



Vermont Agency of Human Services
Vermont Department of Health
280 State Drive | Waterbury VT 05676
www.healthvermont.gov

SEALED BID

REQUEST FOR PROPOSAL (RFP) for SUBSTANCE USE DISORDER RECOVERY RESIDENCES

ISSUE DATE	MARCH 9, 2026
<u>MANDATORY</u> BIDDERS CONFERENCE	MARCH 13, 2026, 2:30-4:00 PM (EST) Microsoft Teams Meeting Join the Meeting Meeting ID: 295 947 097 497 94 Passcode: Ei9U4ad7 Dial in by phone +1 802-552-8456,,387149989# United States, Montpelier Phone conference ID: 387 149 989#
QUESTIONS DUE	MARCH 20, 2026 – 4:00 PM (EST)
RFP RESPONSES DUE BY	APRIL 23, 2026 – 4:00 PM (EST)

PLEASE BE ADVISED THAT ALL NOTIFICATIONS, RELEASES, AND ADDENDUMS ASSOCIATED WITH THIS RFP WILL BE POSTED AT:

<https://www.vermontbusinessregistry.com/>

THE STATE WILL MAKE NO ATTEMPT TO CONTACT INTERESTED PARTIES WITH UPDATED INFORMATION. IT IS THE RESPONSIBILITY OF EACH BIDDER TO PERIODICALLY CHECK THE ABOVE WEBPAGE FOR ANY AND ALL NOTIFICATIONS, RELEASES AND ADDENDUMS ASSOCIATED WITH THIS RFP.

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1.	OVERVIEW	3
1.1	Background	3
1.2	Statement of Purpose	3
1.3	Grant Period	3
1.4	Recovery Residence Landscape	3
1.5	Eligible Bidders	3
1.6	Community Partner	3
1.7	Subgrantee/Subcontractor	4
1.8	Timeline for RFP Process	4
1.9	Mandatory Bidders Conference	4
1.10	Question and Answer Process	4
1.11	Proposal Submission Instructions	5
1.12	Single Point of Contact	5
2.	RECOVERY RESIDENCE REQUIREMENTS	6
2.1	Required Certification	6
2.2	Number of Beds	6
2.3	New Bed Requirement	6
2.4	Location Requirements	6
2.5	Required Health Care and Social Support Services	7
2.6	Deliverables and Milestones	8
2.7	Performance Measures	8
2.8	Reporting Requirements	9
3.	NARRATIVE PROPOSAL	10
3.1	Transmittal Letter	10
3.2	Recovery Residence and Services Provided	10
3.3	Experience and Qualifications	12
3.4	Service Delivery Model	12
3.5	Sustainability	13
4.	BUDGET PROPOSAL	14
4.1	Instructions for Completing the Budget Proposal	14
4.2	Funding Source	14
4.3	Allowable Costs	14
4.4	Unallowable Costs	14
4.5	Payment Terms	15
5.	EVALUATION AND SELECTION	16
5.1	Grant Award	16
5.2	Evaluation of Proposals	16
5.3	Interview	16
5.4	Notice of Award	16
5.5	Grant Negotiation	16
5.6	Statement of Rights	17
6.	GENERAL REQUIREMENTS	18
6.1	Grant Terms	18
6.2	Exceptions to Grant Terms and Conditions	18
6.3	Budget Restrictions	18
6.4	Confidentiality and Public Records Requirements	18
6.5	Conflicts of Interest	18
6.6	Worker Classification Compliance Requirements	19
6.7	Compliance Requirements	19
7.	ATTACHMENTS	20
7.1	Subgrantee/Subcontractor Reporting Form	20
7.2	Standard State Grant – DRAFT ONLY	21

1. Overview

1.1 Background

Vermont has received a Rural Health Transformation (RHT) grant of \$195 million in Year One of a five-year opportunity. The purpose of the grant is to build stronger rural health networks, improve technology and shared operations, strengthen the rural health workforce and ultimately ensure that Vermonters receive the right care at the right time for an affordable cost.

This project is supported by the Centers for Medicare & Medicaid Services (CMS) of the U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$195 million with 100 percent funded by CMS/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by CMS/HHS, or the U.S. Government.

1.2 Statement of Purpose

The Vermont Department of Health (“Department” or “State”) is requesting proposal(s) pursuant to this Request for Proposal (“RFP”) for “Recovery Residences.” The State seeks to establish grants with **one (1) or more bidders** to operate recovery residences that provide safe, **home-like residential environments** that promote individual recovery from substance use disorder. Recovery residences must have a holistic and integrated recovery residence arrangement that accounts for provision of **eight (8)** required Health Care and Social Support Services, either provided directly by the recovery residence or through an agreement with **one (1) or more community partners**. See Section 2.2 for details regarding the recovery residences and the required services.

1.3 Grant Period

Grants/contracts executed from this NOFO/RFP will be for a period of 14 months with an anticipated start date of August 1, 2026. The grant period is anticipated to extend from August 1, 2026, through September 30, 2027, for a period of 14 months. **Year 1 funds must be fully spent by September 30, 2027.**

Year 1 grants under this project may be extended up to four (4) one-year option periods with Vermont Agency of Human Services/Vermont Department of Health and CMS approval.

1.4 Recovery Residence Landscape

Bidders may review the “2025 Report to the Legislature: Assessment of Recovery Residences” for more information about the current recovery residences landscape:

<https://legislature.vermont.gov/assets/Legislative-Reports/Act-163-Recovery-Residence-Report-2025.pdf>.

1.5 Eligible Bidders

The primary bidder (“bidder”) submitting the proposal must be the operator of the recovery residence that is being proposed. Bidders must have the capacity and experience to operate a recovery residence that will be National Alliance for Recovery Residences (NARR) Level II or III certified.

1.6 Community Partner

The bidder may engage with community partners, as described below:

- A community partner (“community partner”) is an organization that the bidder collaborates with to deliver the required **eight (8) services**. The bidder is not permitted to reimburse community partners through funding received from an executed grant agreement from this proposal. A Letter of Agreement is required at proposal submission for every community partner.

- For delivery of Substance Use Disorder Treatment and Medication Management services the bidder must partner with one (1) or more Preferred Providers (“Preferred Providers”).
 - A Preferred Provider is an organization that has attained a certificate from the Vermont Department of Health and has an existing contract or grant from the Department to provide treatment for substance use disorder. A list of Preferred Providers is available at: <https://vthelplink.org/>
- For Recovery Support Services (RSS), the bidder must partner with one (1) or more Recovery Centers funded by the Vermont Department of Health. A list of Recovery Centers is available at: <https://vthelplink.org/>

1.7 Subgrantee/Subcontractor

A subgrantee/subcontractor (“subgrantee/subcontractor”) is an entity independent from the bidder, who the bidder has assigned part of the bidder’s scope of work or services. Subgrantees/subcontractors are independent and not employees of the bidder.

1.8 Timeline for RFP Process

Date*	Task
March 9, 2026	RFP issued
March 12, 2026 2:30 PM (EST)	Register for Mandatory Bidders Conference
March 13, 2026 2:30 - 4:00 PM (EST)	Mandatory Bidders Conference
March 20, 2026 4:00 PM (EST)	Questions on RFP due to ahs.vdhdsupproviderssummary@vermont.gov
As soon as possible after question submission period ends	Responses to questions posted on the Vermont Department of Health’s webpage
April 23, 2026 4:00 PM (EST)	Proposals due
As soon as possible	Final vendor selection

*This anticipated timeline is for reference purposes only and is subject to change at the Department’s discretion.

1.9 Mandatory Bidders Conference

A mandatory bidders conference will be held remotely on the date and time indicated in Section 1.8. Send an email to ahs.vdhdsupproviderssummary@vermont.gov at least 24 hours in advance to register for the bidders conference and to submit any requests for reasonable accommodations (e.g., live captioning).

At a minimum, **one (1) authorized representative** from the bidder must attend the full conference for a proposal to be eligible for the proposal scoring process. The attending representative must be authorized to represent the bidder and possess sufficient knowledge of the bidder’s proposed program, operations, and ability to meet the requirements of this RFP.

