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

Lori A. Weaver
Commissioner

Katja S. Fox
Director

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May 6, 2024

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

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, on behalf of the Governor's Commission on Alcohol and Other Drugs, to enter into a **Sole Source** contract with Foundation for Healthy Communities (VC#154533-B001), Concord, NH, in the amount of \$808,214 to establish and implement process improvement projects within hospital systems that are focused on the care of persons experiencing addiction, with the option to renew for up to five (5) additional years, effective July 1, 2024, upon Governor and Council approval through June 30, 2026. 100% Other Funds (Governor's Commission).

Funds are available in the following account for State Fiscal Year 2025 and are anticipated to be available in State Fiscal Year 2026, 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.

05-95-92-920510-33820000 HEALTH AND SOCIAL SERVICES, DEPT. OF HEALTH AND HUMAN SVS. HHS: DIVISION FOR BEHAVIORAL HEALTH, BUREAU OF DRUG AND ALCOHOL, GOVERNOR COMMISION FUNDS (100% OTHER FUNDS)

State Fiscal Year	Class / Account	Class Title	Job Number	Total Amount
2025	102/500731	Contracts for Prog Svc	92058501	\$404,107
2026	102/500731	Contracts for Prog Svc	92058501	\$404,107
			Total	\$808,214

EXPLANATION

This request is **Sole Source** because the Department is implementing the funding actions taken by the Governor's Commission on Alcohol and Other Drugs. On December 15, 2023, the Commission recommended and approved the funding allocation for this Agreement. The Department carries out the administrative functions of the Commission in accordance with RSA 12-J. The Contractor has the experience and established professional relationships with all hospitals in New Hampshire and has proven their ability to work effectively with New Hampshire hospitals and physician practices to implement and maintain programs focused on the care of persons experiencing addiction.

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
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The purpose of this request is for the Contractor to recruit and subcontract with a minimum of six (6) hospital systems to establish and implement process improvement projects focused on the care of persons experiencing addiction, who are patients within the hospitals and/or hospital systems, inclusive of Emergency Departments, acute care units and networked outpatient medical practices. The goal of the process improvement is to increase access to addiction services, improve outcomes of patients receiving addiction services and increase patient satisfaction.

Approximately six (6) hospital systems will be served during State Fiscal Years 2025 and 2026.

The Contractor will work with the hospital systems to design and implement two (2) or more process improvement projects focused on improved care for patients experiencing substance use disorder (SUD), in particular. Additionally, the Contractor will work with hospital systems on discretionary process improvement projects that may involve peer recovery support services, dispensing naloxone at discharge for patients who may be at risk of opioid use, harm reduction principles, specific training series for staff, or better incorporating of SUD patient perspectives into patient care. The Contractor will also facilitate a Community of Practice focused on sharing information and experiences related to addiction care in hospital systems.

The Department will monitor services by reviewing quarterly, ad hoc data, and final reports provided by the Contractor.

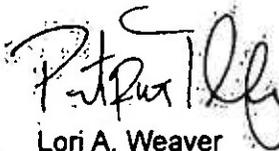
As referenced in Exhibit A, Revisions to Standard Agreement Provisions, of the attached agreement, the parties have the option to extend the agreement for up five (5) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties and Governor and Council approval.

Should the Governor and Council not authorize this request, hospital systems will have fewer resources available to implement process improvement projects related to the care of persons with addiction.

Area served: Statewide.

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

Respectfully submitted,


Lori A. Weaver
Commissioner

Subject: Addiction Care in Hospital Systems (SS-2025-DBH-07-ADDIC-01)

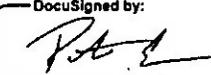
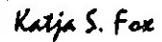
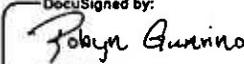
Notice: This agreement and all of its attachments shall become public upon submission to Governor and Executive Council for approval. Any information that is private, confidential or proprietary must be clearly identified to the agency and agreed to in writing prior to signing the contract.

AGREEMENT

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

GENERAL PROVISIONS

1. IDENTIFICATION.

1.1 State Agency Name New Hampshire Department of Health and Human Services		1.2 State Agency Address 129 Pleasant Street Concord, NH 03301-3857	
1.3 Contractor Name Foundation for Healthy Communities		1.4 Contractor Address 125 Airport Road Concord, NH 03301	
1.5 Contractor Phone Number 603-225-0900	1.6 Account Unit and Class TBD	1.7 Completion Date June 30, 2026	1.8 Price Limitation \$808,214
1.9 Contracting Officer for State Agency Robert W. Moore, Director		1.10 State Agency Telephone Number (603) 271-9631	
1.11 Contractor Signature DocuSigned by:  Date: 5/9/2024		1.12 Name and Title of Contractor Signatory Peter Ames Executive Director	
1.13 State Agency Signature DocuSigned by:  Date: 5/9/2024		1.14 Name and Title of State Agency Signatory Katja S. Fox Director	
1.15 Approval by the N.H. Department of Administration, Division of Personnel (if applicable) By: _____ Director, On: _____			
1.16 Approval by the Attorney General (Form, Substance and Execution) (if applicable) DocuSigned by: By:  On: 5/9/2024			
1.17 Approval by the Governor and Executive Council (if applicable) G&C Item number: _____ G&C Meeting Date: _____			

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

3. EFFECTIVE DATE/COMPLETION OF SERVICES.

3.1 Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, if applicable, this Agreement, and all obligations of the parties hereunder, shall become effective on the date the Governor and Executive Council approve this Agreement, 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.

3.3 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. 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 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, 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 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. 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.

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 The State's liability under this Agreement shall be limited to monetary damages not to exceed the total fees paid. The Contractor agrees that it has an adequate remedy at law for any breach of this Agreement by the State and hereby waives any right to specific performance or other equitable remedies against the State.

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 and the Governor's order on Respect and Civility in the Workplace, Executive order 2020-01. 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 age, sex, sexual orientation, race, color, marital status, physical or mental disability, religious creed, national origin, gender identity, or gender expression, and will take affirmative action to prevent such discrimination, unless exempt by state or federal law. The Contractor shall ensure any subcontractors comply with these nondiscrimination requirements.

6.3 No payments or transfers of value by Contractor or its representatives in connection with this Agreement have or shall be made which have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

6.4. 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 this Agreement and all rules, regulations and orders pertaining to 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 The Contracting Officer specified in block 1.9, or any successor, shall be the State's point of contact pertaining to this Agreement.

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) calendar days from the date of the notice; and if the Event of Default is not timely cured, terminate this Agreement, effective two (2) calendar 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.

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) calendar 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) calendar 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. In addition, at the State's discretion, the Contractor shall, within fifteen (15) calendar days of notice of early termination, develop and submit to the State a transition plan for Services under the Agreement.

10. PROPERTY OWNERSHIP/DISCLOSURE.

10.1 As used in this Agreement, the word "Property" shall mean all data, 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 Disclosure of data, information and other records shall be governed by N.H. RSA chapter 91-A and/or other applicable law. Disclosure 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 Contractor shall provide the State written notice at least fifteen (15) calendar days before any proposed assignment, delegation, or other transfer of any interest in this Agreement. No such assignment, delegation, or other transfer shall be effective without the written consent of the State.

