

November 10, 2010

Mr. Erik Riera

Bureau Administrator

NH Bureau of Behavioral Health

Hugh Gallen Office Park

Concord, New Hampshire 03431

Dear Erik:

In accordance with your request, on behalf of our Board I am submitting a corrective action plan in response to recommendations issued in your September 2010 performance audit report of Monadnock Family Services. I believe we have responded appropriately to the steps you requested we take.

HEALTH AND SAFETY

Recommendation #1.1: *MFS leadership shall develop a plan to hire and retain nursing staff to meet the needs of the population served and comply with state and federal regulations.*

Actions Taken to Date: Our response herein assumes that this recommendation is related to Emerald House, to wit: currently, medication training for all Emerald House staff as well as case managers has been completed by a contracted qualified nurse trainer, RN, and we have a new qualified Nurse Trainer, RN, who is performing the medication training at Emerald House and throughout the agency. Our Nurse Trainer received her certification as a Nurse Trainer on October 4, 2010. This was the final piece bringing Emerald House in complete compliance. If there are other nurse staffing concerns please see our response to Recommendation #4.1.

Further Action Steps Planned: With the addition of the above referenced RN we have current certification for eight beds at Emerald House and our license to operate was issued November 1, 2010. With the

hiring of our new CMO we plan to reapply for a waiver for a crisis bed at Emerald House.

How the Action Steps will be Evaluated for Effectiveness: The CMO will meet regularly with the nurse trainer to assess how the staff should be supervised and supported.

Projected Completion Date: We plan to reapply for a waiver for a crisis bed by January 17, 2011.

Responsible Person: CMO and nurse trainer

Recommendation #1.2: *All program deficiencies, including documentation issues, for Emerald House shall be corrected within 30-days. The management and Board of Directors needs to develop and implement a corrective action plan to BBH and provide updates back to BBH on a weekly basis until all issues have been resolved.*

Actions Taken to Date: We have completed all the action steps BBH required. Attached is a detailed copy of our corrective action plan for Emerald House and a copy of our license renewal which certifies eight beds.

Further Action Steps Planned: Our nurse trainer under the direction of our CMO is monitoring medications and patient charts on a weekly basis. We plan to integrate the information gathered in the group home with the patients' individual charts held in Medical Records.

How the Action Steps will be Evaluated for Effectiveness: The CMO will meet on a regular with the Nurse Trainer to be sure procedures are followed.

Projected Completion Date: The implementation complete. Monitoring and evaluation is ongoing.

Responsible Person: CMO and nurse trainer

Recommendation #2.1: *MFS leadership shall develop a plan for the hiring and retention of a permanent Chief Medical Officer with clear roles and responsibilities.*

Actions Taken to Date: Dr. Frederick Agisim, who has been at MFS since May, 2010, first as an adult psychiatrist and in August, 2010, as our Interim Chief Medical Officer (CMO), accepted the appointment of permanent CMO and began as a full time MFS employee (versus locum tenens) on October 16, 2010. An announcement about his appointment was made October 13, 2010, to the staff and board. The CMO reports directly to the CEO and is responsible for all clinical decisions made in the agency. He is directly responsible for the supervision of all psychiatrists and any Advanced Registered Nurse Practitioner (ARNP) and the nursing supervisor.

Further Action Steps Planned: Chris Selmer, RN, is the nursing supervisor and will continue in that role, reporting to Dr. Agisim. Job descriptions for both CMO and nursing supervisor are attached, along with an organizational chart.

How the Action Steps will be Evaluated for Effectiveness: We have in place procedures for six-month evaluation for all employees when first hired. Subsequent to that, we have annual evaluations. We also monitor monthly the number of patients being seen which is an indicator of performance and effectiveness.

Projected Completion Date: A CMO has been hired and monitoring and evaluation is ongoing.

Responsible Person: CEO

Recommendation #2.2: *When contractual agreements for clinical services are renegotiated or terminated, the organization shall have a plan to maintain the continuity of client care.*

Actions Taken to Date: Clients are seen more frequently on a regular basis so that if a doctor is out or leaves there is more identifiable data available enabling another physician to make an informed decision. We are working closely with teams in each department to develop an effective triage plan among nursing, clinical and psychiatric staff to accommodate a consistent and appropriate review ensuring that clients are seen in a consistent manner. Currently, the number of available medication clinic appointments has increased significantly above what MFS has offered for many years. Dr. Elizabeth Joseph is a locum tenens who began working September 1, 2010, in our recovery department. Between Dr. Agisim and Dr. Joseph, we are currently offering 120 medication clinic appointments each week; compare that to the 71 medication clinic appointments offered weekly in the past.

