts within the price limitation and adjusting encumbrances between State Fiscal Years and budget class lines through the Budget Office may be made by written agreement of both parties, without obtaining approval of the Governor and Executive Council, if needed and justified.
12. Audits
 - 12.1. The Contractor must email an annual audit to melissa.s.morin@dhhs.nh.gov if any of the following conditions exist:
 - 12.1.1. Condition A - The Contractor expended \$750,000 or more in federal funds received as a subrecipient pursuant to 2 CFR Part 200, during the most recently completed fiscal year.
 - 12.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b, pertaining to charitable organizations receiving support of \$1,000,000 or more.
 - 12.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 12.2. If Condition A exists, the Contractor shall submit an annual single audit performed by an independent Certified Public Accountant (CPA) to the Department within 120 days after the close of the Contractor's fiscal year, conducted in accordance with the requirements of 2 CFR Part 200, Subpart F of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards.
 - 12.3. If Condition B or Condition C exists, the Contractor shall submit an annual financial audit performed by an independent CPA within 120 days after the close of the Contractor's fiscal year.
 - 12.4. In addition to, and not in any way in limitation of obligations of the Contract, it is understood and agreed by the Contractor that the Contractor shall be held liable for any state or federal audit exceptions and shall return to the Department all payments made under the Contract to which exception has been taken, or which have been disallowed because of such an exception.



New Hampshire Department of Health and Human Services
Exhibit D

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

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

ALTERNATIVE I - FOR GRANTEES OTHER THAN INDIVIDUALS

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

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

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

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



New Hampshire Department of Health and Human Services
Exhibit D

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

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

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

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

Vendor Name:

6/7/2021

Date

DocuSigned by:

Beth Slepian

Name: Beth Slepian

Title: President/CEO

Vendor Initials ^{DS}
BS
Date 6/7/2021



New Hampshire Department of Health and Human Services
Exhibit E

CERTIFICATION REGARDING LOBBYING

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

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

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

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

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

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

Vendor Name:

6/7/2021

Date

DocuSigned by:
Beth Slepian

Name: Beth Slepian

Title: President/CEO

DS
BS

Vendor Initials

Date 6/7/2021

New Hampshire Department of Health and Human Services
Exhibit F



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

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

INSTRUCTIONS FOR CERTIFICATION

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



New Hampshire Department of Health and Human Services
Exhibit F

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

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

PRIMARY COVERED TRANSACTIONS

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

LOWER TIER COVERED TRANSACTIONS

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

Contractor Name:

6/7/2021

Date

DocuSigned by:

Beth Slepian

Name: Beth Slepian

Title: President/CEO

DS
BS



New Hampshire Department of Health and Human Services
Exhibit G

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

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

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

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

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

Exhibit G

Contractor Initials

DS
BS

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

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:

6/7/2021

Date

DocuSigned by:
Beth Slepian
Name: Beth Slepian
Title: President/CEO

Exhibit G

Contractor Initials

DS
BS

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 H

CERTIFICATION REGARDING ENVIRONMENTAL TOBACCO SMOKE

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

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

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

Contractor Name:

6/7/2021

Date

DocuSigned by:

Beth Slepian

Name: Beth Slepian

Title: President/CEO



New Hampshire Department of Health and Human Services

Exhibit I

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT
BUSINESS ASSOCIATE AGREEMENT

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

(1) Definitions.

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

3/2014

Contractor Initials

BS

Date 6/7/2021



New Hampshire Department of Health and Human Services

Exhibit I

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

(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



New Hampshire Department of Health and Human Services

Exhibit I

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

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

(3) Obligations and Activities of Business Associate.

