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# Granite Pathways Doorways Contracts Evaluation: Findings & Recommendations

REPORT FOR GOVERNOR CHRISTOPHER SUNUNU

BY: STATE OF NEW HAMPSHIRE DEPARTMENT OF HEALTH & HUMAN SERVICES

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## Objective and Approach

Following a series of incidents at the Granite Pathway's Youth Treatment Center in late November 2019, Governor Christopher Sununu requested a comprehensive review of all Granite Pathway's contracts by the New Hampshire Department of Health and Human Services (DHHS). The objective of this review was to focus on Granite Pathways Doorways contracts, in order to determine whether the vendor had successfully engaged in the services required in the Doorways contract and assess the appropriateness of the related contract invoices. DHHS is planning a first-year review of the other Doorways in 2020.

This report contains the results of DHHS' review of the two Doorways operated by Granite Pathways in the cities of Nashua and Manchester. As part of its review, DHHS conducted onsite observations, interviewed Granite Pathway staff, met with two members of Granite Pathways management, reviewed client files, analyzed Doorways data submitted to DHHS, interviewed stakeholders from 22 community partners, and requested backup documentation for invoices from the start of the contract through October 31, 2019. Community stakeholders' interviews included spokes (Doorway partners), emergency response, city leadership, and public health officials. In each city, DHHS interviewed the following number of stakeholders:

City/Stakeholder Group	Number of Individuals Interviewed
Manchester Community Partners	13
Manchester Granite Pathways Internal Staff	3
Nashua Community Partners	11
Nashua Granite Pathways Internal Staff	3

## Background

The State Opioid Response Grant is an award from the Substance Abuse and Mental Health Services Administration (SAMSHA) to assist DHHS and substance use disorder providers in combating the opioid crisis in New Hampshire. This two-year grant program, awarded September 2018, targets unmet treatment needs, opioid overdose deaths, and barriers to medication-assisted treatment. Contracts for the Doorway system were approved at the October 31, 2018 Governor and Council meeting; the system launched January 1, 2019. The Doorways serve as a statewide access and referral hub with nine physical locations situated to ensure that no one in New Hampshire has to travel more than sixty minutes to begin the process towards recovery. Doorways are responsible for providing screening, evaluation, service referrals, and care coordination for the client throughout their experience along the continuum of care.

## Executive Summary

Through its comprehensive review, the Department found that Granite Pathways was unsuccessful in meeting contract requirements. In particular, Granite Pathways staff reported they are not meeting the contracted requirements for case management and making referrals (i.e., referred services do not always match the appropriate ASAM-criteria level of care). Community partners reported a lack of outreach by Granite Pathways and difficulty establishing trusted relationships with the organization. Additionally, the Department has observed repeated concerns with lack of documentation for invoices, a lack of appropriate cost allocation methodology, and no timekeeping for invoiced salaries and wages. In the course of our review, we found Granite Pathways was meeting three of the reviewed contractual obligations: expenditure of flex funds; naloxone distribution; and data reporting.

On-site interviews with internal Granite Pathways employees noted positive staff attitude and sense that leadership supports them in Manchester. Staff at both locations reported being pleased with the work they are doing. However, Nashua had a small clinical and case management staff, some of whom share time with other community partners, and have only a half-time Doorway manager and a half-time site manager, which has reportedly resulted in staff stress and feeling that they do not always receive level of support needed to fulfill the contractual duties successfully.

While the exact cause of Granite Pathways' inconsistent and sometimes poor contract compliance is not clear, community partners raised concerns that there appears to be a need for decision-makers and on-the-ground local leadership. Multiple partners reported the organization seems overwhelmed. Based on DHHS observations related to lack of consistency in documentation for client files and poor financial controls, a general lack of organization infrastructure contributed to Granite Pathway's inability to fulfill all of the contractual requirements including service delivery. Some community partners stated the timeframe for implementation of the Doorways was unreasonable which may have led to some of the organization's inherent challenges.

Additionally, at least two stakeholders reported concerns with the impact of DHHS/State oversight on the organization's ability to succeed. The interviewees implied Granite Pathways feared any missteps or issues at the Doorways could result in intense scrutiny or criticism from the Department or other stakeholders, rather than collaborative problem solving or support. As a result, Granite Pathways may have been reluctant to communicate to the State and to the community about any challenges and roadblocks in meeting the contractual requirements.