Further Action Steps Planned: Dr. Joseph is planning to leave MFS at the end of November and has kept her patients informed. MFS has retained a locum tenens, who will begin work November 15, 2010, and will cover the patients Dr. Joseph has been seeing. This is an ongoing process in attempting to keep all parties advised of any significant medical or other staff changes. When we do not have prior notice of plans for medical staff departure, we immediately engage all team members and medical staff in establishing a triage plan to ensure continuity of care.

How the Action Steps will be Evaluated for Effectiveness: Any time we know in advance, as in the case with Dr. Joseph, that there is going to be a change in medical personnel we are informing clients either in person or by telephone and, if necessary, by letter that there will be a change in staff. We have discussed and will continue to discuss changes in medical personnel in staff and team meetings as well as through e-mail and our staff newsletter. All Dr. Joseph's patients have been reassigned.

Projected Completion Date: The psychiatrist who we have hired for children and adolescent clients also will be comfortable seeing adults and will begin seeing clients for Dr. Joseph soon after his arrival on November 15, 2010. We plan to have a fulltime replacement for Dr. Joseph by December 15, 2010.

Responsible Person: CEO and CMO.

Recommendation #3.1: *MFS leadership shall develop and fully execute a plan to hire and retain psychiatry staff to meet the needs of the population served and comply with state and federal regulations.*

Actions Taken to Date: We have hired a fulltime CMO who provides direct service to adults and children and adolescents, as necessary. We have another fulltime psychiatrist who, in addition to seeing adult patients, has been helping with the adolescent population. Additionally, we have hired a fulltime psychiatrist, qualified to see children and adolescents, also will be helping with the adult population. Child and adolescent needs at the Eastern Region Office are met by a part time child and adolescent psychiatrist. A psychiatrist, who has been with the agency for more than 20 years, sees patients both in Keene and in our Eastern Region Office.

Further Action Steps Planned: Our search for the permanent doctors that can fill these positions is ongoing. We continue to utilize

locum tenens in extended agreements. This affords us the time to adequately assess their work and more thoughtfully manage the search for filling these permanent positions. We have an ongoing relationship with Dr. Will Torrey, the psychiatrist recruiter for Dartmouth Medical School. We are currently interviewing new locum tenens candidates. We have strengthened our relationships with a number of recruitment agencies, allowing us to expeditiously fill new positions.

How the Action Steps will be Evaluated for Effectiveness: To retain long term staff we are offering a competitive wage and benefits package. We are offering additional nursing support to help alleviate some of the day to day pressures experienced by psychiatric staff. We have also hired Ron Morton of The Meyers Group to assist in developing strategies to hire and retain medical/psychiatric professionals. Mr. Morton, and his firm, has specific areas of expertise in hiring and retaining such professionals. His firm is renowned for its expertise in the hiring and retention of top level professionals for community mental health centers. (See Recommendation 8.1)

Projected Completion Date: Our immediate goal is to hire sufficient psychiatric staff to meet patient needs. The needs are general to a severely mentally disturbed population that will be seen in a typical Community Mental Health Center. These needs are clearly defined at hiring interviews, they are generally dictated by the patient population, and the psychiatrists indicate population preferences at this point. Hiring sufficient psychiatric staff has been accomplished on a temporary basis through a combination of hiring a full time Chief Medical Officer and through temporary recruitment agencies and the use of locum tenens physicians. The physician who is contracted to come here on November 15, 2010, will meet the needs of our child and adolescent population. It is also anticipated he will contribute to the care of our adults. We intend to hire permanent staff to replace a temporary psychiatrist. This process will be ongoing. The use of temporary physicians allows us to take the time necessary to find suitable permanent psychiatrists. Further, we have contracted with The Meyers Group to assess and recommend in an ongoing fashion an action plan for the hiring and retention of long term psychiatrists. The Meyers Group is presently assisting in the ongoing process of development and implementation of a plan that will address these areas of concern for the agency. Our time line for this plan is January 15, 2011.

Responsible Person: Executive management committee with Dr. Agisim as the Chief Medical Officer is working in an ongoing way to develop the plan to recruit and retain psychiatric staff and will use in the Myers Report as a way of refining an operations plan for recruitment and retention.