Community partners and subgrantees/subcontractors are encouraged to attend but attendance is optional.

1.10 Question and Answer Process

A bidder requiring clarification or commenting on any section of this RFP must submit questions/comments in writing no later than **March 20, 2026 by 4:00 PM (EST)** by email to ahs.vdhdsupproviderssummary@vermont.gov. Questions or comments submitted after the deadline will not be considered for a response from the State.

The State's responses will be posted at: <https://www.vermontbusinessregistry.com/>.

All information submitted by bidders during this process will be public. Bidders shall not provide confidential information.

1.11 **Proposal Submission Instructions**

All proposal submissions must include two (2) attachments: 1) Narrative Proposal 2) Budget Proposal. There will not be a public bid opening.

Submission Instructions:

- Proposals must be received by **April 23, 2026 at 4:00PM (EST)**. Proposals received after deadline are disqualified.
- Proposals must be submitted electronically to ahs.vdhdsupprovidersummary@vermont.gov. The subject line of the email submission must indicate "Recovery Residence RFP – [Insert Bidder's Name]."
- The Narrative Proposal must be submitted as a PDF. The PDF must consist of digitally searchable documents.
- The Budget Proposal must be submitted as an Excel spreadsheet using the Budget template provided.
- There is an attachment size limit of **40 MB**. It is the bidder's responsibility to compress the file(s) attachments to meet this size limitation. It is the bidder's responsibility to ensure that their own email system can send and receive messages up to this size.
- Proposals that do not adhere to the submission instructions are disqualified.

1.12 **Single Point of Contact**

All communications concerning this RFP are to be addressed in writing to ahs.vdhdsupprovidersummary@vermont.gov. Actual or attempted contact with any other individual from the State concerning this RFP is prohibited and may result in disqualification.

2. Recovery Residence Requirements

The State seeks to establish grants with **one (1) or more bidders** to operate recovery residences that provide a safe, home-like residential environment that promote individual recovery from substance use disorder. Recovery residences must be affordable, substance free, and allow house members or residents to continue to develop their individual recovery plans and become self-supporting, with the goal of transitioning to permanent housing. Recovery residences must adhere to the National Alliance of Recovery Residence (NARR) standards at either **Level II/Type M (Monitored)** or **Level III/Type S (Supervised)**.

2.1 Required Certification

The recovery residence(s) will adhere to the **NARR** standards of **Level II/Type M (Monitored)** or **Level III/Type S (Supervised)** residences and provide high quality recovery housing. Bidders should identify which NARR level is being proposed and the number of beds at that level. Bidders may propose multiple distinct recovery residences at different levels (II or III). Bidders proposed recovery residence does not need to be certified currently, but if selected, must obtain certification prior to serving the first resident.

NARR has a rigorous, evidence-based standard for certifying recovery residences. NARR designates state-level affiliates to certify that individual residences uphold NARR's national standards. The Vermont Alliance for Recovery Residences (VTARR) is the Vermont affiliate of NARR and conducts these certifications. VTARR website: <https://vtarr.org/>

The NARR [defines](#) Level II and Level III standards as such:

- **Level II / Type M (Monitored)** are frequently called sober homes or sober living. They are alcohol and illicit substance-free recovery housing that utilize house rules and peer accountability to maintain safe and healthy living environments. Senior residents, appointed by the owner/operator to serve as the head of household, are typically called the House Manager. To serve higher needs/lower recovery capital populations, such as transition aged youth (e.g., youth 16-25 years of age) with opioid use disorders, some Level II's provide recovery support services and life skills development but at a lower intensity than Level III's.
- **Level III / Type S (Supervised)** delivers weekly, structured programming including peer-based and other recovery support services (e.g. recovery and resiliency groups or person-driven recovery plans) and life skills development programming (e.g., job readiness or budgeting). Staff are supervised, trained, or credentialed and are often graduates of a recovery residence. Level III's are designed to support populations who need more intense support in developing recovery capital than provided by Level I or Level II. Level III's are required to be licensed in a few states, reflecting the therapeutic nature of the services provided.

Additional details relating to NARR standards can be found here: [NARR-Levels-of-Support.pdf](#).

2.2 Number of Beds

The maximum number of beds per recovery residence should not exceed NARR standards.

2.3 New Bed Requirement

Bidder proposals must consist of new beds.

2.4 Location Requirements

All recovery residences:

- Must be located within the State of Vermont, but may be operated by an organization located outside of the State,

- Should be located in an area that has access to the **eight (8)** required Health Care and Social Support Services within a 5-mile radius for off-site services that are not provided virtually, and
 - If these services cannot be provided within a 5-mile radius, bidder must include justification for their proposed locations in the “Recovery Residence Proposal Template” by briefly describing how accessibility is ensured through transportation and why a closer location was not selected.
- Prefer that the residence be located in a county that does not have an existing recovery residence.
 - If the bidder proposes a location in a county that already has a recovery residence, bidders must include justification for their proposed locations in the “Recovery Residence Proposal Template” by briefly describing the reason it is a suitable location.

2.5 Required Health Care and Social Support Services

Bidders are required to coordinate eight (8) Health Care and Social Support Services into each proposed recovery residence, either by the bidder providing these services or through agreements with community partners for the delivery of services either on-site, on-site virtual, or off-site. Proposals must clearly identify which services the bidder proposes to provide on-site, and which services will be delivered by a community partner either on-site, virtually on-site, or off-site. Required services are below:

Health Care Services:

- 1) **Substance Use Disorder Treatment Services:** Access to medically necessary American Society of Addiction Medicine (ASAM) Substance Use Disorder Outpatient and Intensive Outpatient clinical services, coordinated through the Vermont Preferred Provider Network.
- 2) **Mental Health Services:** Mental Health screening, clinical services as appropriate, and referrals.
- 3) **Medication Management Services:** Coordination of medications for substance use disorder services, including medications for opioid use disorder (MOUD), medications for alcohol use disorder (MAUD), mental health conditions, and medications for physical health conditions. Bidder must provide these services through the Preferred Provider network and/or the Blueprint for Health.
- 4) **Physical Health Services:** Physical Health Care screening and referrals.

Social Support Services:

- 1) **Recovery Support Services (RSS):** Coordinated RSS through local Recovery Centers funded by the Department: [Vermont Helplink for Alcohol & drug support center](#). Recovery Support Services are a set of culturally competent, non-clinical, evidence-based activities coordinated in accordance with a written individualized recovery plan of care that documents the substance use disorder and reflects the needs and preferences of the individual in achieving the specific, individualized goals that have measurable results and are specified in the plan. The type of services provided can include a range of social and other services that facilitate recovery, wellness, linkage to services providers, and other supports shown to improve quality of life for people, and their families, in and seeking recovery from substance use.
- 2) **Employment Services:** Provided in partnership with Vermont’s Department of Disabilities, Aging, and Independent Living’s Hireability program.
- 3) **Life Skills Services:** Training for adults is a way to learn practical skills that can help navigate the challenges of adulthood. These skills can help people in both their personal and professional lives. Examples include, but are not limited to:

- a. Self-care,
- b. Meal planning and preparation,
- c. Emotional intelligence,
- d. Time management,
- e. Budgeting, Financial literacy, Money management,
- f. Communication,
- g. Decision-making,
- h. Household chores and maintenance, and
- i. Problem solving.

4) **Transportation Services:** Provision of transportation to off-site services, where applicable.

2.6 Deliverables and Milestones

The successful bidder will be expected to meet, at minimum, the following implementation deliverables and deadlines.