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

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

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



New Hampshire Department of Health and Human Services

Exhibit I

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

3/2014

Contractor Initials

BS

6/7/2021
Date



New Hampshire Department of Health and Human Services

Exhibit I

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

(4) Obligations of Covered Entity

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

(5) Termination for Cause

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

(6) Miscellaneous

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

resolved
BS



New Hampshire Department of Health and Human Services

Exhibit I

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

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

Department of Health and Human Services

Granite VNA dba Concord Regional VNA

The State by:

Name of the Contractor

Heather M. Moquin

Beth Slepian

Signature of Authorized Representative

Signature of Authorized Representative

Heather M. Moquin

Beth Slepian

Name of Authorized Representative
Chief Executive Officer, New Hampshire

Name of Authorized Representative
Hospital
President/CEO

Title of Authorized Representative

Title of Authorized Representative

6/7/2021

6/7/2021

Date

Date

Contractor Initials DS
BS

Date 6/7/2021



New Hampshire Department of Health and Human Services
Exhibit J

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

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

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

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

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

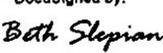
The Contractor identified in Section 1.3 of the General Provisions agrees to comply with the provisions of The Federal Funding Accountability and Transparency Act, Public Law 109-282 and Public Law 110-252, and 2 CFR Part 170 (Reporting Subaward and Executive Compensation Information), and further agrees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

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

Contractor Name:

6/7/2021

Date

DocuSigned by:

 Name: Beth Slepian
 Title: president/CEO

Contractor Initials 
 Date 6/7/2021



New Hampshire Department of Health and Human Services
Exhibit J

FORM A

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

1. The DUNS number for your entity is: 095520417

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

 NO X YES

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

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

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

 NO X YES

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

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

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

| | |
|-------------|---------------|
| Name: _____ | Amount: _____ |

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



A. Definitions

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

1. "Breach" means the loss of control, compromise, unauthorized disclosure, unauthorized acquisition, unauthorized access, or any similar term referring to situations where persons other than authorized users and for an other than authorized purpose have access or potential access to personally identifiable information, whether physical or electronic. With regard to Protected Health Information, "Breach" shall have the same meaning as the term "Breach" in section 164.402 of Title 45, Code of Federal Regulations.
2. "Computer Security Incident" shall have the same meaning "Computer Security Incident" in section two (2) of NIST Publication 800-61, Computer Security Incident Handling Guide, National Institute of Standards and Technology, U.S. Department of Commerce.
3. "Confidential Information" or "Confidential Data" means all confidential information disclosed by one party to the other such as all medical, health, financial, public assistance benefits and personal information including without limitation, Substance Abuse Treatment Records, Case Records, Protected Health Information and Personally Identifiable Information.

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

4. "End User" means any person or entity (e.g., contractor, contractor's employee, business associate, subcontractor, other downstream user, etc.) that receives DHHS data or derivative data in accordance with the terms of this Contract.
5. "HIPAA" means the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder.
6. "Incident" means an act that potentially violates an explicit or implied security policy, which includes attempts (either failed or successful) to gain unauthorized access to a system or its data, unwanted disruption or denial of service, the unauthorized use of a system for the processing or storage of data; and changes to system hardware, firmware, or software characteristics without the owner's knowledge, instruction, or consent. Incidents include the loss of data through theft or device misplacement, loss or misplacement of hardcopy documents, and misrouting of physical or electronic

DS
BS

New Hampshire Department of Health and Human Services



Exhibit K

DHHS Information Security Requirements

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

7. "Open Wireless Network" means any network or segment of a network that is not designated by the State of New Hampshire's Department of Information Technology or delegate as a protected network (designed, tested, and approved, by means of the State, to transmit) will be considered an open network and not adequately secure for the transmission of unencrypted PI, PFI, PHI or confidential DHHS data.
8. "Personal Information" (or "PI") means information which can be used to distinguish or trace an individual's identity, such as their name, social security number, personal information as defined in New Hampshire RSA 359-C:19, biometric records, etc., alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual, such as date and place of birth, mother's maiden name, etc.
9. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, promulgated under HIPAA by the United States Department of Health and Human Services.
10. "Protected Health Information" (or "PHI") has the same meaning as provided in the definition of "Protected Health Information" in the HIPAA Privacy Rule at 45 C.F.R. § 160.103.
11. "Security Rule" shall mean the Security Standards for the Protection of Electronic Protected Health Information at 45 C.F.R. Part 164, Subpart C, and amendments thereto.
12. "Unsecured Protected Health Information" means Protected Health Information that is not secured by a technology standard that renders Protected Health Information unusable, unreadable, or indecipherable to unauthorized individuals and is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute.