Recommendation #3.2: *Transition plans shall be developed and implemented for consumers, families and staff to insure access to and continuity of care.*

Actions Taken to Date: The agency has always had a plan for continuity of care which involves appropriate professional staff to meet the needs of the community. At no point in time was the client population, adult or child, left without care or put at risk. Our Interim CMO filled in as the psychiatrist for children's services. Her work was supplemented by a part time psychiatrist. At every point, we were able to temporarily refer some clients through their primary care physicians (PCP) to a psychiatric consultant provided through the pediatric clinic at Cheshire Medical Center. We briefly hired a part time psychiatrist to supplement our needs. Dr. Joseph, our adult psychiatrist, began seeing adolescents on a weekly basis beginning October 2010. Dr. Agisim began seeing clients and acted as a back up to our registered nurse at the same time in October 2010, implementing triage and direct care service to younger children. We also had our chief clinical supervisor identify those children that she felt were most at risk for failure to see psychiatric staff. She identified four children and they were immediately contacted. Throughout these departures, the services for children and adults in Peterborough and our most Eastern region were never reduced or interrupted. Our locum tenens, Dr. Joseph, continues to meet with adolescent children.

Further Action Steps Planned: We have a full time child psychiatrist hired for the 15th of November 2010. We also have an ongoing process, cited in Recommendation 3.1, to locate additional psychiatric staff to ensure continuous psychiatric services.

How the Action Steps will be Evaluated for Effectiveness: Evaluation for effectiveness is being conducted in two ways: Case Managers, Therapists, and Family Support staff are in constant contact with the children, adults, and families receiving medical care and directly relate this information back through supervision and weekly team meetings discussing consumer clinical and emotional well-being. In reviewing child treatment, our therapeutic teams cover the following areas: Identify consumer feelings around the benefits of medical intervention, around the frequent changes in medical staff, and around an overall sense of satisfaction for MFS Medical Services.

Projected Completion Date: As of November 15, 2010, we have contracted with a child psychiatrist. His contract has been approved for one year. We continue with two additional psychiatrists who serve the

needs of the Eastern Regional Office consisting of one child psychiatrist one day per week and one adult psychiatrist two days per week. Individual Service Plans are made in accordance with medical necessity and the client's choice for setting goals and objectives. As a rule, the agency does not list specific psychiatrists on the ISP. All plans refer generically to psychiatric medical coverage and identify frequency of services and measurable objectives. MFS believes that this is standard practice throughout the State. We would further say that in other medical environments, such as primary care physicians who work in partnership with other physicians, the standard practice when the physician has an unexpected absence is that a client would be either rescheduled if non-emergent or they would see another one of the physicians in that practice.

Responsible Person: Management Team (including the CMO) and Quality Assurance Director.

Recommendation #4.1: *MFS leadership shall develop a plan to hire and retain appropriate credentialed nursing staff to meet the needs of the population served and comply with state and federal regulations.*

Actions Taken to Date: Beginning with the transfer of Chris Selmer, an RN with more than 20 years of nursing experience, we have addressed the issues with the nursing problems at Emerald House as well as the issue of nursing leadership and supervision. Along with Selmer, we have on staff currently another RN and an LPN. Additionally, we are advertising and recruiting for another registered nurse.

Further Action Steps Planned: To retain qualified nursing staff, we will review our compensation package and ensure that we are competitive with other community mental health agencies. We will use The Meyers Group to help us develop a retention plan. Regular supervision times will be strictly adhered to so that nursing staff receives ample opportunity to benefit from the guidance of the nursing supervisor and CMO.

How the Action Steps will be Evaluated for Effectiveness: We will create a supervisor evaluation form that will be given to staff at the end of each supervision meeting to ensure frequent and meaningful feedback about what is working and what is not. Additionally, an annual supervisor evaluation will occur. All of these evaluations will be directed to the Director of Human Resources so that she/he can assist in keeping the lines of communication open to both staff and supervisors.

Projected Completion Date: March 1, 2011, and ongoing.

Responsible Person: Dr. Agisim with assistance from the director of Human Resources and consultant Ron Morton of The Meyers Group.

Recommendation #5.1: *The management and leadership shall evaluate the sufficiency of staff to provide services and the effectiveness of those who work in the organization to promote safety and quality. Job descriptions reflective of the recent changes in organizational structure and function need to specify the competencies required for each position.*

Actions Taken to Date: We have promoted five different people to oversee the supervision and administrative functions previously handled by two people. This has resulted in greater efficiency and effective interaction and training of staff and in the promotion of stability. We have significantly lowered the billable standard for one of our LCSWs and named her Adult Clinical Supervisor. Our new Interim RSS Director is in the process of gathering the documentation for his license from another state and studying for the NH licensing exam (he was previously licensed in Florida, but never pursued his license here). This will result in an increase in the number of licensed personnel responsible for supervising non-licensed personnel. We expect that he will complete this process by the end of this year and will expand his clinical supervision duties for adult clinicians. A new interim director of Acute Care is licensed in New Hampshire. He will provide clinical supervision for the acute care (Emergency) staff and clinicians. One of our children's clinicians is a master's level social worker and has been named interim Corporate Compliance Officer and Children's Quality Assurance/Clinical Supervisor. She recently passed her national social worker licensing exam and is in the process of completing her essays to submit to the board for New Hampshire licensure. In addition, quality assurance responsibility for adults has been assumed by a former case manager. Both of these staff have trained with a respected corporate compliance officer currently on staff at another community mental health center.