Timeline	Deliverable and Milestone
Within 30 days of award notification	Execute the grant agreement
Within 30 days of <i>grant execution</i>	Submit work plan that outlines approach, including milestones/deliverables and schedule to: <ol style="list-style-type: none"> 1. Finalize: <ul style="list-style-type: none"> • Entrance/exit criteria, • Exit transition plan with connections to recovery, housing and employment support and physical health, mental health and MOUD/MAUD management providers, as needed, • Staff training and credential requirements, • Data collection processes (e.g., intake and exit information, numbers served, occupancy, etc.), ensuring no additional barriers to service are created 2. Establish and execute community partnerships through MOUs to fulfill 100% of required services <ul style="list-style-type: none"> • Implement all required eight (8) services, in-house or through community partners 3. Obtain VTARR certification (if not pre-certified) 4. Submit an updated plan for external funding sources post grant period
On or before August 1, 2027	<ol style="list-style-type: none"> 1. Serve the first resident 2. Ensure 100% of staff, including staff at any subgrantee/subcontractor, fulfill relevant training and credentials, as outlined in the staff training and credential requirements
On or before September 30, 2027	Reach a monthly occupancy rate of 80% or higher

2.7 Performance Measures

The successful bidder will be expected to meet and report on, at minimum, the following performance measures.

Timeline	Performance Measure
Within 60 days of grant execution	Submit a work plan that outlines approach to: <ol style="list-style-type: none"> 1. Reach a monthly occupancy rate of 80% or higher by September 30, 2027 2. Ensure that of individuals who depart from the recovery residence, at least 65% will transition to permanent housing at departure

2.8 Reporting Requirements

At a minimum, proposals must address how bidder will collect data and report it to the State.

State Reporting Requirements	State reporting requirements are located here: Reporting Forms & Guidance Documents Vermont Department of Health .
Federal Reporting Requirements	All awardees are subject to quarterly reporting requirements, with the first quarterly report due October 31, 2026 (of Q3 2026 activities). <ul style="list-style-type: none"> • Quarterly reporting must include the metric: "Number of (unique) people served"

3. Narrative Proposal

This section details the minimum content requirements for bidders' narrative proposal for the proposal to be eligible for State evaluation. Bidders are advised to include only content in their narrative proposal that is relevant to the requirements of this RFP.

Bidders should submit one (1) response even if proposing multiple recovery residences. Submit a response in the order of section 3.1-3.6.

3.1 Transmittal Letter

Provide a cover letter that includes:

- A paragraph with an introduction to the bidder, including a description of the bidder's organization and overall headcount
- A paragraph with an executive summary of the bidder's narrative proposal
- Total amount of the proposed bid submitted in the budget proposal
- The Vermont Department of Taxes Business Account Number (if applicable)
 - To be awarded a grant by the State of Vermont a bidder must be registered with the Vermont Secretary of State's office <https://sos.vermont.gov/corporations/registration/> and it is the bidder's responsibility to contact the Vermont Department of Taxes to determine if, by law, the bidder is required to have a Vermont Department of Taxes Business Account Number.
- A paragraph attesting to the following:
 - The bidder is following administrative Bulletin 5 requirements for recipient of State of Vermont grants.
 - The bidder is in good standing with the State of Vermont.
 - Has the bidder been suspended or debarred by the federal government?
 - Has the bidder submitted a Subrecipient Annual Report in the last three (3) years?
 - Has the bidder received a single audit in the last three (3) years?
- A single point of contact to receive correspondence (name, title, phone number, and email)
- A signature of an authorized representative (name, title, phone number, and email)

3.2 Recovery Residence and Services Provided

3.2.1. Complete the following Recovery Residence Proposal Template below for each proposed residence:

Recovery Residence Proposal Template

Bidders to complete one (1) template per proposed recovery residence location. For example, if a bidder submits one RFP for two (2) recovery residence locations, please submit two (2) separate templates. The template must be completed in its entirety and attached in the appendix of the response.

Proposed Recovery Residence Information: Complete the third column (“Answer”).

Category	Explanation	Answer
Location of Recovery Residence	Provide the Town/County of the recovery residence	
Address (If Address is known)	Provide Street Address, Town	
Building Description (If Address is known)	Provide a brief description of the building including details on whether it is an existing facility, existing/new lease, size of the building, configuration, etc.	
Justification of Location in a County that has a Recovery Residence	If the bidder proposes a location in a county that already has a recovery residence, include justification for the proposed location by briefly describing the reason it is a suitable location.	
NARR Level	Check the box for the proposed NARR Level	Level II <input type="checkbox"/> Level III <input type="checkbox"/>
Number of Beds	Provide the number of beds in the recovery residence	

Health Care and Social Support Services Information: Complete all columns. An example is provided in the first row.

Service	Indicate the location where the service will be provided. 1.On-site 2.On-site (virtual) 3.Off-site	If off-site, will transportation be provided by recovery residence or community partner? 1.Recovery residence 2.Community partner	Name of community partner (if service not provided by bidder)	If the distance to the community partner is greater than five (5) miles, provide a brief justification.
<i>(example)</i> 4. Physical Health Services	<i>Off-site</i>	<i>Recovery Residence</i>	<i>Physical Health LLC.</i>	<i>The closest physical health provider is 10 miles away. Access is ensured through scheduled transportation and appointment scheduling.</i>
1. Substance Use Disorder Treatment Services				
2. Mental Health Services				
3. Medication Management Services				
4. Physical Health Services				
5. Recovery Support Services (RSS)				
6. Employment Services				
7. Life Skills Services				
8. Transportation Services				

- 3.2.2. Include a Letter of Agreement from each community partner in the Appendix of the bidder's Narrative Proposal. The letter should be no more than 1 page and include:
- Name of the community partner
 - Website URL
 - Physical address
 - Point of contact for the community partner (name, title, email, phone)
 - Attestation of the specific Health Care or Social Support Services that the partner will provide and at which of the bidder's location(s)
 - Number of years of experience the community partner has in providing the service
 - Number of years of experience of collaboration between bidder and community partner
 - Signature from authorized community partner representative

3.3 Experience and Qualifications

- 3.3.1. Describe the bidder's prior experience relevant to the services requested in the RFP, including:
- 3.3.1.a. Providing recovery residence services, including serving individuals in recovery from substance use disorder
 - 3.3.1.b. Providing the other eight (8) Health Care and Social Support Services either in-house or in collaboration with community partners, and
 - 3.3.1.c. Collaborating with Vermont's Preferred Provider Network, Blueprint for Health, Recovery Centers, and the Department of Disabilities, Aging, and Independent Living (DAIL) Hireability program, including how and where specific programs were delivered.

3.4 Service Delivery Model

- 3.4.1. Describe the bidder's proposed programming model and implementation plan to provide individualized service delivery plans based on residents' needs. Provide details on how the bidder plans to:
- 3.4.1.a. Deliver recovery residence services,
 - 3.4.1.b. Deliver the other eight (8) Health Care and Social Support Services requested in the RFP in-house or in collaboration with community partners,
 - 3.4.1.c. Provide transportation to off-site locations for services in collaboration with community partners, and
 - 3.4.1.d. Conduct referrals and outreach to ensure utilization of bed capacity and services.
- 3.4.2. Describe the bidder's plan to efficiently stand up the program during the grant period and maintain the occupancy rate defined in the performance measures in section 2.7.
- 3.4.3. Describe the strengths of the bidder's proposed recovery residence geographic location including, but not limited to, accessibility of individuals served, strong community partners, and/or unmet need.
- 3.4.4. Describe a recruiting, onboarding, and training plan to support the services delivered, including specific training and recruitment efforts.
- 3.4.5. Verify which staff members are available to implement the bidder's service delivery model or a hiring plan to expand staff in a timely manner, including a recruitment plan.

- 3.4.6. Describe the bidder's proposed implementation timeline relevant to the RFP requirements and plan to begin serving at least one (1) resident on or before 7/1/2027.
- 3.4.7. Describe the bidder's entry criteria for the programming relevant to the RFP requirements, including plans to review and adjust entry criteria as needed. Include a description of strategies to support delivery of services to the regional community.
- 3.4.8. Describe the bidder's exit criteria for the programming relevant to the RFP requirements, including plans to review and adjust exit criteria as needed. Include a description of:
 - 3.4.8.a. A housing services plan to assist people with the transition to permanent housing, including identifying potential housing provider partnerships, and
 - 3.4.8.b. A plan to address recurrence of symptoms of substance use disorder during occupancy including linkage to clinical reengagement services if appropriate.
- 3.4.9. Describe the bidder's approach to exit individuals from the program, where appropriate, and maximize bed capacity.
- 3.4.10. Describe the bidder's existing IT infrastructure or the bidder's plan to purchase and deploy new IT infrastructure for necessary reporting and utilization management.