12.2 For purposes of paragraph 12, 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.

12.3 None of the Services shall be subcontracted by the Contractor without prior written notice and consent of the State.

12.4 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. The Contractor shall indemnify, defend, and hold harmless the State, its officers, and employees from and against all actions, claims, damages, demands, judgments, fines, liabilities, losses, and other expenses, including, without limitation, reasonable attorneys' fees, arising out of or relating to this Agreement directly or indirectly arising from death, personal injury, property damage, intellectual property infringement, or other claims asserted against the State, its officers, or employees caused by the acts or omissions of negligence, reckless or willful misconduct, or fraud by the Contractor, its employees, agents, or subcontractors. 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 State's sovereign immunity, 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 any successor, a certificate(s) of insurance for all insurance required under this Agreement. At the request of the Contracting Officer, or any successor, the Contractor shall provide certificate(s) of insurance for all renewal(s) of insurance required under this Agreement. 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 any successor, proof of Workers' Compensation in the manner described in N.H. RSA chapter 281-A and any applicable renewal(s) thereof, which shall be attached and are incorporated herein by reference. The State shall not be responsible for payment of any Workers' Compensation premiums or for any other claim or benefit for Contractor, or any subcontractor or employee of Contractor, which might arise under applicable State of New Hampshire Workers' Compensation laws in connection with the performance of the Services under this Agreement.

16. WAIVER OF BREACH. A State's failure to enforce its rights with respect to any single or continuing breach of this Agreement shall not act as a waiver of the right of the State to later enforce any such rights or to enforce any other or any subsequent breach.

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

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

19. CHOICE OF LAW AND FORUM.

19.1 This Agreement shall be governed, interpreted and construed in accordance with the laws of the State of New Hampshire except where the Federal supremacy clause requires otherwise. 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.

19.2 Any actions arising out of this Agreement, including the breach or alleged breach thereof, may not be submitted to binding arbitration, but must, instead, be brought and maintained in the Merrimack County Superior Court of New Hampshire which shall have exclusive jurisdiction thereof.

20. CONFLICTING TERMS. In the event of a conflict between the terms of this P-37 form (as modified in EXHIBIT A) and any other portion of this Agreement including any attachments thereto, the terms of the P-37 (as modified in EXHIBIT A) shall control.

21. THIRD PARTIES. This Agreement is being entered into for the sole benefit of the parties hereto, and nothing herein, express or implied, is intended to or will confer any legal or equitable right, benefit, or remedy of any nature upon any other person.

22. 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.

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

24. FURTHER ASSURANCES. The Contractor, along with its agents and affiliates, shall, at its own cost and expense, execute any additional documents and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby.

25. 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.

26. 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
Addiction Care in Hospital Systems**

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 the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall become effective on July 1, 2024 ("Effective Date").

1.2. Paragraph 3, Effective Date/Completion of Services, is amended by deleting subparagraph 3.3 in its entirety and replacing it as follows:

3.3. Contractor must complete all Services by the Completion Date specified in block 1.7. The parties may extend the Agreement for up to five (5) additional years 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 12.5 as follows:

12.5. 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 if applicable, a Business Associate Agreement in accordance with the Health Insurance Portability and Accountability Act. Written agreements shall specify how corrective action shall be managed. 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
Addiction Care in Hospital Systems**

EXHIBIT B

Scope of Services

1. Statement of Work

- 1.1. The Contractor must recruit and subcontract with a minimum of six (6) hospitals systems statewide to establish and implement process improvement projects focused on the care of persons experiencing addiction, who are patients in their hospitals and/or hospital systems, inclusive of Emergency Departments, acute care units and networked outpatient medical practices.
- 1.2. The Contractor must ensure services are available statewide.
- 1.3. The Contractor must ensure the subcontracted hospitals (hospitals):
 - 1.3.1. Design and implement two (2) or more process improvement projects, focused on improved care for patients with Substance Use Disorder (SUD), as follows:
 - 1.3.1.1. Screening;
 - 1.3.1.2. Brief interventions;
 - 1.3.1.3. Peer recovery support;
 - 1.3.1.4. Provision of naloxone;
 - 1.3.1.5. Harm reduction education;
 - 1.3.1.6. Advanced training for medical providers;
 - 1.3.1.7. Connection to community recovery support programs; or
 - 1.3.1.8. Incorporation of patient perspectives in patient care services;
 - 1.3.2. Engage in process improvement projects to provide, at a minimum:
 - 1.3.2.1. Universal screening of patients in inpatient, emergency department, and networked primary care practices using validated SUD screening tools, preferably integrated with existing electronic health records; and
 - 1.3.2.2. Brief interventions conducted by providers with patients who screen positive for SUD;
 - 1.3.3. May engage in one (1) or more additional process improvement projects including, but not limited to:
 - 1.3.3.1. Peer recovery support services where appropriate and in consideration of patient choice.
 - 1.3.3.2. Dispensing naloxone at discharge for all patients who may be at risk for opioid use.

**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems**

EXHIBIT B

- 1.3.3.3. Education on harm reduction principles and practices for patients.
- 1.3.3.4. A specified training series for staff with modules that may address, but are not limited to:
 - 1.3.3.4.1. Neurobiology of substance use disorders.
 - 1.3.3.4.2. Trauma-informed care.
 - 1.3.3.4.3. Recovery supports.
 - 1.3.3.4.4. Care of vulnerable populations.
 - 1.3.3.4.5. Integrated care.
- 1.3.3.5. Establishment of formal relationship with community recovery support organizations.
- 1.3.3.6. A process for regular patient and family engagement to ensure that the design and evaluation of patient care services for people with SUD incorporate patient perspectives;
- 1.3.4. Develop a process to assess consistent identification and care for patients with SUDs across all provider practices in the hospital system, inclusive of emergency services, acute care units and networked outpatient medical practices;
- 1.3.5. Foster culture change in healthcare delivery to:
 - 1.3.5.1. Improve support and treatment for patients with SUD; and
 - 1.3.5.2. Provide equitable care to all patients with SUD regardless of their demographics; and
- 1.3.6. Assign one (1) Project Coordinator, who:
 - 1.3.6.1. Coordinates the practice changes resulting from the process improvement projects as required in this Agreement; and
 - 1.3.6.2. Develops and updates work plans for each process improvement project.
- 1.4. The Contractor must ensure the availability of resources, training and technical assistance inclusive of, but not limited to a Community of Practice, focused on sharing information and experiences related to addiction care in hospital systems, for the hospital personnel provided.
- 1.5. The Contractor must establish performance metrics for each of the process improvement projects, for Department approval, and collect data at baseline and completion of projects.