Further Action Steps Planned: In addition, the two corporate compliance and quality assurance staff at MFS have been identified by the agency as the next people to be sent to training for complaint investigations. Job responsibilities have been clearly delineated. Job descriptions will be finalized after we further assess the restructuring of those departments.

How the Action Steps will be Evaluated for Effectiveness: Through weekly supervision of the people in these positions, what is working and what is not working and any alterations in duties and

responsibilities or changes in job descriptions (if necessary) will be frankly and openly discussed in partnership. The entire structure of departments as they currently exist will be further evaluated in the study of the organization's structure by The Meyers Group.

Projected Completion Date: Job descriptions should be completed by December 31, 2010. The overall organizational and systemic changes will have to be assessed by The Meyers Group and implemented by March 1, 2011.

Responsible Person: CEO with senior management team, Director of Human Resources and The Meyers Group

MANAGEMENT AND LEADERSHIP

Recommendation #6.1: *The Board of Directors shall develop and implement a strategic planning process that actively involves all members of the Board, and actively seek input from stakeholders, MFS staff, consumers and families.*

Actions Taken to Date: The executive committee of the Board is currently discussing and researching an appropriate resource to help facilitate the Strategic Plan process.

Further Action Steps Planned: The MFS Board is scheduling a special meeting in January to review the most recent Strategic Plan and to discuss a process and timetable to complete a new Strategic Plan for F/Y 2011-2013 by June 30, 2011. This process will include soliciting input from the Board, staff, consumers, partner agencies, other stakeholders and BBH, The Board will schedule a review of progress at an April meeting.

How the Action Steps will be Evaluated for Effectiveness: Semi-annually the Board and management will review progress toward implementing tactics to achieve strategic goals. Annually the Strategic Plan will be reviewed for progress and to determine if any strategic changes are necessary.

Projected Completion Date: June 30, 2011, with ongoing annual reviews.

Responsible Person: Board Chair and CEO. Board Chair is responsible to drive the Strategic Planning Process and some goals and

tactics. CEO is responsible to implement goals and tactics and to provide leadership for future strategic changes.

Recommendation #7.1: *The Board shall identify processes and tools to evaluate the effectiveness and efficiency of the ongoing organizational change at MFS.*

Actions Taken to Date: The CEO has begun conducting small group meetings with staff in an attempt to improve two-way communications. It is also expected that this initiative will be completed by December 31.

Further Action Steps Planned: We plan to work with managers and supervisors to clearly identify their training and development needs. This will lead to a training session for this group designed to help them more effectively support staff during necessary changes. We will continue working with our organizational consultant throughout 2011 to continue supervisory and manager training. Our goal is to create an organization that is well informed and characterized by trust. The skills that will be required are those necessary to help staff accept change and encouraged to contribute to solutions.

In an effort to support the on-going need for changes at MFS, a Board Human Resources Committee will be created starting in January 2011. The committee will include Board representatives, the CEO, the Human Resources director and a couple of seasoned human resource professionals from the community. This committee will serve as a resource for the CEO and Human Resources director to support effective organizational changes and to help design ways to monitor the success of these initiatives. The Human Resources Committee will present monthly reports to the Board, as do all standing committees.

How the Action Steps will be Evaluated for Effectiveness: Periodic surveys will be conducted to assess how effectively organizational changes are occurring. Surveys will include staff, management and consumers.

Projected Completion Date: Initial round of CEO-staff meetings will be completed by December 31, 2010. Also, first training session for supervisors and managers will be completed by December 31, 2010. Meetings and surveys will be ongoing and through information gained from those initial training sessions will develop an on ongoing plan by April 1, 2011.

Responsible Person: CEO with the assistance of the consultant, Phil Suter of Rivertide.

Recommendation #7.2: *The Board would benefit from additional training and technical assistance to further strengthen the Board and provide an opportunity for continued education.*

Actions Taken to Date: The Board currently is researching opportunities for Board development.