## Key Findings: Stakeholder Interviews

***Key Finding: Granite Pathways' challenging community relationships impacted the delivery of contractually required services in Manchester and Nashua, and the organization did not meet contract requirements to coordinate with Regional Public Health Networks, Integrated Delivery Networks and Continuum of Care.***

The Doorways contract requires Granite Pathways to establish formalized agreements for coordination of services and case management services provided by Integrated Delivery Networks (IDNs) to reduce duplication of services and leverage existing integrated care projects in their region. Additionally, sections 3.5 and 3.6 of the Doorways contract requires Granite Pathways to utilize recent comprehensive needs assessments of their region, to be coordinated with regional partners.

The Department found Granite Pathways does not have any formalized agreements for coordination of services with the IDN in either region. Community partners reported GP does not coordinate a needs assessment in a significant way with other regional systems of care including public health networks, integrated delivery networks and substance use disorder continuum of care facilitators.

Although stakeholder interviews often noted that Granite Pathways' staff attend community meetings, partners across both cities expressed significant concerns about preparedness, follow-through, and engagement at those meetings. Stakeholders consistently identified a significant need for GP to share local-level data, which was not forthcoming.

For the Doorways concept to flourish and meet client and community needs, Granite Pathways and other stakeholders have to make referrals to and from the Doorways, which requires building trusted, valued, and functioning partnerships with all levels of community providers. However, multiple partners reported the relationship-building process was one directional, where they took initiative for all outreach to Granite Pathways. While relationships had been initially established, stakeholders reported minimal ongoing coordination and little trust in Granite Pathways. Stakeholders acknowledge that geopolitics in both cities play a role in the reception GP received in their communities, and there was consistent mention of frustration with the Doorway system being layered on top of existing infrastructure instead of bolstering existing systems. Specifically, in both the Manchester and Nashua communities, there was an existing community-led response to the emerging opioid epidemic in the form of the Safe Stations programs, which were in operation prior to the awarding of the State Opioid Response Grant and the establishment of the Doorways system. According to one person, "they [Granite Pathways] had a pretty hard uphill battle in both communities because of the geopolitical landscape." However, most stakeholders also expressed a desire to see the system succeed and a willingness to work together and felt that GP had not 'come to the table' in the way the communities needed.

Granite Pathways NH-based leadership noted that the organization pursued a low profile approach to developing partnerships and engaging community stakeholders in Nashua, in order to complement and not compete with the programs and system. They encountered local/political resistance to the Doorway entering Nashua-area system that was perceived as already working well. Although GP leadership felt progress had been made, they still perceived resistance to utilizing the resources the Doorway offers. Community partners in Nashua reported the GP role and presence was largely unknown or absent.

Recommendations: We recommend Granite Pathways engage in active partnership, including enhanced communication and taking stronger initiative to engage partners, to include a clear communication plan in each community. Specifically, GP should:

- Provide real-time local-level data whenever possible to assess community response and needed quality improvement.
- Review level of staff participating in meetings for appropriateness and expertise.
- Engage in a full community stakeholder involvement to reset and realign a process that has community buy-in and support.
- Be transparent in naming ongoing challenges and working collaboratively on community solutions.

***Key Finding: Granite Pathways did not consistently meet the contract requirements for Evaluation/Assessment, Referrals, and Continuous Case Management at either the Manchester or Nashua Doorway.***

The Doorways contract requires Granite Pathways to conduct a clinical evaluation and provide a clinical services plan, based on ASAM criteria. The service plan must also identify and make referrals for other health and social service-related needs. Simultaneously, the case manager must provide for interim services when the needed level of care is not readily available and/or make daily calls to assess and respond to any emergent needs.

Granite Pathways staff reported a process for intake, evaluation, and assessment to include non-clinical, social services. However, community partners reported instances of clinical referrals made with an inappropriate level of care as compared to ASAM criteria, incomplete referrals, or referrals not made in a timely manner. Some partners did relay positive experiences; however, a number of partners raised concerns that the quality of referrals from Granite Pathways has been inconsistent and staff needed training on ASAM criteria. Furthermore, no evidence existed in the client files of weekly case management calls, and Granite Pathways staff at both locations reported they do not make case management calls weekly as required in the contract.

Additionally, numerous community partners interviewed expressed confusion about, and lack of communication by, Granite Pathways regarding where clients go once they enter the Doorway system in either Nashua or Manchester. Partners expressed concern that “closed loop” referrals did not occur; in other words, the Doorway may have made a referral, but never confirmed the client received the appropriate services for the appropriate period of time.