3.5 Sustainability

- 3.5.1. Describe the bidder's funding and staffing sustainability plan in the long term, including:
 - 3.5.1.a. Describe the bidder's funding and staffing sustainability and contingency plans for operations and programming and expectations relevant to the RFP requirements, including specifying non-governmental sources of funding.
 - 3.5.1.b. Hiring and recruiting plans that include an ongoing recruitment strategy to address staff turnover.

4. Budget Proposal

4.1 Instructions for Completing the Budget Proposal

Bidders must submit a Budget Proposal using the Excel template available in the “Forms” section of the “Recovery Residences” RFP posting on the Vermont Department of Health website: <https://www.healthvermont.gov/alcohol-drugs/grantees-contractors/requests-proposals-information-and-applications>.

The Budget Proposal must:

- 4.1.1. Identify all costs associated with services provided directly by the bidder and the subgrantee/subcontractor (if applicable) including salary/fringe and operating costs
- 4.1.2. Account for all costs for the period from August 1, 2026-September 30, 2027. Identify one-time start-up costs and Year 1 operating costs
- 4.1.3. Provide a breakdown of
 - 4.1.3.a. Salary and fringe costs for new positions related to the operations of the Recovery Residence(s)
 - 4.1.3.b. Operating costs for the Recovery Residence(s), including costs for any Health Care and Social Support Services provided directly by the bidder
 - 4.1.3.c. Subgrantee/subcontractor costs related to the operations of the Recovery Residence(s)
 - 4.1.3.d. Indirect costs related to the operations of the Recovery Residence(s)
 - 4.1.3.e. In-kind costs for the operations of the Recovery Residence(s) and Health Care and Social Support Services costs

4.2 Funding Source

The RFP is funded through the U.S. Center for Medicare and Medicaid Services (CMS) Rural Health Transformation (RHT) Program. All funding must be obligated through CMS approved executed agreements by **August 1, 2026**.

4.3 Allowable Costs

Refer to guidance from CMS on allowable costs outlined here: [Rural Health Transformation FAQ](#). The list below is non-exhaustive:

- 4.3.1. Funds may be used for staffing and operations of a recovery residence.
- 4.3.2. Funds may be used for lease, rental, or mortgage costs.

4.4 Unallowable Costs

Unallowable costs will be subject to recoupment if funds are used inappropriately. Key areas where funding may not be used are the following. This is not an exhaustive list:

- 4.4.1. Funds cannot be used for preparation of this response. Bidder shall be solely responsible for all expenses incurred in the preparation of a response to this RFP and shall be responsible for all expenses associated with any presentations or demonstrations associated with this request and/or any proposals made.
- 4.4.2. Funds cannot be used for direct substance use disorder treatment and health care related services.
- 4.4.3. Funds will not be awarded under this NOFO/RFP for building renovations/improvements. Should the respondent feel that funding for building renovations/improvements are desired under their proposal/scope of work, the respondent must apply for such funds through a

Revised: February 20, 2026

Page 14 of 46

different RHT grant NOFO that will be posted by the Agency of Human Services specific to facility upgrades.

- 4.4.4. Funds cannot be used to purchase buildings.
- 4.4.5. Funds cannot be used for direct cash assistance to individuals.
- 4.4.6. Funds cannot be used for pre-award costs.
- 4.4.7. Funds cannot be used for meeting matching requirements for any other federal funds or local entities.
- 4.4.8. Funds cannot be used for supplanting existing State, local, tribal, or private funding of infrastructure or services, such as staff salaries.
- 4.4.9. Funds cannot be used for construction or building expansion, purchasing or significant retrofitting of buildings, cosmetic upgrades, or any other cost that materially increases the value of the capital or useful life as a direct cost.
- 4.4.10. Funds cannot be used for purchase of covered telecommunications and video surveillance equipment (See 2 CFR 200.216) as well as financial assistance to households for installation and monthly broadband internet costs.
- 4.4.11. Funds cannot be used for clinical services that could be reimbursed by insurance. Funds also may not be used for payments to clinical services if they duplicate billable services and/or attempt to change the payment amounts of existing fee schedules. If the Recipient plans to fund direct health care services, the Recipient must justify why they are not already reimbursable, how the payment will fill a gap in care coverage (such as uncompensated care or services not covered by insurance), and/or how they transform the current care delivery model. CMS will have final approval of whether proposed services are allowable.
- 4.4.12. Funds may not be used for clinician salaries or wage support for facilities that subject clinicians to non-compete contractual limitations.

4.5 **Payment Terms**

Funding will be issued on a cost reimbursement basis. Payment terms are Net 30 calendar days from the date the State receives an error-free invoice with all necessary and complete supporting documentation and receipt, review and approval of required reporting and the meeting and/or exceeding of the Performance Measures.

5. Evaluation and Selection

5.1 Grant Award

Awards will be made in the best interest of the State. The State may award one or more grants, and the State may make awards to multiple bidders. The State reserves the right to make additional awards to other compliant bidders at any time if such award is deemed to be in the best interest of the State.

5.2 Evaluation of Proposals

Consideration shall be given to the bidder's qualifications and experience, programming approach and methodology, ability to provide the services within the defined timeline, approach to sustaining services, and/or proposed budget, as applicable, and to the extent specified below.

Criteria	RFP Section	Scoring Percentage
1: Recovery Residence and Services Provided: The bidder's response to a template identifying the recovery residence location and type and how the additional services outlined in the requirements section (section 2) will be provided.	3.2	10%
2: Experience and Qualifications: The bidder's previous experience delivering services outlined in the requirements section of the RFP (section 2).	3.3	10%
3: Service Delivery Model: The bidder's proposed model to deliver the services outlined in the requirements section of the RFP (section 2), including how services will be delivered and by whom and the bidder's ability to deliver services in a timely and efficient manner to a wide array of individuals.	3.4	50%
4: Sustainability: The bidder's approach to ensuring services can be delivered beyond the initial start-up year.	3.5	5%
5: Budget Proposal: The bidder provides a clear and comprehensive budget proposal using the template.	4	25%

5.3 Interview

An in-person or webinar presentation by the bidder may be required by the State if it will help the State's evaluation process. The State will factor information presented during presentations into the evaluation. Bidders will be responsible for all costs associated with providing the presentation.

5.4 Notice of Award

Bidder will be notified of the State's award decision in writing. The Notice of Award is anticipated to be issued as soon as possible, following the closing of this RFP. The State reserves the right to modify the anticipated award date at its discretion.

5.5 Grant Negotiation

Upon completion of the evaluation process, the State may select one or more bidders with which to negotiate a grant, based on the evaluation findings and other criteria deemed relevant for ensuring that the decision made is in the best interest of the State. In the event State is not successful in negotiating a grant with a selected bidder, the State reserves the option of negotiating with another bidder or ending the proposal process entirely.

Revised: February 20, 2026

5.6 **Statement of Rights**

The State shall have the authority to evaluate proposals and select the bidder(s) as may be determined to be in the best interest of the State and consistent with the goals and performance requirements outlined in this RFP. The State reserves the right to obtain clarification or additional information necessary to properly evaluate a proposal. Failure of bidder to respond to a request for additional information or clarification could result in rejection of that bidder's proposal. To secure a project that is deemed to be in the best interest of the State, the State reserves the right to accept or reject any and all bids, in whole or in part, with or without cause, and to waive technicalities in submissions. The State also reserves the right to make purchases outside of the awarded grants where it is deemed in the best interest of the State.

6. General Requirements

6.1 Grant Terms

The selected bidder(s) will be expected to sign a grant with the State, including the Standard Grant Form, Attachment C, Attachment E, and Attachment F as attached to this RFP for reference. An Attachment D is included in this RFP; terms may be modified based upon the solution proposed by the bidder, subject to approval by the Agency of Administration's Risk Management Office and the Assistant Attorney General.

6.2 Exceptions to Grant Terms and Conditions

The State will not consider exceptions to grant terms and conditions included with this RFP.

6.3 Budget Restrictions

The grant will require that the scope of work and performance expectations described in Attachment A – Scope of Work be provided within the maximum allowable budget described in Attachment B – Payment Provisions.

6.4 Confidentiality and Public Records Requirements

- 6.4.1. **Unsolicited Bidder-Confidential Information Prohibited:** Bidders are hereby expressly directed not to include any confidential information in their proposal submissions, except as specifically permitted below. By submitting a proposal in response to this RFP, bidders acknowledge and agree to abide by the terms and conditions outlined in this document, including the prohibition on submitting confidential information. This prohibition reduces the burden on the State while preventing bidder-confidential information from entering the public record.
- 6.4.2. **Disclosure under Public Records Act:** All information received by the State in response to this solicitation will become part of the agreement file and subject to public disclosure in accordance with the State's Public Records Act, 1 V.S.A. § 315 et seq. The State may also choose to publicly post responses to this solicitation and the resulting agreement(s), following conclusion of this process.
- 6.4.3. **Unsolicited Confidential Materials:** This RFP does not solicit confidential information and bidders are expressly prohibited from providing confidential information in response to this RFP. All materials furnished by bidders in response to this RFP, including those marked as confidential by bidders, are subject to disclosure if requested under the Public Records Act, or public posting.
- 6.4.4. **State Not Responsible for Disclosure of Unmarked Bidder-Confidential Information:** It is the sole responsibility of the bidder to ensure that, other than where specifically directed or permitted by this RFP and accordingly marked as described below, no information that should not be publicly disclosed is included in their proposal materials, including any 1) trade secrets or intellectual property, 2) proprietary financial or business information, 3) personal information, or 4) any other information that should not be disclosed to the public. For example, bidders should avoid including specific details of their proprietary technologies or methodologies that they consider confidential, and any references to previous client engagements should be presented in a manner that does not disclose the client's confidential information.

6.5 Conflicts of Interest

- 6.5.1. **Organizational Conflict of Interest (OCOI):** An OCOI arises when a bidder as a business entity has interests (for example, customers, partners, agreements) that could undermine, or reasonably be perceived to undermine, its faithful and unbiased performance of a grant with the State that may result from this solicitation.

- 6.5.2. **Personal Conflict of Interest (PCOI):** A PCOI arises when an interest held by an individual, agent or employee of a bidder could undermine, or reasonably be perceived to undermine, its faithful and unbiased performance of a grant with the State that may result from this solicitation.
- 6.5.3. **Requirements:** The State does not seek to grant with any individual or business entity having a conflict of interest which cannot be mitigated to the State's satisfaction. To ensure the State's awareness of actual, potential, or reasonably perceived PCOIs and OCOIs, bidders shall:
- 6.5.4. Prior to submitting a proposal, conduct an internal review of its current affiliations and activities and identify actual, potential, or reasonably perceived PCOIs or OCOIs relative to a grant with the State that may result from this solicitation.
- 6.5.5. Disclose in your proposal any actual or potential PCOI or OCOI or the existence of any facts that may cause a reasonably prudent person to perceive a PCOI or OCOI with respect to a grant with the State that may result from this solicitation. Disclose, also, any actions proposed to mitigate the PCOI or OCOI.
- 6.5.6. The State shall have sole discretion to determine whether a PCOI or OCOI can be mitigated to the State's satisfaction and may discuss the conflict with the bidder if and to the extent the State deems discussion necessary to its determination. The State reserves the right to (a) reject from further consideration any proposal having a PCOI or OCIO that cannot be mitigated to the State's full satisfaction and (b) terminate a grant upon discovery that a grantee failed to disclose facts pertaining to a PCOI or OCOI in its proposal, or otherwise misrepresented relevant information to the State.

6.6 **Worker Classification Compliance Requirements**

In accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54), bidders must comply with the following provisions and requirements:

Subgrantee/subcontractor Reporting: For bid amounts exceeding \$250,000.00, bidders are hereby notified that upon award of grant, and prior to grant execution, the State shall be provided with a list of all proposed subcontractors/grantees and subcontractors/grantees' subcontractors/grantees, together with the identity of those subcontractors/grantees' workers compensation insurance providers, and additional required or requested information, as applicable, in accordance with Section 32 of The Vermont Recovery and Reinvestment Act of 2009 (Act No. 54). This requirement does not apply to subcontractors/grantees providing supplies only and no labor to the overall contract/grant or project. This list MUST be updated and provided to the State as additional subcontractors/grantees are hired. A sample form is available online at <http://bgs.vermont.gov/purchasing-contracting/forms>.

6.7 **Compliance Requirements**

Bidders must comply with relevant federal, state, and local laws, regulations, and standards associated with the services described in this RFP. Bidders must, at a minimum, comply with:

- 42 CFR Part 2, Confidentiality of Records: (<https://www.ecfr.gov/current/title-42/part-2>)
- 45 CFR Part 164, HIPAA Privacy Regulations: (<https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-C/part-164>)

SECTION I - GENERAL GRANT INFORMATION

¹ Grant #:		² Original <input checked="" type="checkbox"/> Amendment # _____	
³ Grant Title:			
⁴ Amount Previously Awarded: \$ 0.00		⁵ Amount Awarded This Action: \$ 0.00	⁶ Total Award Amount: \$ 0.00
⁷ Award Start Date:		⁸ Award End Date:	⁹ Subrecipient Award: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>
¹⁰ Supplier #:		¹¹ Grantee Name:	
¹² Grantee Address:			
¹³ City:		¹⁴ State:	¹⁵ Zip Code:
¹⁶ State Granting Agency: AHS/VDH/Division of Substance Use Programs			¹⁷ Business Unit: 03420
¹⁸ Performance Measures: YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>		¹⁹ Match/In-Kind: \$ _____ Description:	
²⁰ If this action is an amendment, the following is amended: Amount: <input type="checkbox"/> Funding Allocation: <input type="checkbox"/> Performance Period: <input type="checkbox"/> Scope of Work: <input type="checkbox"/> Other: <input type="checkbox"/>			

SECTION II - SUBRECIPIENT AWARD INFORMATION

²¹ Grantee Identifier [UEI] #:		²² Indirect Rate: _____ % <small>(Approved rate or de minimis)</small>		²³ FFATA: YES <input type="checkbox"/> NO <input type="checkbox"/>	
²⁴ Grantee Fiscal Year End Month (MM format):				²⁵ R&D: YES <input type="checkbox"/> NO <input type="checkbox"/>	
²⁶ UEI Registered Name (if different than VISION Vendor Name in Box 11):					

SECTION III - FUNDING ALLOCATION

STATE FUNDS

Fund Type	²⁷ Awarded Previously	²⁸ Award This Action	²⁹ Cumulative Award	³⁰ Special & Other Fund Descriptions
General Fund	\$0.00	\$0.00	\$0.00	
Special Fund	\$0.00	\$0.00	\$0.00	
Global Commitment <small>(non-subrecipient funds)</small>	\$0.00	\$0.00	\$0.00	
Other State Funds	\$0.00	\$0.00	\$0.00	

FEDERAL FUNDS

(includes subrecipient Global Commitment funds)

Required Federal Award Information

³¹ ALN#	³² Program Title	³³ Awarded Previously	³⁴ Award This Action	³⁵ Cumulative Award	³⁶ FAIN	³⁷ Federal Award Date	³⁸ Total Federal Award
		\$0.00	\$0.00	\$0.00			\$0.00
³⁹ Federal Awarding Agency:		⁴⁰ Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
		\$0.00	\$0.00	\$0.00			\$0.00
Federal Awarding Agency:		Federal Award Project Descr:					
Total Awarded - All Funds		\$0.00	\$0.00	\$0.00			

SECTION IV - CONTACT INFORMATION

<p><u>STATE GRANTING AGENCY</u></p> <p>NAME: TITLE: PHONE: EMAIL:</p>	<p><u>GRANTEE</u></p> <p>NAME: TITLE: PHONE: EMAIL:</p>
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PART 2 - GRANT AGREEMENT

1. Parties: This is a Grant Agreement for services between the State of Vermont, Department of Health, Division of Substance Use Programs (hereinafter called "State"), and _____ with principal place of business in _____ (hereinafter called "Subrecipient"). It is the Subrecipient's responsibility to contact the Vermont Department of Taxes to determine if, by law, the Subrecipient is required to have a Vermont Department of Taxes Business Account Number.
2. Subject Matter: The subject matter of this Grant Agreement is _____. Detailed services to be provided by the Subrecipient are described in Attachment A.
3. Award Details: Amounts, dates and other award details are as shown in the attached Grant Agreement Part 1 – Grant Award Detail. A detailed scope of work covered by this award is described in Attachment A.
4. Amendment: No changes, modifications, or amendments in the terms and conditions of this Grant shall be effective unless reduced to writing, numbered, and signed by the duly authorized representative of the State and Subrecipient.
5. Cancellation: This Grant Agreement may be suspended or cancelled by either party by giving written notice at least 30 days in advance.
6. Attachments: This Grant consists of ___ pages including the following attachments which are incorporated herein:

Grant Agreement – Part 1 – Grant Award Detail Sheet
Grant Agreement – Part 2 – Grant Agreement
Attachment A - Specifications of Work to be Performed
Attachment B - Payment Provisions
Attachment C - Standard State Provisions for Contracts and Grants
Attachment D - Modifications of Customary Provisions
Attachment E - Business Associate Agreement
Attachment F - AHS Customary Contract/Grant Provisions
Attachment G – Other Grant Provisions (Not Applicable)

The order of precedence of these documents shall be as follows:

Grant Agreement – Part 1
Grant Agreement - Part 2
Attachment D - Modifications of Customary Provisions
Attachment C – Standard State Provisions for Contracts and Grants
Attachment A - Specifications of Work to be Performed
Attachment B - Payment Provisions
Attachment E - Business Associate Agreement
Attachment G – Other Grant Provisions (Not Applicable)
Attachment F - AHS Customary Contract/Grant Provisions

PART 2 – GRANT AGREEMENT

WE, THE UNDERSIGNED PARTIES, AGREE TO BE BOUND BY THIS GRANT.

I, Subrecipient, certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812. This certification applies to all tiers of subrecipients.

STATE OF VERMONT

SUBRECIPIENT

By:

By:

Kelly Dougherty
Deputy Commissioner
Vermont Department of Health

Date: _____

Date: _____

Address:

**ATTACHMENT A
SCOPE OF WORK TO BE PERFORMED**

1. Background/Overview:

2. Required Services and Activities:

3. Performance Measures:

Performance Measures are expectations that incorporate this agreement’s Required Services/Activities into the larger continuum of substance misuse services. Grant performance will be measured and evaluated by the Performance Measures section below.

Performance Measures		
Performance Measure	Performance Expectation	Data Source

Subrecipient’s performance measures will be monitored through submission, review and approval of required reporting, during site visits and meetings, and through analysis of data submitted to the Division of Substance Use Programs (DSU). DSU may request that the Subrecipient submit a plan for achieving a performance target, and the Subrecipient may request technical assistance from DSU to improve performance. In some agreements, payment or incentives may be tied to the performance measures.

4. Program Evaluation:

The Vermont Department of Health (VDH) has a strong, ongoing commitment to high quality program evaluation. The structure for evaluation within DSU allows for rapid development of evaluation plans and launch of evaluation processes with either internal staff or external evaluators. All evaluation work is overseen by the Division’s internal evaluation staff. This serves to help coordinate evaluation resources, promotes consistent evaluation practices, and builds in ongoing support and technical assistance for all evaluation activities.

All VDH subrecipients are expected to participate in evaluation activities as part of their ongoing work. If your program is within the scope of a state-led or state-funded evaluation, participation in DSU evaluation activities and cooperation with DSU program evaluators will be required as identified by your program manager.

Participation may include providing input, among other activities such as:

- Identifying and collecting data that can/will inform the evaluation activities
- Determining how data will be collected, stored and transferred/communicated to the State
- Defining the timing and frequency of data collection
- Participating in regularly scheduled in-person or virtual meetings

- Creating a logic model for your program

Evaluation training resources can be found on the VDH Substance Use Evaluation webpage: <https://www.healthvermont.gov/alcohol-drugs/substance-use-data-reports/evaluation>. Please contact your program manager if you have any questions or need assistance in completing any required evaluation materials outlined in your grant agreement.

5. Reporting Requirements and Grant Monitoring:

- a. The following grant monitoring will be conducted to assess performance and grant compliance:

The State will conduct two (2) or more site visits during the grant period to ensure compliance with the terms of this Agreement. The Subrecipient is required to participate in monthly virtual meetings with the State-assigned Grant Manager. Subrecipient’s grant reporting and invoices, including backup documentation, will be evaluated to establish compliance.

- b. Subrecipient’s reporting quarters:

Quarter	Quarter Time Frame

- c. XXX

- d. Financial Reporting, as follows:

- i. Invoice backup documentation must be retained for every invoice and must substantiate each expense. As advised by the grant manager, documentation must be submitted for expenses recorded on the invoice. Documentation may include, but is not limited to, receipts, purchase orders, vendor invoices, bank statements showing payment, payroll registers, copies of direct deposit, proof of payment, and procurement records. Invoice backup documentation must be submitted via the template/survey provided by VDH.
- ii. Subrecipient Annual Financial Report due within 45 days of Subrecipient’s fiscal year end <https://forms.office.com/pages/responsepage.aspx?id=O5O0IK26PEOcAnDtzHVZxtpLKJiICIVMpu5IvkMyX39UMDRGR0Q0Q0Q5QTc3NUNUWkExVFpPTUcyVi4u&web=1&wdLOR=cA4433344-CD35-4992-AE29-24DD8AD9DEFB>; and
- iii. If applicable, audited annual financial report (due 9 months after the end of the Subrecipient’s fiscal year). Please refer to Attachment C, paragraph 31, Federal Funds Compliance Requirements.

6. Reporting Schedule:

Due Date	Reports Due	Submission Location
Quarterly/or as advised by grant manager	Invoice backup documentation	
Within 45 days of	Subrecipient Annual Financial Report	Submit electronically to:

Subrecipient's fiscal year end		Subrecipient Annual Report
9 months after the end of Subrecipient's fiscal year	If applicable, audited annual financial report	<p style="text-align: center;">Mail to:</p> <p style="text-align: center;">VDH/DSU 280 State Drive Waterbury, VT 05671-8340</p> <p style="text-align: center;">and</p> <p style="text-align: center;">VT Dept. of Finance & Management, Financial Operations Division, 109 State Street, 4th Floor, Montpelier, VT 05609-5901</p>

7. Confidentiality Requirements:

- a. Subrecipient must comply with 42 CFR Part 2, Confidentiality of Records. (<https://www.ecfr.gov/current/title-42/part-2>)
- b. Subrecipient must comply with 45 CFR Part 164, HIPAA Privacy Regulations. (<https://www.ecfr.gov/current/title-45/subtitle-A/subchapter-C/part-164>)

8. Records Available for Audit:

Per Attachment C, Section #13, Subrecipient must maintain all records pertaining to performance under this Agreement. Records shall be made available at reasonable times during the period of the Agreement and for three (3) years thereafter or for any period required by law for inspection by any authorized representatives of the State or Federal Government.

**ATTACHMENT B
PAYMENT PROVISIONS**

1. General Payment Provisions Requirements:

- a. The Subrecipient’s performance is limited to the services and activities set forth in Attachment A of this document. The Subrecipient shall not be obligated or expected to provide services beyond the amounts stated.
- b. Subrecipient understands the funds provided as part of this Agreement are to be used as payer of last resort. All other potential funding sources must be exhausted prior to payment under this Agreement.
- c. Payment of invoices are subject to the following, as applicable:

- i. **Subrecipient must provide continuous service for the entire X (X) months of grant period and the cumulative value of the X (X) quarterly invoices cannot exceed the grant’s maximum allowable amount.**
- ii. Subrecipient must use the DSU Grantee invoice template available on the DSU website at: <https://healthvermont.gov/DSUGranteeDocs>.
- iii. **Signed and dated invoices are due between the first and last day of the month following the previous quarter and must include the grant number, billing quarter start and end date, and an itemization of actual expenditures related to activities described in Attachment A of this document, by program category (as described in Section 2 below), during the previous quarter.**
- iv. Invoice backup documentation must be submitted for each invoice, as requested. Failure to submit backup documentation will result in withholding payments until invoice backup documentation is received. Backup documentation that is submitted but is not sufficient may result in withholding payment until submission is corrected.
- v. Quarters for the Grant Agreement are as follows:

Quarter	Quarter Time Frame/ Service Dates	Invoice Due Date

- vi. State of Vermont payment terms for invoices are Net 30 days from the date the State receives an error-free invoice and receipt, review and approval of required reporting and the meeting and/or exceeding of the Performance Measures.