**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems**

EXHIBIT B

- 1.6. The Contractor must monitor implementation of work plans to ensure hospitals are achieving progress toward their performance metrics.
- 1.7. The Contractor must submit all subcontracts to the Department for review and approval within 30 days of the Subcontract effective date.
- 1.8. The Contractor must participate in meetings with the Department on a monthly basis, or as otherwise requested by the Department.
- 1.9. Reporting
 - 1.9.1. The Contractor must submit quarterly status reports to ensure progress towards goals which include, but are not limited to:
 - 1.9.1.1. A list of process improvement projects per hospital.
 - 1.9.1.2. A description of progress made on performance metrics, per hospital, including, but not limited to:
 - 1.9.1.2.1. Establishment of a Project Coordinator.
 - 1.9.1.2.2. Development of a work plan for each process improvement project.
 - 1.9.1.2.3. Implementation of work plans.
 - 1.9.1.2.4. Baseline data of performance metrics.
 - 1.9.1.2.5. Assessment of consistency of SUD care across the hospital system.
 - 1.9.1.3. Resources, training and technical assistance provided by the Contractor.
 - 1.9.1.4. Barriers to implementation.
 - 1.9.1.5. Other progress to-date.
 - 1.9.2. The Contractor must submit a final report to the Department within 45 days of conclusion of the Agreement that includes, but is not limited to:
 - 1.9.2.1. A comprehensive list of hospitals and their process improvement projects.
 - 1.9.2.2. Summary of progress made in each hospital including, but not limited to:
 - 1.9.2.2.1. Implementation of work plans.
 - 1.9.2.2.2. Assessment of consistency of SUD care across the hospital system.
 - 1.9.2.2.3. Baseline data and final data on performance metrics for each process improvement project at each hospital.

**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems**

EXHIBIT B

- 1.9.2.3. Aggregate change in performance metrics for all hospitals for process improvement projects defined in 1.3.1.
- 1.9.2.4. Training and technical assistance provided by the Contractor.
- 1.9.2.5. Barriers to implementation.
- 1.9.2.6. Lessons learned and recommendations for future development.
- 1.9.3. The Contractor must prepare and submit ad hoc data reports, respond to periodic surveys, and other data collection requests as deemed necessary by the Department and/or Substance Abuse and Mental Health Services Administration (SAMHSA).
- 1.9.4. The Contractor must provide key data in a format and at a frequency specified by the Department for the following performance measures:
 - 1.9.4.1. Meets or exceeds six (6) subcontracted hospitals that:
 - 1.9.4.1.1. Complete two (2) or more process improvement projects to improve care for patients with SUD within their hospital systems;
 - 1.9.4.1.2. Collect and report baseline and final data on performance measures for no less than 12 process improvement projects;
 - 1.9.4.1.3. Demonstrate an increased number of patients screened using validated tools for SUD screening; and
 - 1.9.4.1.4. Demonstrate an increased number of brief interventions conducted by providers with patients who screen positive for SUD.
- 1.9.5. The Contractor may be required to provide other key data and metrics to the Department in a format specified by the Department.
- 1.10. Confidential Data
 - 1.10.1. The Contractor must meet all information security and privacy requirements as set by the Department and in accordance with the Department's Information Security Requirements Exhibit as referenced below.
 - 1.10.2. The Contractor must ensure any individuals involved in delivering services through this Agreement contract sign an attestation agreeing to access, view, store, and discuss Confidential Data in accordance with federal and state laws and regulations and the Department's Information Security Requirements Exhibit. The Contractor must

**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems**

EXHIBIT B

ensure said individuals have a justifiable business need to access confidential data. The Contractor must provide attestations upon Department request.

2. Exhibits Incorporated

- 2.1. The Contractor must manage all confidential data related to this Agreement in accordance with the terms of Exhibit D, DHHS Information Security Requirements.

3. Additional Terms

3.1. Impacts Resulting from Court Orders or Legislative Changes

- 3.1.1. 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.

3.2. Credits and Copyright Ownership

- 3.2.1. All documents, notices, press releases, research reports and other materials prepared during or resulting from the performance of the services of the Agreement must 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."

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

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

- 3.2.3.1. Brochures.
- 3.2.3.2. Resource directories.
- 3.2.3.3. Protocols or guidelines.
- 3.2.3.4. Posters.
- 3.2.3.5. Reports.

- 3.2.4. The Contractor must not reproduce any materials produced under the Agreement without prior written approval from the Department.

4. Records

**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems**

EXHIBIT B

- 4.1. The Contractor must keep records that include, but are not limited to:
 - 4.1.1. 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.
 - 4.1.2. 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.
- 4.2. 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 must have access to all reports and records maintained pursuant to the Agreement for purposes of audit, examination, excerpts and transcripts.
- 4.3. If, upon review of the Final Expenditure Report the Department must disallow any expenses claimed by the Contractor as costs hereunder, the Department retains the right, at its discretion, to deduct the amount of such expenses as are disallowed or to recover such sums from the Contractor.

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New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems

EXHIBIT C

Payment Terms

1. This Agreement is funded by:
 - 1.1. 100% Other funds (Governor's Commission).
2. For the purposes of this Agreement the Department has identified:
 - 2.1. The Contractor as a Subrecipient, in accordance with 2 CFR 200.331.
3. Payment shall be on a cost reimbursement basis for actual expenditures incurred in the fulfillment of this Agreement, and shall be in accordance with the approved line items, as specified in Exhibit C-1, Budget SFY2025-2026.
4. The Contractor shall submit an invoice with supporting documentation to the Department no later than the fifteenth (15th) working day of the month following the month in which the services were provided. The Contractor shall ensure each invoice:
 - 4.1. Includes the Contractor's Vendor Number issued upon registering with New Hampshire Department of Administrative Services.
 - 4.2. Is submitted in a form that is provided by or otherwise acceptable to the Department.
 - 4.3. Identifies and requests payment for allowable costs incurred in the previous month.
 - 4.4. Includes supporting documentation of allowable costs with each invoice that may include, but are not limited to, time sheets, payroll records, receipts for purchases, and proof of expenditures, as applicable.
 - 4.5. Is completed, dated and returned to the Department with the supporting documentation for allowable expenses to initiate payment.
 - 4.6. Is assigned an electronic signature, includes supporting documentation, and is emailed to dbhinvoicesbdas@dhhs.nh.gov or mailed to:

Financial Manager
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301
5. The Department shall make payments to the Contractor within thirty (30) days of receipt of each invoice and supporting documentation for authorized expenses; subsequent to approval of the submitted invoice.
6. The final invoice and supporting documentation for authorized expenses 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.

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**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems**

EXHIBIT C

7. 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.
8. Audits
 - 8.1. The Contractor must email an annual audit to dhhs.act@dhhs.nh.gov if any of the following conditions exist:
 - 8.1.1. 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.
 - 8.1.2. Condition B - The Contractor is subject to audit pursuant to the requirements of NH RSA 7:28, III-b.
 - 8.1.3. Condition C - The Contractor is a public company and required by Security and Exchange Commission (SEC) regulations to submit an annual financial audit.
 - 8.2. If Condition A exists, the Contractor shall submit an annual Single Audit performed by an independent Certified Public Accountant (CPA) to dhhs.act@dhhs.nh.gov 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.
 - 8.2.1. The Contractor shall submit a copy of any Single Audit findings and any associated corrective action plans. The Contractor shall submit quarterly progress reports on the status of implementation of the corrective action plan.
 - 8.3. 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.
 - 8.4. Any Contractor that receives an amount equal to or greater than \$250,000 from the Department during a single fiscal year, regardless of the funding source, may be required, at a minimum, to submit annual financial audits performed by an independent CPA upon request.
 - 8.5. In addition to, and not in any way in limitation of obligations of the Agreement, 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

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**New Hampshire Department of Health and Human Services
Addiction Care in Hospital Systems
EXHIBIT C**

Agreement to which exception has been taken, or which have been disallowed because of such an exception.