While files contained referral information, application and release of information documents, no documentation existed of whether placements were made, what happened with referrals, or where clients ended up being served or not served. Granite Pathways staff explained that after intake, the screening and assessment processes may be transferred to the Department’s electronic tracking and billing system; therefore, information may not be retained in the client files. Granite Pathways management also shared with DHHS the agency utilized a detailed Excel spreadsheet to track clients, however, only one of the staff interviewed mentioned using the spreadsheet.

Indeed, the Department found client file documentation for evaluation and referrals was inconsistent at both GP locations. The Department’s review revealed the absence of the required screening tool in eight of the 20 files reviewed, and very little documentation existed for evaluation of social determinants of health in the client case files, though it appears staff did review housing and transportation needs.

**Recommendation: Granite Pathways should work to ensure:**

- Staff are appropriately trained in ASAM criteria, and all referrals are documented and tracked for completion.
- Staff engage in weekly case management to track clients’ changing needs.
- Every client receives assessment and support in meeting their needs related to social determinants of health, appropriate referrals made, referrals consistently tracked to completion, and delivery of services are consistently documented by staff.

## Key Findings: Financial Review

***Key Finding: Granite Pathways does not have a system of recording time spent by program or grant area as required by federal regulation.***

Federal regulations require support for salaries and wages charged to a grant. Specifically, Title 2 CFR Part 230 Appendix B 8 m states (in part) “Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible official(s) of the organization.” The distribution of salaries and wages to awards must be supported by personnel activity reports, as prescribed in subparagraph 8.m. (2) of this appendix, except when a substitute system has been approved in writing by the cognizant agency.

Granite Pathways does not utilize a timekeeping system or a clear cost allocation method to document time spent by program. The agency reported that for staff who split time between multiple programs, they charge a pre-determined percentage of time to those various programs, which is not a “personnel activity report.” In the normal course of business, an individual would have to spend more or less time on a program or activity in any given month.

Per the audited financial statements of FYE 2017, Fedcap had revenues of \$258.5 million. Yet, the Granite Pathways organization did not meet the federal requirement for documented time and did not have a formalized time management system. As a result of the lack of backup documentation, we found \$64,191.73 in questioned costs related to salaries and wages from July through October 2019. Based on a prior review, the State anticipates recouping another \$153,351 for undocumented salaries and wages from January to June 30, 2019.

**Recommendation: All time invoiced to the State for the Doorways requires accompanying back-up documentation that includes actual time spent on the grant.**

***Key Finding: Granite Pathways demonstrated poor internal controls around billing and finance management.***

Exhibit C, Section 8.1 of the Doorways Contract requires Granite Pathways to maintain fiscal records in accordance with accounting procedures and practices which sufficiently and properly reflect all such costs and expenses, and which are acceptable to the Department. However, we found consistent instances of poor finance management including:

- Several vendor disbursements included in invoices for reimbursement were duplicative in nature.
- Vendor disbursements invoiced to DHHS which, upon review of backup documentation, were determined by the Department not to pertain to the grant (\$314.22).
- Three expenses submitted on an invoice to DHHS for reimbursement did not have any back-up documentation to support the costs (\$84.04).
- Invoices submitted to the Department in July for expenditures with March-June dates of services (\$1,607). If the grant year closed June 30, 2019, the State would have been unable to reimburse those services.

- Duplicate reporting occurred of wages and benefits (\$21,883.71).
- The details of vendor payments invoiced indicated they were of another grant's costs of (\$1,025.12).
- Rent expense over reported (\$225.12).
- Unallowable construction costs submitted for payment (\$3,612).
- GP has not responded to several requests for back-up documentation for approximately \$2,700 of expenses at the Nashua location.

Prior to this review, DHHS discussed billing concerns with Granite Pathways which resulted in the submission of a Corrective Action Plan. As part of the follow up to this review, DHHS will reengage Granite Pathways in completing the submitted Corrective Action Plan.

The State has to rely on the vendor's internal controls to make regular payments for services rendered. With a low-risk provider, the State can spot check or engage in regular reviews of invoices, while not delaying timely payment to the vendor. However, in the case of Granite Pathways, a pattern of poor billing practices for the Doorways contract resulted in discontinuation of payment for invoices after June 2019. When the State is forced to "audit" every invoice or stop payment due to unclear or mistaken billing, it can impact the provider's revenue stream and intimately, availability of services to the clients.