Note: If this is an Agreement for continued services, failure to submit all required reporting and invoices for the previous grant will result in withholding payments on

this Agreement. Payment will not be issued until all previous grant requirements are received, reviewed and approved.

- vii. Signed and dated invoices must be submitted as a PDF using the Grant Invoice Submission Tool located at: <https://healthvermont.gov/DSUGranteeDocs>

Email or hardcopy invoice submissions will not be accepted.

- viii. **All invoices are required to be received by the Vermont Department of Health, Division of Substance Use Programs within 60 days of the end of the grant period. Invoices submitted after 60 days are subject to non-payment.**

- ix. Subrecipient understands that their organization’s internal controls must reflect procedures for utilizing funds to support and account for indirect and direct expenditures. Any invoice payments found not in compliance with state and federal regulations during financial reviews may be subject to the recoupment of funds.

- d. Supporting documentation for all invoices must be retained for three (3) years after the Agreement has ended or for any period required by law (see Attachment C, Section 19). Documentation will be requested to substantiate invoices and/or for audit at the State’s discretion.

- e. Any unexpended funds must be returned to the State or an agreement must be reached with the Vermont Department of Health, Division of Substance Use Programs on the expenditure of remaining funds on program objectives.

- f. The maximum dollar amount payable under this Agreement is not intended to guarantee any amount of payment under this grant.

- g. The allowable indirect rate for this Agreement is X%.

- h. Total expenditures for this grant will not exceed \$0.00.

2. Grant Award Amount by Program Category/Service:

Program Category	Service	Funding Source	DSU Invoice Billing Category	Budget Maximum Allowable Amount
				\$0.00
TOTAL				\$0.00

**ATTACHMENT C: STANDARD STATE PROVISIONS FOR CONTRACTS AND GRANTS
REVISED: FEBRUARY 13, 2026**

“Attachment C: Standard State Provisions for Contracts and Grants” (revision version dated February 13, 2026) constitutes part of this Agreement and is hereby incorporated by reference as if fully set forth herein and shall apply to the purchase of all goods and/or services by the State under this Agreement. A copy of this document is available online at: <https://bgs.vermont.gov/purchasing-contracting/forms>.”

ATTACHMENT D

MODIFICATION OF CUSTOMARY PROVISIONS OF ATTACHMENT C OR ATTACHMENT F

1. The requirements contained in Attachment C, Section 8 are hereby modified:

In addition to the requirements outlined in the [Vermont State Insurance Specification, the following coverage shall be maintained:](#)

Sexual Abuse and Molestation Liability: Before commencing work on this Agreement and throughout the term of this Agreement, the Party shall procure and maintain sexual abuse and molestation liability insurance for any and all services performed under this Agreement, with minimum coverage of \$1,000,000 per occurrence, and \$3,000,000 aggregate.

2. Requirements of other Sections in Attachment C are hereby modified:

N/A

3. Requirements of Sections in Attachment F are hereby modified:

N/A

4. Reasons for Modifications:

Sexual abuse and molestation liability is required to provide the services of this Agreement.

ATTACHMENT E
BUSINESS ASSOCIATE AGREEMENT

SOV GRANTEE/BUSINESS ASSOCIATE: _____

SOV GRANT NO. _____ **GRANT EFFECTIVE DATE:** _____

This Business Associate Agreement (“Agreement”) is entered into by and between the State of Vermont Agency of Human Services, operating by and through its **Vermont Department of Health** (“Covered Entity”) and Party identified in this Agreement as Contractor or Grantee above (“Business Associate”). This Agreement supplements and is made a part of the contract or grant (“Contract or Grant”) to which it is attached.

Covered Entity and Business Associate enter into this Agreement to comply with the standards promulgated under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), including the Standards for the Privacy of Individually Identifiable Health Information, at 45 CFR Parts 160 and 164 (“Privacy Rule”), and the Security Standards, at 45 CFR Parts 160 and 164 (“Security Rule”), as amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (HITECH), and any associated federal rules and regulations.

The parties agree as follows:

1. Definitions. All capitalized terms used but not otherwise defined in this Agreement have the meanings set forth in 45 CFR Parts 160 and 164 as amended by HITECH and associated federal rules and regulations. Terms defined in this Agreement are italicized. Unless otherwise specified, when used in this Agreement, defined terms used in the singular shall be understood if appropriate in their context to include the plural when applicable.

“*Agent*” means an *Individual* acting within the scope of the agency of the *Business Associate*, in accordance with the Federal common law of agency, as referenced in 45 CFR § 160.402(c) and includes Workforce members and *Subcontractors*.

“*Breach*” means the acquisition, Access, Use or Disclosure of *Protected Health Information (PHI)* which compromises the Security or privacy of the *PHI*, except as excluded in the definition of *Breach* in 45 CFR § 164.402.

“*Business Associate*” shall have the meaning given for “Business Associate” in 45 CFR § 160.103 and means Contractor or Grantee and includes its Workforce, *Agents* and *Subcontractors*.

“*Electronic PHI*” shall mean *PHI* created, received, maintained or transmitted electronically in accordance with 45 CFR § 160.103.

“*Individual*” includes a Person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

“*Protected Health Information*” (“*PHI*”) shall have the meaning given in 45 CFR § 160.103, limited to the *PHI* created or received by *Business Associate* from or on behalf of Covered Entity.

“*Required by Law*” means a mandate contained in law that compels an entity to make a use or disclosure of *PHI* and that is enforceable in a court of law and shall have the meaning given in 45 CFR § 164.103.

“*Report*” means submissions required by this Agreement as provided in section 2.3.

“*Security Incident*” means the attempted or successful unauthorized Access, Use, Disclosure, modification, or destruction of Information or interference with system operations in an Information System relating to *PHI* in accordance with 45 CFR § 164.304.

“*Services*” includes all work performed by the *Business Associate* for or on behalf of Covered Entity that requires the Use and/or Disclosure of *PHI* to perform a *Business Associate* function described in 45 CFR § 160.103.

“*Subcontractor*” means a Person to whom *Business Associate* delegates a function, activity, or service, other than in the capacity of a member of the workforce of such *Business Associate*.

“*Successful Security Incident*” shall mean a *Security Incident* that results in the unauthorized Access, Use, Disclosure, modification, or destruction of information or interference with system operations in an Information System.

“*Unsuccessful Security Incident*” shall mean a *Security Incident* such as routine occurrences that do not result in unauthorized Access, Use, Disclosure, modification, or destruction of information or interference with system operations in an Information System, such as: (i) unsuccessful attempts to penetrate computer networks or services maintained by *Business Associate*; and (ii) immaterial incidents such as pings and other broadcast attacks on *Business Associate's* firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above with respect to *Business Associate's* Information System.

“*Targeted Unsuccessful Security Incident*” means an *Unsuccessful Security Incident* that appears to be an attempt to obtain unauthorized Access, Use, Disclosure, modification or destruction of the Covered Entity’s *Electronic PHI*.

2. Contact Information for Privacy and Security Officers and Reports.

2.1 *Business Associate* shall provide, within ten (10) days of the execution of this Agreement, written notice to the Contract or Grant manager the names and contact information of both the HIPAA Privacy Officer and HIPAA Security Officer of the *Business Associate*. This information must be updated by *Business Associate* any time these contacts change.