Further Action Steps Planned: We will consult with other non-profit boards, including other Community Mental Health Centers, for recommendations. We will provide Board members with available opportunities for them to attend, and ask that they share information with the rest of the Board. We may also consider conducting some training for our entire Board, if we are able to identify appropriate resources. We will also investigate board journal publications which may be helpful (i.e. "Trustee" journal). MFS will provide subscriptions for all Board members once we have identified the best resources. All of these initiatives will be implemented during 2011.

How the Action Steps will be Evaluated for Effectiveness: We will conduct annual Board self-evaluation.

Projected Completion Date: Initial evaluation will be completed by June 30, 2011, and then annually thereafter.

Responsible Person: Board Chair

Recommendation #8.1: *Management and leadership shall clearly communicate MFS organizational changes and changes in individual roles and functions in a consistent manner to all staff.*

Actions Taken to Date: On October 1, 2010, CEO Jayme Collins communicated to the staff the appointments of Eric Hedin as interim director of recovery services; Judy LeClair as interim adult clinical supervisor; Melissa Maurer as interim corporate compliance officer and children's services quality assurance specialist and Meg Brodhead as quality assurance specialist for adult services. Collins also announced she would assume the interim role of COO at the end of the year and appointed Dave Tenney interim director of the Acute Care Department. She thus promoted five different people to oversee the supervision and administrative functions previously handled by two people. On October 13, 2010, Collins announced to the staff that Dr. Frederick Agisim had accepted the offer to become Chief Medical Officer, effective October 16, 2010. In addition, MFS created a new organizational

chart (see attached) for the agency that reflects these most recent changes which will be distributed to the staff November 12, 2010.

Further Action Steps Planned: The agency has contracted with The Meyers Group of North Bethesda, Maryland, to assist MFS in developing an operations plan. Ron Morton, vice president of the Healthcare Division of The Myers Group, will be in Keene November 2 and 3, 2010, to begin interviews with Board and staff and ultimately provide the agency with a manpower planning report (including key staffing needs), a proposed table of organization, position descriptions, proposed Board/Executive Director roles and responsibilities, outline of communication plan and required policies for implementation and training needs and executive search for a COO. In the interim, we are communicating all significant changes within the agency with e-mail, team meetings and administrative meetings and through the staff newsletter.

How the Action Steps will be Evaluated for Effectiveness: During weekly, bi-weekly and monthly supervision meetings, staff will be invited to ask questions or make comments about anything that is happening within the agency. This also will occur in team meetings and departmental meetings and is occurring now and is ongoing. Any information that needs further attention or action will either be resolved by the program manager or director or brought to a member of the senior management team for further delineation.

Projected Completion Date: The process described above is already in place and we are waiting any recommendations for improvement or adjustment from The Meyers Group report.

Responsible Person: CEO, the senior management and through them all managers and directors.

Recommendation #9.1: *Management and leadership shall establish a team approach among all staff at all levels to manage the organizational change at MFS.*

Actions Taken to Date: Our examples of how all staff would be involved in changes are denoted in responses in Recommendation #2.2 and Recommendation #8.1. Another example of different departments working together to share information and educate one another would be the recent addition of accounting personnel to the meetings of our support team leaders. This has been a helpful addition and has resulted in a much more open line of communication between those two

departments. As a result of increased communication, a lot of healing and understanding has taken place among all parties involved. In addition to those changes, the five additional teams cited in #8.1 are now components organized for the coordination and integration of services. Further, the new organizational structure has created a coordinated system for both service delivery and intervention that necessitates the ongoing interrelations and communication between the different sectors. These are but a few examples of how a team approach at MFS can be effective. We will encourage an ongoing open-door policy and information sharing by reporting in our monthly newsletter accomplishments such as these so that others can learn by example.

Further Action Steps Planned: We will more formally organize some of the more informal processes that were described above by working with senior management and Human Resources and our consultant. Following the completion of actions described in the corrective action plan for Recommendation #7.1, the CEO, with senior staff, will discuss with the Board's Human Resources Committee how best to proceed to create an environment of teamwork that will align all staff and management to serve our consumers most effectively.

How the Action Steps will be Evaluated for Effectiveness: We will more formally assess these efforts as a result of a plan we'll be getting from The Meyers Group, which will help us improve internal communications at the agency.

Projected Completion Date: We have begun this process with the promotion of five key people into new management roles and with guidance from our consultant, we should be able to put a more formal process in place by early 2011. This work will continue and our new COO will move it forward.

Responsible Person: CEO, members of the senior management team, all managers and directors with input from staff at all levels.