**Recommendation: The entity should review and improve internal controls to ensure accurate and timely billing related to the Doorways contract.**

***Key Finding: Single Audit Not Submitted Timely***

Federal regulations (45 CFR 75.501(a)) require grant recipients expending \$750,000 or more during any fiscal year in Federal awards to obtain a single audit. The report would have been due by June 30, 2019. We could not find the Fedcap Single Audit for YE 9/30/2018 in the Federal Audit Clearinghouse (FAC), nor were we able to ascertain whether the entity requested an extension. The State is reviewing the implications of not filing the Single Audit.

**Recommendation: The entity should complete and submit a Single to the FAC as soon as possible.**

## Other Issues and Concerns:

### *Appropriate Signage at Facilities*

Three facility locations were observed, two in Nashua (at Amherst Street and Main Street) and one in Manchester. The Department found insufficient signage at each of the locations, and in some cases, could not identify appropriate doors for entry. The Manchester location reported awaiting city approval for posting signs larger than normally allowed by ordinance.

### *Sentinel Event Reporting*

Section 6.1 of GP contract requires Doorways to report sentinel events to DHHS. Staff at both locations reported they knew of the process to document incidents and notify supervisors. However, Manchester staff reported some incidents which had occurred but had not been reported per protocol. When DHHS discussed with Granite Pathways management, some confusion emerged as to what constitutes an incident/event that needs to be reported to DHHS.

**Recommendation:** DHHS should clarify requirements to ensure all Doorways train their respective staff on sentinel event policies.

### *Low Client Numbers and Inconsistent Client Tracking at Nashua*

DHHS staff had several conversations in Manchester and Nashua regarding the relatively low number of clients who have come through the Nashua Doorway. The Granite Pathways staff believe that, even though Nashua and Manchester are roughly similar in size, general SUD and Safe Stations numbers in Nashua are historically lower than Manchester and that the hospital emergency room utilization is higher in Nashua. Additionally, GP staff reported other community providers are working with SUD/ODU clients directly and not making a referral to the Doorways, resulting in fewer individuals served by the Doorway.

Two individuals reported to DHHS that Harbor Homes had made referrals of approximately 100 individuals to the Nashua Doorway, which Granite Pathways did not act upon. This report to DHHS stated that these files were placed in secure containers at the direction of Granite Pathways senior management and removed from the premises by the shredding company on December 12, 2019.

DHHS was provided with, and reviewed, a list of the 100 individuals. It was determined that the list included 94 unique names. These names were reviewed and compared to the internal tracking spreadsheet provided by Granite Pathways and also to the WITS reporting database (maintained by DHHS with demographic and service information input by providers). This review found that 86 of these individuals were recorded in either the Excel spreadsheet or in the WITS database. There is no record of or way to determine what services (if any) the remaining eight individuals may have received.

DOJ conducted an investigation into allegations that employees of Granite Pathways shredded documents in close proximity to the HHS audit. DOJ identified the specific employee who placed a large number of referral forms from the Mobile Crisis Response Team into a locked shredder bin. DOJ's conclusion is that the forms that were shredded consisted of client referrals that had accumulated in a locked drawer and had been segregated because Granite Pathways was unable to follow-up on the

referrals, despite at least some efforts to locate or make contact with the individuals. Most of those forms contained sensitive HIPAA protected information related to these referrals and Granite Pathways lacked a policy for the handling, storage or disposal of those forms. One of the employees involved in this incident stated that she had asked Granite Pathways managers on numerous occasions about how to handle these documents and received no response. The day the documents were placed in the shredder bin, which was also the day before the HHS audit, the employee asked a senior Granite Pathways official what to do with these documents. That senior official opined that the forms did not need to be retained and could be disposed of. That senior official provided no further instruction as to the proper disposal of those forms and did not specifically instruct that they be shredded. The employee who placed the documents in the shredder bin did so based on the response from the senior official. There was no evidence uncovered in the investigation that any of the employees involved in this incident sought to dispose of documents in anticipation of the HHS audit or sought to conceal the documents from HHS officials. The key to the shredder bin was not kept secure and was left in a common area in the office. Granite Pathways in Nashua shares its office with Harbor Homes. The day after the documents were placed in the shredder, the outside company who provides shredding services came to the Granite Pathways office to empty the bin. The employee of the shredding company asked for and received assistance from someone else in carrying out of the office some of the papers to be shredded, given the large volume of documents in the bin. Granite Pathways lacked policies and procedures designed to protect and dispose of sensitive documents within its premises.

**Recommendation:** Granite Pathways should accurately record and report on all individuals they encounter, including those referred by external providers.