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New Hampshire Department of Health and Human Services Contractor Name: Foundation for Healthy Communities Budget Request for: Addiction Care in Hospital Systems Budget Period: SFY 2025-2026 Indirect Cost Rate (if applicable) 10.00%		
Line Item	Program Cost - Funded by DHHS - SFY 25	Program Cost - Funded by DHHS - SFY 26
1. Salary & Wages	\$87,818	\$90,453
2. Fringe Benefits	\$36,119	\$37,204
3. Consultants	\$10,000	\$10,000
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	\$0	\$0
5.(a) Supplies - Educational	\$0	\$0
5.(b) Supplies - Lab	\$0	\$0
5.(c) Supplies - Pharmacy	\$0	\$0
5.(d) Supplies - Medical	\$0	\$0
5.(e) Supplies - Office	\$366	\$378
6. Travel	\$4,800	\$4,800
7. Software	\$0	\$0
8. (a) Other - Marketing/Communications	\$2,500	\$2,500
8. (b) Other - Education and Training	\$2,000	\$2,000
8. (c) Other - Other (specify below)	\$0	\$0
<i>Audit/Legal</i>	\$8,300	\$8,300
<i>Telephone</i>	\$486	\$498
<i>Printing</i>	\$1,993	\$1,993
<i>Computer Output</i>	\$1,962	\$2,022
<i>Occupancy</i>	\$3,534	\$3,642
<i>Postage</i>	\$200	\$200
<i>Other (please specify)</i>	\$0	\$0
9. Subrecipient Contracts	\$207,292	\$203,380
Total Direct Costs	\$367,370	\$367,370
Total Indirect Costs	\$36,737	\$36,737
Subtotals	\$404,107	\$404,107
TOTAL		\$808,214

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Contractor Initials:

5/9/2024

Date:

New Hampshire Department of Health and Human Services

Exhibit D

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

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

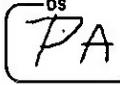
or misplacement of hardcopy documents, and misrouting of physical or electronic mail, all of which may have the potential to put the data at risk of unauthorized access, use, disclosure, modification or destruction.

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

I. RESPONSIBILITIES OF DHHS AND THE CONTRACTOR

A. Business Use and Disclosure of Confidential Information.

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

Contractor Initials 

New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

2. The Contractor must not disclose any Confidential Information in response to a request for disclosure on the basis that it is required by law, in response to a subpoena, etc., without first notifying DHHS so that DHHS has an opportunity to consent or object to the disclosure.
3. If DHHS notifies the Contractor that DHHS has agreed to be bound by additional restrictions over and above those uses or disclosures or security safeguards of PHI pursuant to the Privacy and Security Rule, the Contractor must be bound by such additional restrictions and must not disclose PHI in violation of such additional restrictions and must abide by any additional security safeguards.
4. The Contractor agrees that DHHS Data or derivative there from disclosed to an End User must only be used pursuant to the terms of this Contract.
5. The Contractor agrees DHHS Data obtained under this Contract may not be used for any other purposes that are not indicated in this Contract.
6. The Contractor agrees to grant access to the data to the authorized representatives of DHHS for the purpose of inspecting to confirm compliance with the terms of this Contract.

II. METHODS OF SECURE TRANSMISSION OF DATA

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

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

8. Open Wireless Networks. End User may not transmit Confidential Data via an open wireless network. End User must employ a virtual private network (VPN) when remotely transmitting via an open wireless network.
9. Remote User Communication. If End User is employing remote communication to access or transmit Confidential Data, a virtual private network (VPN) must be installed on the End User's mobile device(s) or laptop from which information will be transmitted or accessed.
10. SSH File Transfer Protocol (SFTP), also known as Secure File Transfer Protocol. If End User is employing an SFTP to transmit Confidential Data, End User will structure the Folder and access privileges to prevent inappropriate disclosure of information. SFTP folders and sub-folders used for transmitting Confidential Data will be coded for 24-hour auto-deletion cycle (i.e. Confidential Data will be deleted every 24 hours).
11. Wireless Devices. If End User is transmitting Confidential Data via wireless devices, all data must be encrypted to prevent inappropriate disclosure of information.

III. RETENTION AND DISPOSITION OF IDENTIFIABLE RECORDS

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

A. Retention

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

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

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

B. Disposition

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

IV. PROCEDURES FOR SECURITY

- A. Contractor agrees to safeguard the DHHS Data received under this Contract, and any derivative data or files, as follows:
 1. The Contractor will maintain proper security controls to protect Department confidential information collected, processed, managed, and/or stored in the delivery of contracted services.
 2. The Contractor will maintain policies and procedures to protect Department confidential information throughout the information lifecycle, where applicable, (from creation; transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).

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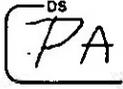
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New Hampshire Department of Health and Human Services

Exhibit D

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

Contractor Initials 

New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

future breach and minimize any damage or loss resulting from the breach. The State shall recover from the Contractor all costs of response and recovery from the breach, including but not limited to: credit monitoring services, mailing costs and costs associated with website and telephone call center services necessary due to the breach.

12. Contractor must, comply with all applicable statutes and regulations regarding the privacy and security of Confidential Information, and must in all other respects maintain the privacy and security of PI and PHI at a level and scope that is not less than the level and scope of requirements applicable to federal agencies, including, but not limited to, provisions of the Privacy Act of 1974 (5 U.S.C. § 552a), DHHS Privacy Act Regulations (45 C.F.R. §5b), HIPAA Privacy and Security Rules (45 C.F.R. Parts 160 and 164) that govern protections for individually identifiable health information and as applicable under State law.
13. Contractor agrees to establish and maintain appropriate administrative, technical, and physical safeguards to protect the confidentiality of the Confidential Data and to prevent unauthorized use or access to it. The safeguards must provide a level and scope of security that is not less than the level and scope of security requirements established by the State of New Hampshire, Department of Information Technology. Refer to Vendor Resources/Procurement at <https://www.nh.gov/doiit/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.

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New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

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

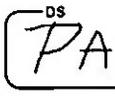
Contractor is responsible for oversight and compliance of their End Users. DHHS reserves the right to conduct onsite inspections to monitor compliance with this Contract, including the privacy and security requirements provided in herein, HIPAA, and other applicable laws and Federal regulations until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

V. LOSS REPORTING

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

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

1. Identify Incidents;
2. Determine if personally identifiable information is involved in Incidents;
3. Report suspected or confirmed Incidents as required in this Exhibit or P-37;

Contractor Initials 

New Hampshire Department of Health and Human Services

Exhibit D

DHHS Information Security Requirements

4. Identify and convene a core response group to determine the risk level of Incidents and determine risk-based responses to Incidents; and
5. Determine whether Breach notification is required, and, if so, identify appropriate Breach notification methods, timing, source, and contents from among different options, and bear costs associated with the Breach notice as well as any mitigation measures.

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

VI. PERSONS TO CONTACT

A. DHHS Privacy Officer:

DHHSPrivacyOfficer@dhhs.nh.gov B.

DHHS Security Officer:

DHHSInformationSecurityOffice@dhhs.nh.gov

State of New Hampshire

Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that FOUNDATION FOR HEALTHY COMMUNITIES is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on October 28, 1968. 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: 63943

Certificate Number: 0006681986



IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 3rd day of May A.D. 2024.

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

David M. Scanlan
Secretary of State



Foundation for
Healthy Communities

CERTIFICATE OF VOTE/AUTHORITY

I, Stephen Ahnen, of the Foundation for Healthy Communities, do hereby certify that:

1. I am the duly elected Secretary/Treasurer of the Foundation for Healthy Communities;
2. The following are true copies of two resolutions duly adopted by action of unanimous consent of the Board of Directors of the Foundation Healthy Communities, duly adopted on October 18, 2021;

RESOLVED: That this corporation, the Foundation for Healthy Communities, enters into any and all contracts, amendments, renewals, revisions or modifications thereto, with the State of New Hampshire, acting through its Department of Health and Human Services.

RESOLVED: That the Executive Director or the Vice President of Quality Improvement or the Secretary / Treasurer for the Foundation for Healthy Communities are hereby authorized on behalf of this corporation to enter into said contracts with the State, and to execute any and all documents, agreements, and other instruments, and any amendments, revisions, or modifications thereto, as he/she may deem necessary, desirable or appropriate. Peter Ames is the duly appointed Executive Director and Kristine Hering is the duly appointed Vice President of Quality Improvement and Stephen Ahnen is the duly appointed Secretary/Treasurer of the corporation.

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.

IN WITNESS WHEREOF, I have hereunto set my hand as the Secretary/Treasurer of the Foundation for Healthy Communities this 3rd day of May 2024.



BOARD MEMBER



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/15/2023

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

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

PRODUCER License # 1780862 HUB International New England 275 US Route 1 Cumberland Foreside, ME 04110	CONTACT NAME: Gabe Reissman	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
E-MAIL ADDRESS: gabe.reissman@hubinternational.com		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A: Hartford Casualty Insurance Company		29424
INSURER B: Twin City Fire Insurance Company		29459
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
 New Hampshire Hospital Assoc.
 The Foundation for Healthy Communities
 Attn: Linda Levesque
 125 Airport Road
 Concord, NH 03301

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR Y/Y/D	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:	X		08SBAVW2923	6/22/2023	6/22/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						\$ \$ \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	X		08SBAVW2923	6/22/2023	6/22/2024	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory In NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	08WECIV5293	6/22/2023	6/22/2024	E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

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

Foundation for Healthy Communities is considered a Named Insured for the above mentioned policies.

CERTIFICATE HOLDER

CANCELLATION

State of NH
 Department of Health & Human Services
 129 Pleasant Street
 Concord, NH 03301

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



Foundation *for*
Healthy Communities

Foundation for Healthy Communities

Mission Statement

The mission of the Foundation for Healthy Communities is to build healthier communities for all by leading partnerships, fostering collaboration, and creating innovative solutions to advance health and health care.



Foundation *for*
Healthy Communities

FINANCIAL STATEMENTS

and

SUPPLEMENTARY INFORMATION

and

FEDERAL REPORTS IN ACCORDANCE WITH UNIFORM GUIDANCE

December 31, 2023 and 2022

With Independent Auditor's Report





INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Foundation for Healthy Communities

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Foundation for Healthy Communities (Foundation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and 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 the Foundation as of December 31, 2023 and 2022, and the 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 and the standards applicable to financial audits contained in *Government Auditing Standards* (U.S. GAAS), issued by the Comptroller General of the United States. 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 the Foundation 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the Foundation has adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-13, *Financial Instruments Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related guidance, during the year ended December 31, 2023. Our opinion is not modified with respect to that matter.

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. GAAP; 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 the Foundation'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
Foundation for Healthy Communities
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. GAAS and *Government 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. GAAS and *Government 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 the Foundation'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 the Foundation'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Trustees
Foundation for Healthy Communities
Page 3

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024 on our consideration of the Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over financial reporting and compliance.

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
April 29, 2024

FOUNDATION FOR HEALTHY COMMUNITIES

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,565,687	\$ 663,411
Current portion of grants receivable	1,209,450	1,088,060
Due from affiliate	41,927	128,130
Prepaid expenses	<u>10,006</u>	<u>10,450</u>
Total current assets	2,827,070	1,890,051
Grants receivable, net	450,000	-
Investments	<u>1,084,967</u>	<u>894,462</u>
Total assets	<u>\$ 4,362,037</u>	<u>\$ 2,784,513</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 826,536	\$ 625,901
Accrued payroll and related amounts	115,328	114,792
Due to affiliate	106,658	63,984
Deferred revenue	<u>20,324</u>	<u>8,943</u>
Total current liabilities and total liabilities	<u>1,068,846</u>	<u>813,620</u>
Net assets		
Without donor restrictions		
Operating	1,516,413	1,117,847
Internally designated	<u>453,978</u>	<u>586,160</u>
Total without donor restrictions	1,970,391	1,704,007
With donor restrictions	<u>1,322,800</u>	<u>266,886</u>
Total net assets	<u>3,293,191</u>	<u>1,970,893</u>
Total liabilities and net assets	<u>\$ 4,362,037</u>	<u>\$ 2,784,513</u>

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

FOUNDATION FOR HEALTHY COMMUNITIES

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2023

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Internally Designated	Total		
Revenues					
Foundation support	\$ 503,121	\$ -	\$ 503,121	\$ -	\$ 503,121
Program services	6,089,144	-	6,089,144	-	6,089,144
Seminars, meetings and workshops	232,583	-	232,583	-	232,583
Interest and dividend income	34,870	-	34,870	-	34,870
Gifts and donations	-	195,839	195,839	-	195,839
Grant support	-	-	-	1,706,684	1,706,684
Net assets released from restrictions	650,770	-	650,770	(650,770)	-
Net assets released from internally designated	<u>328,021</u>	<u>(328,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>7,838,509</u>	<u>(132,182)</u>	<u>7,706,327</u>	<u>1,055,914</u>	<u>8,762,241</u>
Expenses					
Salaries, taxes and benefits	1,858,886	-	1,858,886	-	1,858,886
Other operating	158,890	-	158,890	-	158,890
Program services	5,328,029	-	5,328,029	-	5,328,029
Seminars, meetings and workshops	<u>255,471</u>	<u>-</u>	<u>255,471</u>	<u>-</u>	<u>255,471</u>
Total expenses	<u>7,601,276</u>	<u>-</u>	<u>7,601,276</u>	<u>-</u>	<u>7,601,276</u>
Change in net assets from operations	237,233	(132,182)	105,051	1,055,914	1,160,965
Net realized and unrealized gain on investments	<u>161,333</u>	<u>-</u>	<u>161,333</u>	<u>-</u>	<u>161,333</u>
Total change in net assets	398,566	(132,182)	266,384	1,055,914	1,322,298
Net assets, beginning of year	<u>1,117,847</u>	<u>586,160</u>	<u>1,704,007</u>	<u>266,886</u>	<u>1,970,893</u>
Net assets, end of year	<u>\$ 1,516,413</u>	<u>\$ 453,978</u>	<u>\$ 1,970,391</u>	<u>\$ 1,322,800</u>	<u>\$ 3,293,191</u>

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

FOUNDATION FOR HEALTHY COMMUNITIES

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2022

	Without Donor Restrictions			With Donor Restrictions	Total
	Operating	Internally Designated	Total		
Revenues					
Foundation support	\$ 503,121	\$ -	\$ 503,121	\$ -	\$ 503,121
Program services	13,480,749	-	13,480,749	-	13,480,749
Seminars, meetings and workshops	181,004	-	181,004	-	181,004
Interest and dividend income	19,612	-	19,612	-	19,612
Gifts and donations	113	57,775	57,888	-	57,888
Grant support	-	-	-	442,670	442,670
Net assets released from restrictions	366,343	-	366,343	(366,343)	-
Net assets transferred from operating to internally designated	(326,600)	326,600	-	-	-
Net assets released from internally designated	<u>177,531</u>	<u>(177,531)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>14,401,873</u>	<u>206,844</u>	<u>14,608,717</u>	<u>76,327</u>	<u>14,685,044</u>
Expenses					
Salaries, taxes and benefits	1,729,628	-	1,729,628	-	1,729,628
Other operating	137,467	-	137,467	-	137,467
Program services	12,125,075	-	12,125,075	-	12,125,075
Seminars, meetings and workshops	<u>231,498</u>	<u>-</u>	<u>231,498</u>	<u>-</u>	<u>231,498</u>
Total expenses	<u>14,223,668</u>	<u>-</u>	<u>14,223,668</u>	<u>-</u>	<u>14,223,668</u>
Change in net assets from operations	178,205	206,844	385,049	76,327	461,376
Net realized and unrealized loss on investments	<u>(197,870)</u>	<u>-</u>	<u>(197,870)</u>	<u>-</u>	<u>(197,870)</u>
Total change in net assets	(19,665)	206,844	187,179	76,327	263,506
Net assets, beginning of year	<u>1,137,512</u>	<u>379,316</u>	<u>1,516,828</u>	<u>190,559</u>	<u>1,707,387</u>
Net assets, end of year	<u>\$ 1,117,847</u>	<u>\$ 586,160</u>	<u>\$ 1,704,007</u>	<u>\$ 266,886</u>	<u>\$ 1,970,893</u>

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

FOUNDATION FOR HEALTHY COMMUNITIES

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets	\$ 1,322,298	\$ 263,506
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net realized and unrealized (gain) loss on investments	(161,333)	197,870
Change in operating assets and liabilities		
Grants receivable	(571,390)	(893,427)
Due from affiliate	86,203	13,005
Prepaid expenses	444	200
Accounts payable	200,635	602,906
Accrued payroll and related amounts	536	4,891
Due to affiliate	42,674	(34,385)
Deferred revenue	<u>11,381</u>	<u>(167)</u>
Net cash provided by operating activities	931,448	154,399
Cash flows from investing activities		
Net purchases of investments	<u>(29,172)</u>	<u>(9,655)</u>
Net increase in cash and cash equivalents	902,276	144,744
Cash and cash equivalents, beginning of year	<u>663,411</u>	<u>518,667</u>
Cash and cash equivalents, end of year	\$ <u><u>1,565,687</u></u>	\$ <u><u>663,411</u></u>

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

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to Financial Statements

December 31, 2023 and 2022

Organization

Foundation for Healthy Communities (Foundation) was formed to create partnerships that improve health and health care for all throughout the state by focusing on a number of initiatives, such as quality and patient safety, substance use, behavioral health and diversity, equity and inclusion. The Foundation is controlled by New Hampshire Hospital Association (Association) whose purpose is to assist its members in improving the health status of the people receiving healthcare in New Hampshire.

1. Summary of Significant Accounting Policies

Recently Adopted Accounting Principle

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-13, *Financial Instruments Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, and related guidance as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, Topic 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a writedown on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell. The adoption of Topic 326 during the year ended December 31, 2023 did not have a material impact on the financial statements of the Foundation since there are no financial assets that are measured at amortized cost.

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 Presentation

Net assets and revenues, expenses, gains, and losses are classified as follows based on existence or absence of donor-imposed restrictions.

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 Foundation. These net assets may be used at the discretion of the Foundation's management and the Board of Trustees.

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to Financial Statements

December 31, 2023 and 2022

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 Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. At December 31, 2023 and 2022, the Foundation did not have any funds to be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of reporting in the statements of cash flows, the Foundation considers all bank deposits with an original maturity of three months or less to be cash equivalents.

From time-to-time, the Foundation's total cash deposits exceed the federally insured limit. The Foundation has not incurred any losses and does not expect any in the future.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Interest and dividends are included in the changes in net assets from operations.

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

Employee Fringe Benefits

The Foundation has an "earned time" plan under which each employee earns paid leave for each period worked. These hours of paid leave may be used for vacation or illnesses. Hours earned but not used are vested with the employee and may not exceed 30 days at year-end. The Foundation accrues a liability for such paid leave as it is earned.

Grants and Contributions

Grants awarded and contributions received in advance of expenditures are reported as support with donor restrictions if they are received with stipulations that limit the use of the grants or contributions. When a grant or contribution restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. If there are unused grant funds at the time the grant restrictions expire, management seeks authorization from the grantor to retain the unused grant funds to be used for other unspecified projects. If the Foundation receives authorization from the grantor, then the Board of Trustees or management internally designates the use of those funds for future projects. These amounts are released from net assets with donor restrictions to internally designated net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to Financial Statements

December 31, 2023 and 2022

Grant funds conditional upon submission of documentation of qualifying expenditures or matching requirements are deemed to be earned and reported as revenues when the Foundation has met the grant conditions.

The amount of such funds the Foundation will ultimately receive depends on the actual scope of each program, as well as the availability of funds. The ultimate disposition of grant funds is subject to audit by the awarding agencies.

Grant funds awarded for which restrictions have been met in the year of award are reported in the statements of activities and changes in net assets in program services revenues.

Contributions of long-lived assets are reported as support for net assets without donor restrictions unless donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Change in Net Assets from Operations

The statements of activities and changes in net assets includes a measure of change in net assets from operations. Changes in net assets which are excluded from this measure consist of the realized and unrealized gains and losses on investments.

Income Taxes

The Foundation is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related income pursuant to Section 501(a) of the Code.

Subsequent Events

For purposes of the preparation of these financial statements in conformity with U.S. GAAP, the Foundation has considered transactions or events occurring through April 29, 2024, which was the date that the financial statements were available to be issued.

2. Availability and Liquidity of Financial Assets

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to optimize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities and general and administration, as well as the conduct of services undertaken to support those activities to be general expenditures.

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to Financial Statements

December 31, 2023 and 2022

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following financial assets could readily be available within one year of the statements of financial position date to meet general expenditure at December 31:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 1,565,687	\$ 663,411
Grants receivable	1,659,450	1,088,060
Due from affiliate	41,927	128,130
Investments	1,084,967	894,462
Internally designated funds	(453,978)	(586,160)
Donor restricted funds	<u>(1,322,800)</u>	<u>(266,886)</u>
Financial assets available at year end for current use to meet general expenditures	<u>\$ 2,575,253</u>	<u>\$ 1,921,017</u>

At December 31, 2023 and 2022, internally designated net assets represent unused grant funds to be used for other unspecified projects by management over the next 12 months. The internally designated net assets are included in cash and cash equivalents and grants receivable.