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

II. METHODS OF SECURE TRANSMISSION OF DATA

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

New Hampshire Department of Health and Human Services



Exhibit K

DHHS Information Security Requirements

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

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

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

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

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

DS
BS

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



3. The Contractor will maintain appropriate authentication and access controls to contractor systems that collect, transmit, or store Department confidential information where applicable.
4. The Contractor will ensure proper security monitoring capabilities are in place to detect potential security events that can impact State of NH systems and/or Department confidential information for contractor provided systems.
5. The Contractor will provide regular security awareness and education for its End Users in support of protecting Department confidential information.
6. If the Contractor will be sub-contracting any core functions of the engagement supporting the services for State of New Hampshire, the Contractor will maintain a program of an internal process or processes that defines specific security expectations, and monitoring compliance to security requirements that at a minimum match those for the Contractor, including breach notification requirements.
7. The Contractor will work with the Department to sign and comply with all applicable State of New Hampshire and Department system access and authorization policies and procedures, systems access forms, and computer use agreements as part of obtaining and maintaining access to any Department system(s). Agreements will be completed and signed by the Contractor and any applicable sub-contractors prior to system access being authorized.
8. If the Department determines the Contractor is a Business Associate pursuant to 45 CFR 160.103, the Contractor will execute a HIPAA Business Associate Agreement (BAA) with the Department and is responsible for maintaining compliance with the agreement.
9. The Contractor will work with the Department at its request to complete a System Management Survey. The purpose of the survey is to enable the Department and Contractor to monitor for any changes in risks, threats, and vulnerabilities that may occur over the life of the Contractor engagement. The survey will be completed annually, or an alternate time frame at the Departments discretion with agreement by the Contractor, or the Department may request the survey be completed when the scope of the engagement between the Department and the Contractor changes.
10. The Contractor will not store, knowingly or unknowingly, any State of New Hampshire or Department data offshore or outside the boundaries of the United States unless prior express written consent is obtained from the Information Security Office leadership member within the Department.
11. Data Security Breach Liability. In the event of any security breach Contractor shall make efforts to investigate the causes of the breach, promptly take measures to prevent future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from

DS
BS

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doi/vendor/index.htm> for the Department of Information Technology policies, guidelines, standards, and procurement information relating to vendors.
14. Contractor agrees to maintain a documented breach notification and incident response process. The Contractor will notify the State's Privacy Officer and the State's Security Officer of any security breach immediately, at the email addresses provided in Section VI. This includes a confidential information breach, computer security incident, or suspected breach which affects or includes any State of New Hampshire systems that connect to the State of New Hampshire network.
15. Contractor must restrict access to the Confidential Data obtained under this Contract to only those authorized End Users who need such DHHS Data to perform their official duties in connection with purposes identified in this Contract.
16. The Contractor must ensure that all End Users:
 - a. comply with such safeguards as referenced in Section IV A. above, implemented to protect Confidential Information that is furnished by DHHS under this Contract from loss, theft or inadvertent disclosure.
 - b. safeguard this information at all times.
 - c. ensure that laptops and other electronic devices/media containing PHI, PI, or PFI are encrypted and password-protected.
 - d. send emails containing Confidential Information only if encrypted and being sent to and being received by email addresses of persons authorized to receive such information.

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



- e. limit disclosure of the Confidential Information to the extent permitted by law.
- f. Confidential Information received under this Contract and individually identifiable data derived from DHHS Data, must be stored in an area that is physically and technologically secure from access by unauthorized persons during duty hours as well as non-duty hours (e.g., door locks, card keys, biometric identifiers, etc.).
- g. only authorized End Users may transmit the Confidential Data, including any derivative files containing personally identifiable information, and in all cases, such data must be encrypted at all times when in transit, at rest, or when stored on portable media as required in section IV above.
- h. in all other instances Confidential Data must be maintained, used and disclosed using appropriate safeguards, as determined by a risk-based assessment of the circumstances involved.
- i. understand that their user credentials (user name and password) must not be shared with anyone. End Users will keep their credential information secure. This applies to credentials used to access the site directly or indirectly through a third party application.

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

V. LOSS REPORTING

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

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

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

New Hampshire Department of Health and Human Services

Exhibit K

DHHS Information Security Requirements



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

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov

B. DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov