



Granite Pathways Non-Doorway Contracts Review: 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). Granite Pathways is one of 19 non-profit companies of The Fedcap Group. This report contains the results of a review of the following four (non-Doorways) contracts with Granite Pathways:

The Family Support Coordinator for Families with Substance Use Disorder initiated in 2017 and funded by the Governor's Commission on Alcohol and Other Drugs, provides family support coordination for Peer Recovery Support Services to work with family and community support groups in order to expand services for families of individuals with Substance Use Disorders (SUD).

- Strength to Succeed (STS) initiated in 2018. Provides targeted prevention programming, which consists of substance use disorder (SUD) prevention and early intervention services to families who have open cases with the DCYF as a result of substance use. This program is funded by a combination of federal sources including State Opioid Response (SOR) and State Targeted Response (STR).
- State Youth Treatment Implementation (SYTI) initiated in 2019. Provides treatment options for youth and transitional aged adults with Substance Use Disorder/Co-Occurring Use Disorder (SUD/COD) and funded by a federal State Youth Treatment grant.
- Workforce Readiness initiated in 2019. Provides vocational training supports and workforce readiness programs for individuals with OUD in treatment and recovery settings who are seeking to join and/or re-join the workforce and are funded by the federal State Opioid Response (SOR) grant.

The objective of this review was to determine whether the vendor is currently providing services in alignment with contract requirements and appropriateness of related contract invoices. As part of its review, DHHS conducted an administrative review of program documentation and reports, onsite observations, selected case record reviews, and requested backup documentation for invoices. Also considered during this review was a letter the Department sent to Granite Pathways on November 15, 2019, requiring Granite Pathways to submit a Corrective Action Plan for continuous issues with its billing, including lack of back-up documentation for invoices as well as incomplete information submitted. Granite Pathways responded with a Corrective Action Plan on November 25, 2019, which was reviewed and approved by the DHHS Division of Behavioral Health.

Background

Due to the large increase in focus and funding to address the opioid crisis, the state has sought, through competitive procurement vendors, to provide new and expanded substance use related programming and services statewide and in targeted communities to individuals with lived experience, their families, and children affected by caregiver substance use disorders. Through several federal and state funding sources, most notably funding to address the opioid epidemic, DHHS has had the ability to expand services to address gaps in the continuum of care for substance use disorders and better serve specific high-risk populations. Granite Pathways is one of many vendors to win contracts across the state to support this work.

Funding for these services has come through four primary sources:

1. Governor's Commission on Alcohol and Other Drugs: The Commission was created by the NH Legislature in 2000. Its mission is to significantly reduce alcohol and drug problems and their behavioral, health and social consequences for the citizens of New Hampshire by advising the Governor regarding the delivery of effective and coordinated alcohol and drug abuse prevention, treatment and recovery services throughout the state. The Commission determines the disbursement of moneys from the alcohol abuse prevention and treatment fund.
2. Substance Abuse and Mental Health Administration (SAMHSA)- State Targeted Response (STR) was received by DHHS to implement a comprehensive approach to address New Hampshire's opioid use disorder crisis through various prevention, treatment, and recovery services targeted at high-risk populations. The identified target populations of focus include pregnant women with OUD and parents in recovery, youth in recovery, children and families involved with the Division of Children, Youth and Families (DCYF) due to substance use, and incarcerated men and women scheduled to re-enter the community. Examples of these services include; family peer support, youth peer support, enhanced care coordination, support services that increase treatment engagement (childcare, transportation), and parenting education.
3. SAMHSA- State Opioid Response (SOR) to assist the Department of Health and Human Services 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.
4. SAMHSA - State Youth Treatment Implementation Grant (SYTI) to The NH Bureau of Children's Behavioral Health received a 4-year State Youth Treatment Implementation (SYTI) grant (October 1, 2017-September 30, 2021). The program name for this project is Creating Connections NH. This program is designed to develop and implement a continuum of care for adolescents and transitional age youth (12-25) with substance use disorders (SUD), or SUD with co-occurring mental health disorders (SUD/COD).