Recommendation #10.1: *The MFS Board and MFS management shall implement an effective Human Resources process to ensure all employees, including the management of the organization, model professional behavior in compliance with MFS policy and sound business practice. The organization shall have a process that allows staff, clients and families the opportunity to address ethical issues or complaints in a safe manner. This process shall be inclusive of staff, clients and families in its development.*

Actions Taken to Date: MFS has a policy for professional conduct and it is available to all staff in the public folders in our

computer system. A staff grievance policy is also included online in our public folders. That policy will be reiterated to all staff in departmental and administrative meetings on an annual basis and will be included in our orientation process. The corporate compliance officer will be responsible for receiving and processing all client complaints.

Further Action Steps Planned: We are including the MFS code of conduct in orientation for new employees and they will have to acknowledge, by signing a form, that they have read the document within the first week of employment. We will hire a professional trainer who will specifically address communications with staff and the topic of professional workplace behavior. Annually, after that our director of Human Resources will conduct staff workshops to bring awareness of appropriate professional workplace conduct. MFS's policy and procedure for complaints from consumers and families will be reviewed for adequacy. These policies and communications will be shared with the Board at the January Board meeting. The Board QI Committee will review complaints filed and responses semi-annually for 2011 and annually thereafter, unless activity indicates more frequent review is necessary.

How the Action Steps will be Evaluated for Effectiveness: During administrative and team meetings, as well as individual supervision, employees will be invited to openly discuss any concerns they may have about their complaint, how it was handled and the level of satisfaction for the outcome. This will be recorded in the supervision notes and any concerns will be communicated to the director of Human Resources. The information obtained from these ongoing evaluations will result in changes to the procedures for reporting and processing complaints. The Corporate Compliance Committee will meet and discuss all client complaints and any feedback from the BBH or the client about how the complaint was handled and any improvements if applicable.

Projected Completion Date: We're implementing the orientation process immediately and posting the policy on our staff public folders. We will train our managers in December, 2010, to insure that this policy is shared with all employees.

Responsible Person: Director of Human Resources will be responsible for overseeing and processing all employee complaints and the corporate compliance officer will be responsible for processing, overseeing and procuring an outside investigator, when necessary, for all client complaints.

Recommendation #10.2: *The Board and management shall implement and incorporate a staff feedback process into the performance assessment of senior management staff.*

Actions Taken to Date: We are discussing this issue with our trainers, consultants and other community mental health centers to determine a realistic timeline for implementing a formal staff feedback procedure.

Further Action Steps Planned: MFS management working with the Human Resources Committee will implement a process to provide senior managers with feedback from staff reporting to them.

How the Action Steps will be Evaluated for Effectiveness: Results from this process will be discussed and reviewed by the CEO with the director of Human Resources and the Board Human Resources Committee following annual reviews.

Projected Completion Date: This process will be in place for performance appraisals that are due by July 2011. Once this process is in place it will be made part of agency policy.

Responsible Person: CEO with support from the director of Human Resources and the chair of the Board Human Resources Committee.

Recommendation #11.1: *Planning shall include the consumers and staff. Leadership needs to communicate all elements of the organizational change process as it relates to improving client safety and behavioral health care quality. Leadership shall evaluate the effectiveness of communication methods.*

Actions Taken to Date: MFS recognizes the primary role of consumers in any of its service programs. The consumer is the starting point for implementing our programs and assessing their content. Consumer feedback, as well as feedback from other systems (including schools, other service providers, families) are considered the ingredients necessary to monitor the quality and quantity of care. MFS currently has consumers and family members on its Board which is presently working with its Board to establish committees that will support and cultivate the interface of consumer, staff, outside agency, and Board personnel to effectively do the following: (1) to clarify the specific program's philosophy and how it directly relates to how staff is trained and supported; (2) to assess the quality of training to meet program

goals, and if necessary, to advocate and provide the particular training and to assess the participants skills before and after the trainings; (3) to see that necessary skills are actually delivered to implement quality programs; and (4) to assure that consumers are part of the subcommittee included at every stage of the process from the identification of program philosophy to clarification, implementation, and support of service delivery.

Along with the above, MFS recognizes the necessity of an independent, unbiased observer as a somewhat different and perhaps more objective monitor of the quality and quantity of care. Along these lines, CEO Jayme Collins met with Philip Suter, a managing partner of The Rivertide Group of Portsmouth, New Hampshire, to discuss how we would work with MFS on developing an effective communications plan for the agency. We have signed a contract for Suter to work with MFS. Collins will begin meeting with staff at their regular weekly staff meetings in November. Collins already informed the staff about these meetings and encouraged staff to be prepared to ask questions of her during these sessions. Information gathered from these meetings will be folded into a report for Suter who will develop an online questionnaire for the staff that they can answer anonymously. It will help MFS decide the course of action for training of managers. Suter will work with MFS through the end of December.