3. Investments and Fair Value Measurement

FASB Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair value measurements.

FASB ASC Topic 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 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.

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to Financial Statements

December 31, 2023 and 2022

The standard describes three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
- Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.
- Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Foundation's investments are measured at fair value on a recurring basis and are considered Level 1.

The composition of investments as of December 31 is set forth in the following table. Investments are stated at fair value.

	<u>2023</u>	<u>2022</u>
Marketable equity securities	\$ 202,782	\$ 192,586
Mutual funds	<u>882,185</u>	<u>701,876</u>
	<u>\$ 1,084,967</u>	<u>\$ 894,462</u>

4. Net Assets with Donor Restrictions

Net assets with donor restrictions of \$1,322,800 and \$266,886 consisted of specific grant programs as of December 31, 2023 and 2022, respectively. The grant programs relate to improvements to access and the delivery of healthcare services.

5. Related Party Transactions

The Foundation leases space from the Association on a month to month basis. Rental expense under this lease for the years ended December 31, 2023 and 2022 was \$55,300 and \$48,960, respectively.

The Association provides various accounting, public relation and janitorial services to the Foundation. The amount expensed for these services in 2023 and 2022 was \$218,816 and \$194,056, respectively. In addition, the Association bills the Foundation for its allocation of shared costs. As of December 31, 2023 and 2022, the Foundation owed the Association \$106,658 and \$63,984, respectively, for services and products provided by the Association.

The Association owed the Foundation \$41,927 and \$128,130 as of December 31, 2023 and 2022, respectively, for support allocated to the Foundation. For the years ended December 31, 2023 and 2022, the Foundation received support from the Association in the amount of \$503,121.

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to Financial Statements

December 31, 2023 and 2022

6. Retirement Plan

The Foundation participates in the Association's 401(k) profit-sharing plan, which covers substantially all employees and allows for employee contributions of up to the maximum allowed under Internal Revenue Service regulations. Employer contributions are discretionary and are determined annually by the Foundation. Retirement plan expense for 2023 and 2022 was \$62,449 and \$48,955, respectively.

7. Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses allocated include salaries and related taxes, allocated based on the estimated time utilized on programs, and insurance and depreciation, allocated based on the estimated square footage of the total building.

Expenses by function and natural classification are as follows:

	<u>2023</u>	<u>2022</u>
Program services		
Salaries and related taxes	\$ 1,462,409	\$ 1,463,174
Office supplies and other	276,918	310,139
Occupancy	51,402	49,075
Subrecipients	2,978,175	6,227,746
Subcontractors	2,111,111	5,606,673
Seminars, meetings and workshops	286,216	266,747
Insurance	<u>3,292</u>	<u>3,407</u>
Total program services	<u>7,169,523</u>	<u>13,926,961</u>
General and administrative		
Salaries and related taxes	396,477	266,453
Office supplies and other	5,002	4,221
Occupancy	28,080	23,762
Insurance	<u>2,194</u>	<u>2,271</u>
Total general and administrative	<u>431,753</u>	<u>296,707</u>
	<u>\$ 7,601,276</u>	<u>\$ 14,223,668</u>

SUPPLEMENTARY INFORMATION

FOUNDATION FOR HEALTHY COMMUNITIES

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

<u>Federal Program</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of the Treasury				
Direct programs:				
Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ <u>323,159</u>	\$ <u>1,711,479</u>
U.S. Department of Health and Human Services				
Pass-through programs:				
State of New Hampshire Department of Health and Human Services				
Immunization Cooperative Agreements	93.268	05-95-90-902510-2495	901,191	1,205,515
Small Rural Hospital Improvement Grant Program	93.301	05-95-90-901010-2219	-	205,840
State Rural Hospital Flexibility Program	93.241	05-95-90-902010-2218	-	45,692
National Bioterrorism Hospital Preparedness Program	93.889	6U3REP20064 9-01-00	-	300,162
The National Cardiovascular Health Program	93.426	05-95-90-902010-1227	-	330,000
Cooperative Agreement to Support Navigators in Federally-facilitated exchanges	93.332	NAVACA21040 0-01-00	-	148,704
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	95-90-903010-2643	-	588,230

See accompanying notes to the schedule of expenditures of federal awards

FOUNDATION FOR HEALTHY COMMUNITIES

Schedule of Expenditures of Federal Awards (Concluded)

Year Ended December 31, 2023

<u>Federal Program</u>	<u>Federal AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	05-95-90- 901010-5771	739,598	766,732
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Various	<u>116,993</u>	<u>307,228</u>
Total U.S. Department of Health and Human Services			<u>1,757,782</u>	<u>3,898,103</u>
Total expenditures of federal awards			<u>\$ 2,080,941</u>	<u>\$ 5,609,582</u>

See accompanying notes to the schedule of expenditures of federal awards

FOUNDATION FOR HEALTHY COMMUNITIES

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Foundation for Healthy Communities (Foundation) under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Foundation.

2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The Foundation has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

Board of Trustees
Foundation for Healthy Communities

We have audited, in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foundation for Healthy Communities (Foundation), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Board of Trustees
Foundation for Healthy Communities

Report on Compliance and Other Matters

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

The Foundation's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Foundation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
April 29, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Foundation for Healthy Communities

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Foundation for Healthy Communities' (Foundation) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each major federal program for the year ended December 31, 2023. The Foundation's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards (U.S. GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Foundation's federal programs.

Board of Trustees
Foundation for Healthy Communities

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Board of Trustees
Foundation for Healthy Communities

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Berry Dunn McNeil & Parker, LLC

Manchester, New Hampshire
April 29, 2024

FOUNDATION FOR HEALTHY COMMUNITIES

Schedule of Findings and Questioned Costs

Year Ended December 31, 2023

Section I. - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified
 Internal control over financial reporting:
 Material weakness(es) identified? x yes no
 Significant deficiency(ies) identified not
 considered to be material weaknesses? yes x none reported
 Noncompliance material to financial statements
 noted? yes x no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes x no
 Significant deficiency(ies) identified not
 considered to be material weaknesses? yes x none reported
 Type of auditor's report issued on compliance
 for major programs: Unmodified
 Any audit findings disclosed that are required
 to be reported in accordance with
 2 CFR 200.516(a)? yes x no

Identification of Major Programs

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between
 Type A and Type B programs: \$750,000
 Auditee qualified as low-risk auditee? x yes no

FOUNDATION FOR HEALTHY COMMUNITIES

Schedule of Findings and Questioned Costs (Concluded)

Year Ended December 31, 2023

Section II. - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards

Finding Number: 2023-001

Criteria: The Foundation is responsible for designing, implementing and maintaining effective internal controls over financial reporting that provide reasonable assurance that the internal controls will prevent misstatements or detect and correct misstatements on a timely basis, intentional or unintentional, from occurring.

Condition Found: During our audit, it was discovered the Foundation had been awarded a \$1,000,000 unconditional grant to be received over five years. The Foundation recorded the amount received in 2023 as grant support. The Foundation did not record the remaining future payments expected to be received as grant support during the year ended December 31, 2023.