Programs Reviewed

Family Support Coordinator for Families with Substance Use Disorders:

Family support groups provide critical support and education to families of individuals with substance use disorders so that they can more effectively respond to their loved one with a substance use disorder. The Family Support Coordinator facilitates the family support groups in a manner that allows for sharing of ideas to better address other responsibilities in family life, such as: a partner, other children, their job, extended family, social connections and involvement in the community.

The responsibilities of the Family Support Coordinator include, but are not limited to:

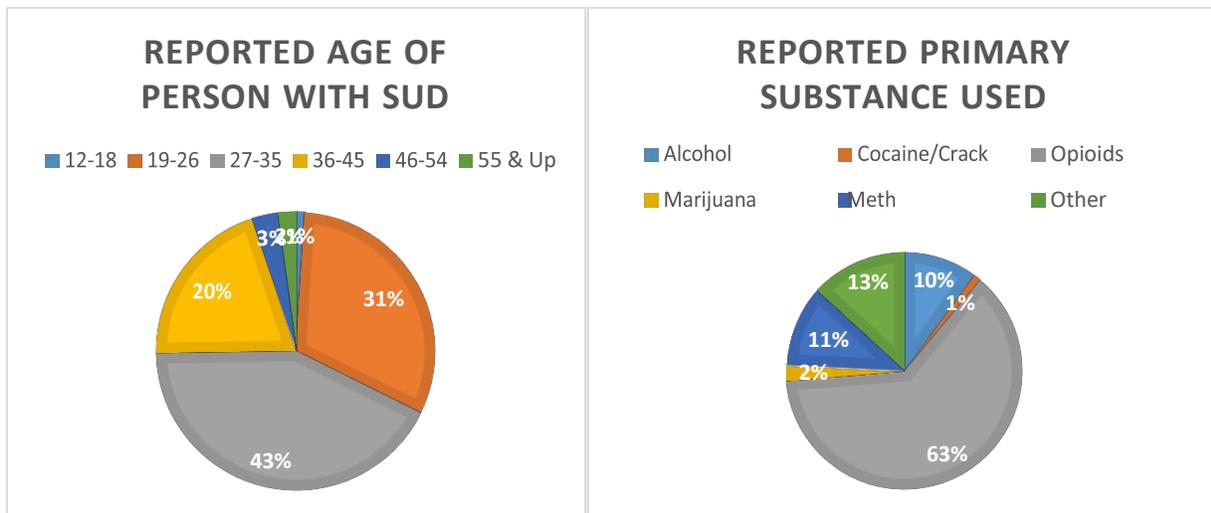
- Serving on work groups, advisory councils, and committees relating to Substance Use Disorder/Co-Occurring Disorder (SUD/COD)
- Supervising, training and supporting the family support group facilitators statewide
- Recruiting and enrolling new Family Facilitators in the National Alliance for the Mentally Ill (NAMI) Family Leadership Training Program
- Ensuring that Family Facilitators are prepared and trained to provide peer-to-peer support to families with SUD/COD struggles
- Assessing the need for additional support group inquiries and referrals throughout the state
- Promoting Family Support Groups in New Hampshire

This program is funded by the Governor's Commission on Alcohol and Other Drugs and was originally approved by G & C on August 2, 2017 with a 2 year renewal option. The contract has since been reapproved on June 20, 2018 with 1 year renewal remaining and again on June 19, 2019, with no renewals remaining.

PROGRAM SPECIFIC FINDINGS:

This program is determined to be meeting programmatic service expectations. Over the last two years, the program has grown to having a monthly average of 55 family support meetings with 313 participants.

The majority (90%) of meeting participants report being the parent of an individual or individuals with a substance use disorder. With the remaining 10% of participants reporting being a grandparent, child, sibling, aunt/uncle/cousin, significant other or other relationship. The age breakdown and substance primarily used are pictured in the charts below. Grant funding is focused on opioid use disorder and these charts show that the majority of family members (65%) report that their loved one is primarily using opioids.



Common themes and concerns reported by participants include:

- Concern for relapse after years of recovery
- Varying stages of recovery
- Concern with methamphetamine use with families seeing more use and more unusual behavior associated with methamphetamine use
- Increased misuse of Suboxone
- Use of opioids, such as heroin and fentanyl
- Engagement in medication assisted treatment programs
- Relapse

There have been no programmatic issues noted to date. All concerns have been around billing including lack of timesheets, invoice back up (i.e. mileage all on one sheet), improper invoicing for non-allowable expense. DHHS staff spoke with Granite Pathways leadership directly about all issues. DHHS staff has also given guidance to billing person at Granite Pathways in the past. DHHS developed a book for guidance on billing. There is a Corrective Action Plan in place at this time dated November 25, 2019.

Recommendations:

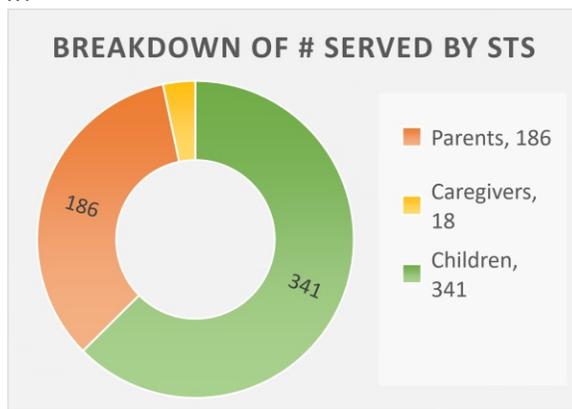
With program growth and quality in mind, DHHS intends to provide technical assistance to the Family Supports program to increase monitoring of program outcomes and improve impact; one example of TA includes surveying program participants to identify opportunities for improvements and/or additional supports needed. DHHS will guide Granite Pathways in the development of a survey tool and implementation of quality improvement of the program based on survey results and set clear expectations for a timeline for implementation and data reporting/monitoring.

Strength to Succeed (STS):

In 2018 building off DCYF's successful Parent Partner program, the Bureau of Children's Mental Health and the Division of Children, Youth and Families (DCYF) collaborated in the design and procurement of a targeted prevention program for parents and children involved with DCYF, called Strength to Succeed (STS). STS consists of substance use disorder (SUD) prevention and early intervention services to families who have open cases with DCYF because of, or complicated by, substance misuse. The STS contract

requires Granite Pathways to provide SUD prevention and early intervention services to individuals in all but two DCYF catchment areas in the state. The goal is to ensure accessible, integrated services, that will result in reducing and mitigating childhood trauma and the child’s risk of developing an addiction themselves later in life, that results from substance use of a parent and caregiver. Services must include Rapid Access to Treatment, Home visiting and parent education, age appropriate prevention messaging, Parent Partner/Peer Support. The STS model also includes training and assisting partner programs with developing and implementing strategies that assist the target population. Two contracts were competitively procured and approved at the May 2, 2018, G & C and implementation occurred in fall of 2018. Granite Pathways received one award to cover the majority of the state. Expansion of the program occurred in SFY 19 to include additional State Opioid Response (SOR) funds. G & C approved this contract amendment on May 15, 2019.

As of November 2019, Granite Pathways employs 10 full time and one part-time Parent Partners for Peer Support, three full time Family Peer Support Specialists to support relative caregivers and reunified families, and one full time program coordinator and one full time program manager. To date, a total of 409 Strength to Succeed referrals have occurred. The program is serving Parents, Relative Caregivers and Children as shown below.



To date Granite Pathways has successfully implemented all but two requirements of this contract. Two key training related activities are still in development including:

- A basic training “101” for DCYF staff - which is nearing completion; will be piloted in the Laconia District Office in January 2020
- An Addiction 101 course is in development; expected to be piloted in a selected District Office later in 2020.

PROGRAM SPECIFIC FINDINGS:

STS is determined to be meeting programmatic service expectations. According to feedback from DCYF staff and stakeholders, this programming is positively impacting cases that are typically complicated and difficult to manage. With support from DCYF staff, leadership, and stakeholders, the STS program has expanded to enable more families to be served. Over the last several months, after onsite visits to New Hampshire with both SAMHSA and HHS/ACF program and organizational leadership, STS is gaining a national reputation and may be expanded nationally.

From a financial standpoint, the Department has concerns regarding timeliness and clarity of invoicing, as well as, record and timekeeping. These concerns have been raised to Granite Pathways program and administrative leadership and a Corrective Action Plan was submitted to DHHS by Granite Pathways on November 25, 2019.

Recommendations:

Per DHHS Division of Behavioral Health approved Corrective Action Plan, Granite Pathways will work with the state to submit invoices in a timely manner and with improved clarity. Back-up documentation will be provided for time spent invoiced to state grants. Granite Pathways will increase the billing and timekeeping infrastructure and train staff in appropriate billing and timekeeping practices.

State Youth Treatment Implementation (SYTI):

The NH Bureau of Children's Behavioral Health received a 4-year State Youth Treatment Implementation (SYTI) grant (10/1/2017-9/30/2021) from the Substance Abuse and Mental Health Services Administration. The program name for this project is Creating Connections NH. This program is designed to develop and implement a continuum of care for adolescents and transitional age youth (12-25) with substance use disorders (SUD), or SUD with co-occurring mental health disorders (SUD/COD). The project develops and provides a continuum of care for at least 200 youth, including a focus on young people from underserved populations (such as youth of color or youth who identify as LGBTQ). Youth, family and community voices are involved in all phases of implementation and evidence-based best practices such as American Society of Addiction Medicine (ASAM), Child and Adolescent Needs and Strengths (CANS), The Seven Challenges (Evidence-Based Practice), and NH's Wraparound model are part of the continuum. The contract with Granite Pathways to be a pilot site for this grant was approved by G & C on June 5, 2019. Granite Pathways is contracted to provide to the above referenced population and their families, as applicable to provide screening, assessment, treatment for ASAM levels 1.0-Outpatient Program (OP) and 2.1-Intensive Outpatient Program (IOP), discharge planning, psychoeducation, and referral to ancillary services as needed.

PROGRAM SPECIFIC FINDINGS:

There is an overwhelming need for services in NH for community-based SUD/COD treatment for the adolescent and transitional-aged population. By providing SYTI in their assigned geographic target area, Granite Pathways is meeting a portion of this need for adolescent and young adult SUD/COD treatment with the proper oversight and increased staffing to meet the capacity. The clinicians and staff are trained in an effective, evidence-based practice that addresses both substance misuse and mental health challenges, specializing in trauma, The Seven Challenges. From a service standpoint, this model is currently being successfully implemented by Granite Pathways. A recent concern raised to Granite Pathways is the safety of youth due to the potential co-mingling and supervision of youth entering and leaving the program site and the proximity to other services (Doorway and Department of Corrections). Granite Pathways subsequently submitted an approved safety plan for youth entering and exiting the program. DHHS, Division of Behavioral Health staff are monitoring plan compliance.

A site review of enrolled client files, facility, and contract took place on December 18, 2019. The census at that time for the Creating Connections NH (CCNH) Intensive Outpatient Program (IOP) was six. Granite Pathways is generally in compliance with the scope of contracted service requirements based on the review. Monthly program reports are 60 days outstanding, as well as invoices having an average overdue time of 60 days.

Granite Pathways is in partial compliance with both Federal and State rules, regarding youth aged 12 and over signing consent to treat, release of information, and treatment plans.

Recommendations:

Granite Pathways needs to be proactive in both their staffing plan and in anticipation of the complex needs of SUD/COD youth treatment population. Granite Pathways needs to improve their process for

obtaining consent from youth age 12 and up. Per the DHHS-approved safety plan, three staff should be on-site and available to the CCNH program 30 minutes prior to the program start time, each day of the IOP treatment program, during the treatment session and until all the clients have left the building. This will ensure the overall safety of clients through a higher level of supervision for the duration of each treatment day. CCNH program staffing should increase in proportion, as the amount of enrolled clients increases. The lack of CCNH's clear leadership and oversight from Granite Pathways needs to be addressed. Timely submission of monthly reports and invoices needs to occur, as outlined in the contract.

From a financial standpoint, concerns have been noted regarding timeliness and clarity of invoicing, as well as record and timekeeping. These concerns have been raised to Granite Pathways program and administrative leadership and a Corrective Action Plan was submitted to DHHS by Granite Pathways and approved by the Division of Behavioral Health on November 25, 2019.