Further Action Steps Planned: The Rivertide Group timeline calls for interviews to review the situation at MFS (November 1-5); develop an online survey questions (November 8-12); finalize online survey and initial off-site schedule (November 15-19); online survey closes (November 30); compile and analyze the survey results (December 1 to 3); off-site preparation session (December 7 and 7); off-site session (December 8); post-session online survey (December 9-14); summary report completed (December 15 and 16); summary report delivered (December 17).

Suter then will work with MFS through the first six months of 2011 to assist MFS in its relationships with the staff. A tentative timeline calls for follow-up interviews in January 2011 with participants in the December off-site session; follow-up in February 2011 with December online survey participants; follow-up in March 2011 with December off-site participants; follow-up in April 2011 with March off-site participants; follow-up in May 2011 with March off-site participants; follow-up in June 2011 with March off-site participants.

How the Action Steps will be Evaluated for Effectiveness: These methods will be developed in collaboration with the consultant, mentioned above, and senior management.

Projected Completion Date: Final communications plan for the staff by June, 2011.

Responsible Person: CEO and senior management

Recommendation #11.2: *Leadership shall communicate the quality assurance plan to staff at all levels in the organization.*

Actions Taken to Date: Melissa Maurer has been appointed interim corporate compliance officer and children's services quality assurance specialist. Meg Brodhead has been appointed the quality assurance specialist for adult services. The Board Quality Assurance Committee will work with these two individuals.

Further Action Steps Planned: CEO Jayme Collins will partner with Melissa Maurer, Meg Brodhead and the Board Quality Assurance Committee to develop a plan to communicate to all the MFS staff the agency's quality assurance program.

How the Action Steps will be Evaluated for Effectiveness: Surveying staff at regular team and administrative meetings as well as in individual supervision to determine their working knowledge of quality assurance issues.

Projected Completion Date: This effort is well under way and will be ongoing.

Responsible Person: CEO and corporate compliance officer and quality assurance specialist

COMPLIANCE

Recommendation #12.1: *Organizational policies and procedures shall follow federal and state regulations.*

Actions Taken to Date: While it was a longstanding practice of the agency requiring consumers to receive case management to access a physician, the current leadership of the agency discontinued this practice January 1, 2010. Conversation since receiving this audit, particularly in the MFS children's department, revealed both disagreement and confusion about this change. As a result of the audit, we have now reviewed with all staff that requiring consumers to receive case management to access a physician is not an accepted practice of the agency and is in violation of client rights.

Further Action Steps Planned: Weekly monitoring and review of organizational policies and procedures will be conducted by quality assurance specialists to keep staff current with changes in federal and state regulations.

How the Action Steps will be Evaluated for Effectiveness: Through monthly internal quality assurance reviews and open discussion and training during staff meetings as well as agency-wide or departmental-wide e-mail notices.

Projected Completion Date: Ongoing

Responsible Person: Corporate compliance officer and quality assurance specialist with oversight from senior management.

Recommendation #13.1: *The organization shall submit a corrective action plan to DHHS Healthcare Facilities and Licensing within the specified timeframes. The organization must continue to be in compliance with federal and state regulations.*

Actions Taken to Date: Jay Kurinskas, who conducted the annual certification inspection had requested one final piece of information, clarifying the nursing upgrades. Kurinskas received that documentation Monday, October 25, 2010. The written verification of our group home license and certification has been received from Peter Bacon, Community Residence Coordinator, Health Facilities Administration, State of New Hampshire.

Further Action Steps Planned: Our nurse trainer under the direction of our CMO is monitoring medications, patient charts on a weekly basis. We plan to put integrate the information about these patients on a regular basis into their master charts.

How the Action Steps will be Evaluated for Effectiveness: The CMO will meet on a regular basis with the nurse trainer to be sure procedures are followed.

Projected Completion Date: Implementation complete (see attached). Monitoring and evaluation ongoing.

Responsible Person: CMO and nurse trainer

Recommendation #14.1: *All services shall be reviewed and authorized by the physician, including the medical necessity of each clinical service, and documented on the individualized service plan, and contain the physician signature.*

Recommendation #14.2: *A plan shall be developed and implemented to ensure the active participation of the physician in the treatment plan development and oversight of the care provided.*

Actions Taken to Date: Every open case requires a physician's approval, oversight and signature -- all new cases are reviewed with appropriate doctors. Doctors review new cases prior to those meetings where they are then discussed. Doctors also sign off on each assessment which now contain an interim plan which covers all services until the longer-term plan is completed within 30 days. The CMO meets with children's services, adult recovery and older adult staffs to review ongoing clinical treatment. We will henceforth request our psychiatrist to attend our registration day for TBS and IMR groups to ensure that all services are reviewed and authorized by the physician who will determine medical necessity of these groups.