Cause and Effect: Historically, the Foundation has generally received either multi year conditional grants where the Foundation is required to satisfy certain conditions in order to receive future funding or one year unconditional grants that are recorded when received. As such, when this grant was awarded, the Foundation accounted for the grant in the manner it historically has recorded its grant funding. As a result, an audit adjustment was recorded for \$700,000 to account for the future payments expected to be received in accordance with U.S. generally accepted accounting principles.

Recommendation: We recommend the Foundation analyzes all grants awarded to determine whether or not there are conditions included in the grant agreements that would limit the Foundation's ability to recognize the full amount of the grant award.

Views of a Responsible Official and Corrective

Action Plan: Management agrees with the finding. See attached Corrective Action Plan.

Section III. - Federal Award Findings and Questioned Costs

None noted

FOUNDATION FOR HEALTHY COMMUNITIES

Summary Schedule of Prior Audit Findings

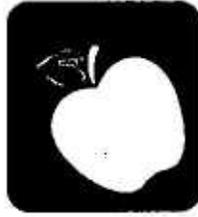
Year Ended December 31, 2023

Section I. - Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with Government Auditing Standards

None noted

Section II. - Federal Award Findings and Questioned Costs

None noted



Foundation *for*
Healthy Communities

FINDINGS 2023-001 Corrective Action Plan

Management will implement a process of identifying the provisions, terms and conditions under grant awards received to determine the proper accounting under U.S. generally accepted accounting principles.

Responsible party: Peter Ames
Executive Director
(603) 415-4270

Anticipated completion date: January 1, 2024



Foundation for
Healthy Communities

BOARD OF DIRECTORS 2024

Betsey Rhynhart, Chair	Vice President, Population Health, Concord Hospital
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John Skevington	CEO, Parkland Medical Center
Susan Walsh	Strategic Business Lead, NH, Harvard Pilgrim Health Care
Annette Escalante, MSW, MLADC	Director of Substance Use Services, Elliot Health System
Steve Saltzman	President and CEO, NH Community Load Fund
Mark Bonica	Associate Professor, Health Management and Policy, University of New Hampshire

DANIEL L. ANDRUS

Professional Experience

March 2020-Present	Director of the Substance Use Disorder Treatment Project, Foundation for Healthy Communities Concord, New Hampshire Oversee grant funded initiatives to improve the capability of the health care system to provide care for patients with substance use disorder.
June 2008-March 2020	Fire Chief and Emergency Management Coordinator City of Concord, New Hampshire Oversaw a department of 100 employees and a \$14.2 million budget providing fire protection and emergency services to a capital city of approximately 43,000 residents
June 1979-June 2008	Salt Lake City Fire Department Salt Lake City, Utah
June 1979-June 1985	Firefighter/Emergency Medical Technician
June 1985-May 1987	Firefighter/Paramedic
June 1987-July 1991	Fire Lieutenant
July 1991-October 1994	Public Information Officer/Administrative Assistant to the Fire Chief/Department Total Quality Coordinator
October 1994-September 1996	Station Captain
September 1996-March 1998	Division Chief for Communications and Emergency Management
March 1998-September 2003	Fire Marshal
September 2003-July 2007	Battalion Chief
August 2007-June 2008	Deputy Chief of Administration

Education

Master of Science, Economics, University of Utah
Master of Public Administration, University of Utah
Bachelor of Science, Fire Service Administration, Western Oregon State College

Bachelor of Science, Management, University of Utah
Graduate, Executive Fire Officer Program, National Fire Academy
Graduate, Graduate Certificate Program in Conflict Resolution, University of Utah

Certifications

Certified Professional in Healthcare Quality, National Association for Healthcare Quality
Certified Professional in Patient Safety, Institute for Healthcare Improvement

Professional and Community Service Highlights

Current

Member, Board of Directors, New Hampshire Harm Reduction Coalition, October 2022-Present
Data Task Force, Governor's Commission on Alcohol and Drug Abuse Prevention, Treatment, and Recovery, August 2023-Present
Addiction and Recovery Committee, New Hampshire Council of Churches, 2020-Present
Member, 2020-Present
Chair, 2022-Present
Member, Board of Trustees, Granite (formerly Concord Regional) Visiting Nurse Association, 2017-Present
Member, Health Committee, NAACP Manchester Chapter, 2022-Present
Member, New Hampshire Public Health Association, March 2014-Present
Member, New Hampshire Technical Institute Paramedic Program Advisory Board, 2012-Present
Member, Public Health Advisory Committee Executive Committee, Granite United Way, January 2014-December 2019, March 2021-Present
Volunteer, New Hampshire Harm Reduction Coalition, 2021-Present

Past

Member, Health Care Task Force, Governor's Commission on Alcohol and Other Drugs, 2020-2022
Member, Prevention Task Force, Governor's Commission on Alcohol and Other Drugs, 2021-2022
Member, Concord Rotary Club, March 2010-June 2020
Member, Fire Control Board, State of New Hampshire, 2010-2019 (Chair 2018-2019)
Member, Capital Area Public Health Network, June 2008-December 2019
Member, Board of Directors, Capital Area Mutual Aid Fire Compact, June 2008-December 2019

Member, Lakes Region Community College Fire Science Program Advisory Board, 2012-2019
Member, Northern New England Metropolitan Medical Response Steering Committee, 2011-2017
Paramedic, New Hampshire Medical Task Force 1, 2011-2017
Member, Concord Plan to End Homelessness Steering Group, 2013-2014
Member, Board of Directors, Concord Coalition to End Homelessness, June 2011-2016 (Secretary 2013-2016)
Member, Greater Concord Task Force Against Racism and Intolerance, 2008-2016
Treasurer, Capital Area Mutual Aid Fire Compact, January 2009-January 2014
President, Board of Governors, Community Health Centers, Incorporated, Salt Lake City, Utah, 2006-2008
Secretary, National Fire Protection Association Technical Committee on Single and Multiple Station Alarms and Household Fire Warning Equipment, 1991-2008
Volunteer Mediator, Third District Juvenile Court, Salt Lake City School District, Third District Court, Utah Anti-Discrimination Division, 2004-2008
Chair, Salt Lake City Local Emergency Planning Committee, 1999-2008 (member since 1992)
Member, Salt Lake City Metropolitan Medical Response System Steering Committee, 2003-2008
Board Member, Utah Council for Conflict Resolution, 2005-2007
Chair, Workplace Section, Utah Council on Conflict Resolution, 2005-2007
President, Fire Marshals Association of Utah, 2001
President, Utah Chapter, American Society for Public Administration, 1994

Honors and Awards

Judge Memorial Catholic High School Alumnus Distinguished Service Award, 2001
Granite United Way, Advocate Award, 2017

NH Department of Health and Human Services

KEY PERSONNEL

List those primarily responsible for meeting the terms and conditions of the agreement.

Job descriptions not required for vacant positions.

Contractor Name: Foundation for Healthy Communities

NAME	JOB TITLE	ANNUAL AMOUNT PAID FROM THIS CONTRACT	ANNUAL SALARY
Daniel L. Andrus	Director, Substance Use Disorder Treatment Program	\$87,818.00	\$87,818.00
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00
		\$0.00	\$0.00