Per approved Corrective Action Plan, Granite Pathways will work with the state to submit invoices in a timely manner and with improved clarity. Back-up documentation will be provided for time spent invoiced to state grants. Granite Pathways will increase the billing and timekeeping infrastructure and train staff in appropriate billing and timekeeping practices.

Workforce Readiness and Vocational Training Program:

The Workforce Readiness and Vocational Training Program contract requires Granite Pathways to design and implement vocational training supports and workforce readiness programming for individuals with Opioid Use Disorders (OUD) in treatment and recovery settings who are seeking to join or re-join the workforce. Granite Pathways is required to identify, recruit, and engage with individuals via direct outreach and through referrals from community partners and employers. This extensive program includes conducting vocational profiles in order to determine an individual's skill level, their strengths and readiness to gain employment and identifying a customized plan to link the individual to appropriate vocational trainings. Training stipends and other resources are also provided to aid the individual on their path to employment. Higher educational and vocational training may include, but is not limited to assistance with resume writing, job applications and improving interviewing skills. The contract performance measures are that 90% of individuals complete training programs and that 75% of individuals gain employment. Granite Pathways must also contact and coordinate with all Recovery Friendly Workforce Initiative employers and with the Doorways. An array of data will be reported quarterly to DHHS, related to individuals served, the services they receive, and their resulting employment.

Two contracts were awarded for this work to provide services to approximately 100 individuals. The first contract was approved with the Greater Tilton Family Resource Center in August 2019, in the amount of \$138,740, to cover the Tilton area. The contract with Granite Pathways was approved by G&C on September 18, 2019, in the amount of \$195,234.48, to cover the Seacoast region. Both contracts run through September 29, 2020. The initial quarterly report from Granite Pathways will cover the period through December 2019 and is due January 2020. .

Granite Pathways is in the process of hiring the required Program Director, Employment Specialist, and Job Developer for this program. Due to the limited timeframe and budget for this contract, Granite Pathways will be operating this program out of the Safe Harbor Recovery Center. There is appropriate space at Safe Harbor for working with clients. Safe Harbor Recovery Center is a peer-led Recovery Community Center, which holds itself out as a resource open to anyone who is interested in becoming

more engaged in the recovery process, as well as family and friends of those who are still struggling with active addiction. Safe Harbor provides support to all individuals and families impacted by Substance Use Disorder and embraces all pathways to recovery.

This program is solely funded by SOR. Granite Pathways has not yet submitted an invoice for this contract.

PROGRAM SPECIFIC FINDINGS:

This program has just been initiated. As the program progresses, Granite Pathways will provide DHHS with detailed information about the status and timeframe for implementation of contract requirements; SOR staff will provide program oversight and monitoring.

Financial Review - All Programs

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 have a timekeeping system or utilize 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 will necessarily 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.

Poor Internal Controls around Billing/Finance Management

All state contracts with Granite Pathways require the agency 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:

- Lack of invoice back up, i.e. mileage all on one sheet
- invoices not submitted timely
- One instance of improper invoicing for unallowable expense
- Lack of responsiveness

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 has been noted. 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 ultimately, availability of services to the clients.

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 be due by June 30, 2019. We could not find the Fedcap Single Audit for FYE 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.

Financial Recommendations:

The entity should complete and submit a Single Audit to the FAC as soon as possible. All time invoiced to the State for contracts must have back-up documentation that includes actual time spent on the grant.

Executive Summary

Overall, the Department found that Granite Pathways met most programmatic service contract requirements with some noted areas for completing final deliverables, i.e. training modules, ensuring safe access to and from program locations, i.e. SYTI IOP proximity to adult programs, and enhancing data collection to ensure quality as programs expand, i.e. Family Support groups.

In regards to the review of financial management and reporting, results indicate that Granite Pathways is not fully compliant with contracted requirements for invoicing. 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.

A Corrective Action Plan was prepared, submitted to, and approved by the DHHS Division of Behavioral Health, which covers the financial/documentation areas of concern. DHHS DBH staff will be closely monitoring implementation of the corrective action plan and would expect to see the outlined changes implemented in any invoices received starting in 2020.