Further Action Steps Planned: Our new CMO is reviewing all of our procedures to insure that He-M and RSA governing standards are adhered to.

How the Action Steps will be Evaluated for Effectiveness: Regular quality assurance reviews that involve management and all clinical staff occur monthly. Any changes in state or federal regulations will be communicated to staff as frequently as deemed necessary.

Projected Completion Date: Ongoing

Responsible Person: CMO, CEO and the Board Quality Assurance Committee

OTHER FINDINGS

Recommendation #15.1: *The Agency shall submit the monthly ratio schedule to the Board of Directors.*

Actions Taken to Date: The agency began submitting monthly ratios to the MFS Treasurer and MFS Finance Committee of the Board, beginning with the July 2010 Operations Committee (Finance) and July 2010 Board meeting. In addition, the Operations Committee of the Board has asked for additional reporting that will show trends in the indicators over time (see attached report presented at the September Operations Committee Meeting). The agency reviews monthly with the finance committee of the Board of Monadnock Family Services and the Monadnock Community Service Center the following statements: profit and loss trend statements, profit and loss statements to budget, and balance sheets. Also further review and analysis is provided for Monadnock Family Services, including financial summaries highlighting monthly Medicaid billing (including four-year billing trends), capital spending, and various indicators and ratios.

Further Action Steps Planned: Each month the Treasurer of MFS and the MFS CFO present the Profit and Loss Statement to Budget and the Financial Summary, including Medicaid trends, and the Monthly Ratio Trends to the full Board. The Bureau ratios, as well as independent auditor ratios, and other indicators have been reviewed at year end during the independent auditor presentation to the finance committee.

Projected Completion Date: Ongoing

Responsible Person: Peter Skalaban, Chief Financial officer

Recommendation #16.1: *All receivables deemed uncollectible shall be written off in accordance with generally acceptable accounting principles.*

Recommendation #16.2: *A formal plan shall be developed to lower the overall days in receivables with weekly progress reports forwarded to BBH.*

Recommendation #16.3: *Complete work on current receivables as well as the oldest ones.*

Recommendation #17.1: *MFS should be recording the contractual allowances for these insurance billings in the same manner as they are recording Medicaid and clients fees. This will present the revenue more accurately and be more efficient as they will not have the extra procedure subsequent to the billings be processed.*

Actions Taken to Date: Recommendations 16.1, 16.2, 16.3, and 17.1 are all related to the internal control policies and procedures for billing, collections, accounts receivable, and uncollectible balances. Following the State Reapproval Report of May 21, 2010, we began the process of recruiting for a Staff Accounting position whose main function is to monitor and maintain the accounts receivable system. The accountant was hired and began work on July 1, 2010. The second part of our solution was to engage a CPA Business Analyst and Consultant to evaluate the effectiveness of our accounts receivable system, to make recommendations that we could implement to strengthen and improve our system. We felt we needed a fresh independent evaluation of our systems to make the most pro active changes necessary. Susan Nooney, Certified Public Accountant & Business Consultant, was engaged to take on the project. All of the documents of the Reapproval Report and the Performance Audit were shared with her to help guarantee that the recommendations would address all the issues. Susan Nooney has already spent 2 full days on site in October and she will continue until the final implementation and follow-up of her recommendations. (A copy of her engagement letter is attached.)

Further Action Steps Planned: Recommendation 16.2 requires weekly reporting which we will begin in November that will cover the progress of the overall project, as well as the lowering of the receivable days.

How the Action Steps will be Evaluated for Effectiveness: We are taking a three pronged approach to guarantee that we meet full compliance --

1. Monitor progress towards and reaching the final goal of having no receivable balances exceeding 120 days in the aging. Any exceptions will be documented individually as to the reason and the expected date of collection (Medicaid determination, payment plan, etc.)
2. Have the CPA Consultant complete an A/R audit at six months following implementation and provide any corrective recommendations.
3. Have our annual CPA Audit firm review all corrective actions and plans.

Projected Completion Date: All research and evaluation be completed by the end of November, 2010; implement all recommendations and improvements in December, 2010, and be in full compliance with all the recommendations (16.1, 16.2, 16.3 and 17.1) by January 1, 2011.

Responsible Person: Peter Skalaban, Chief Financial officer.

Respectfully submitted,

Jayme Collins, CEO

Attachments