2.2 Covered Entity’s HIPAA Privacy Officer and HIPAA Security Officer contact information is posted at: <https://humanservices.vermont.gov/rules-policies/health-insurance-portability-and-accountability-act-hipaa>

2.3 *Business Associate* shall submit all *Reports* required by this Agreement to the following email address: AHS.PrivacyAndSecurity@vermont.gov

3. Permitted and Required Uses/Disclosures of PHI.

3.1 Subject to the terms in this Agreement, *Business Associate* may Use or Disclose *PHI* to perform *Services*, as specified in the Contract or Grant. Such Uses and Disclosures are limited to the minimum necessary to provide the *Services*. *Business Associate* shall not Use or Disclose *PHI* in any manner that would constitute a violation of the Privacy Rule if Used or Disclosed by Covered Entity in that manner. *Business Associate* may not Use or Disclose *PHI* other than as permitted or required by this Agreement or as *Required by Law* and only in compliance with applicable laws and regulations.

3.2 *Business Associate* may make *PHI* available to its Workforce, *Agent* and *Subcontractor* who need Access to perform *Services* as permitted by this Agreement, provided that *Business Associate* makes them aware of the Use and Disclosure restrictions in this Agreement and binds them to comply with such restrictions.

3.3 *Business Associate* shall be directly liable under HIPAA for impermissible Uses and Disclosures of *PHI*.

4. **Business Activities.** *Business Associate* may Use *PHI* if necessary for *Business Associate's* proper management and administration or to carry out its legal responsibilities. *Business Associate* may Disclose *PHI* for *Business Associate's* proper management and administration or to carry out its legal responsibilities if a Disclosure is *Required by Law* or if *Business Associate* obtains reasonable written assurances via a written agreement from the Person to whom the information is to be Disclosed that such *PHI* shall remain confidential and be Used or further Disclosed only as *Required by Law* or for the purpose for which it was Disclosed to the Person, and the Agreement requires the Person to notify *Business Associate*, within five (5) business days, in writing of any *Breach* of Unsecured *PHI* of which it is aware. Such Uses and Disclosures of *PHI* must be of the minimum amount necessary to accomplish such purposes.

5. **Electronic PHI Security Rule Obligations.**

5.1 With respect to *Electronic PHI*, *Business Associate* shall:

- a) Implement and use Administrative, Physical, and Technical Safeguards in compliance with 45 CFR sections 164.308, 164.310, and 164.312;
- b) Identify in writing upon request from Covered Entity all the safeguards that it uses to protect such *Electronic PHI*;
- c) Prior to any Use or Disclosure of *Electronic PHI* by an *Agent* or *Subcontractor*, ensure that any *Agent* or *Subcontractor* to whom it provides *Electronic PHI* agrees in writing to implement and use Administrative, Physical, and Technical Safeguards that reasonably and appropriately protect the Confidentiality, Integrity and Availability of *Electronic PHI*. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the Use or Disclosure of *Electronic PHI*, and be provided to Covered Entity upon request;
- d) Report in writing to Covered Entity any *Successful Security Incident* or *Targeted Unsuccessful Security Incident* as soon as it becomes aware of such incident and in no event later than five (5) business days after such awareness. Such *Report* shall be timely made notwithstanding the fact that little information may be known at the time of the *Report* and need only include such information then available;
- e) Following such *Report*, provide Covered Entity with the information necessary for Covered Entity to investigate any such incident; and
- f) Continue to provide to Covered Entity information concerning the incident as it becomes available to it.

5.2 Reporting *Unsuccessful Security Incidents*. *Business Associate* shall provide Covered Entity upon written request a *Report* that: (a) identifies the categories of Unsuccessful Security Incidents; (b) indicates whether *Business Associate* believes its current defensive security measures are adequate to address all *Unsuccessful Security Incidents*, given the scope and nature of such attempts; and (c) if the security measures are not adequate, the measures *Business Associate* will implement to address the security inadequacies.

5.3 *Business Associate* shall comply with any reasonable policies and procedures Covered Entity implements to obtain compliance under the Security Rule.

6. Reporting and Documenting Breaches.

6.1 *Business Associate* shall *Report* to Covered Entity any *Breach* of Unsecured *PHI* as soon as it, or any Person to whom *PHI* is disclosed under this Agreement, becomes aware of any such *Breach*, and in no event later than five (5) business days after such awareness, except when a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security. Such *Report* shall be timely made notwithstanding the fact that little information may be known at the time of the *Report* and need only include such information then available.

6.2 Following the *Report* described in 6.1, *Business Associate* shall conduct a risk assessment and provide it to Covered Entity with a summary of the event. *Business Associate* shall provide Covered Entity with the names of any *Individual* whose Unsecured *PHI* has been, or is reasonably believed to have been, the subject of the *Breach* and any other available information that is required to be given to the affected *Individual*, as set forth in 45 CFR § 164.404(c). Upon request by Covered Entity, *Business Associate* shall provide information necessary for Covered Entity to investigate the impermissible Use or Disclosure. *Business Associate* shall continue to provide to Covered Entity information concerning the *Breach* as it becomes available.

6.3 When *Business Associate* determines that an impermissible acquisition, Access, Use or Disclosure of *PHI* for which it is responsible is not a *Breach*, and therefore does not necessitate notice to the impacted *Individual*, it shall document its assessment of risk, conducted as set forth in 45 CFR § 402(2). *Business Associate* shall make its risk assessment available to Covered Entity upon request. It shall include 1) the name of the person making the assessment, 2) a brief summary of the facts, and 3) a brief statement of the reasons supporting the determination of low probability that the *PHI* had been compromised.

7. Mitigation and Corrective Action. *Business Associate* shall mitigate, to the extent practicable, any harmful effect that is known to it of an impermissible Use or Disclosure of *PHI*, even if the impermissible Use or Disclosure does not constitute a *Breach*. *Business Associate* shall draft and carry out a plan of corrective action to address any incident of impermissible Use or Disclosure of *PHI*. *Business Associate* shall make its mitigation and corrective action plans available to Covered Entity upon request.

8. Providing Notice of Breaches.

8.1 If Covered Entity determines that a *Breach* of *PHI* for which *Business Associate* was responsible, and if requested by Covered Entity, *Business Associate* shall provide notice to the *Individual* whose *PHI* has been the subject of the *Breach*. When so requested, *Business Associate* shall consult with Covered Entity about the timeliness, content and method of notice, and shall receive Covered Entity's approval concerning these elements. *Business Associate* shall be responsible for the cost of notice and related remedies.

8.2 The notice to affected *Individuals* shall be provided as soon as reasonably possible and in no case later than sixty (60) calendar days after *Business Associate* reported the *Breach* to Covered Entity.

8.3 The notice to affected *Individuals* shall be written in plain language and shall include, to the extent possible: 1) a brief description of what happened; 2) a description of the types of Unsecured *PHI* that were involved in the *Breach*; 3) any steps *Individuals* can take to protect themselves from

potential harm resulting from the *Breach*; 4) a brief description of what the *Business Associate* is doing to investigate the *Breach* to mitigate harm to *Individuals* and to protect against further *Breaches*; and 5) contact procedures for *Individuals* to ask questions or obtain additional information, as set forth in 45 CFR § 164.404(c).

8.4 *Business Associate* shall notify *Individuals* of *Breaches* as specified in 45 CFR § 164.404(d) (methods of *Individual* notice). In addition, when a *Breach* involves more than 500 residents of Vermont, *Business Associate* shall, if requested by Covered Entity, notify prominent media outlets serving Vermont, following the requirements set forth in 45 CFR § 164.406.

9. Agreements with Subcontractors. *Business Associate* shall enter into a Business Associate Agreement with any *Subcontractor* to whom it provides *PHI* to require compliance with HIPAA and to ensure *Business Associate* and *Subcontractor* comply with the terms and conditions of this Agreement. *Business Associate* must enter into such written agreement before any Use by or Disclosure of *PHI* to such *Subcontractor*. The written agreement must identify Covered Entity as a direct and intended third party beneficiary with the right to enforce any breach of the agreement concerning the Use or Disclosure of *PHI*. *Business Associate* shall provide a copy of the written agreement it enters into with a *Subcontractor* to Covered Entity upon request. *Business Associate* may not make any Disclosure of *PHI* to any *Subcontractor* without prior written consent of Covered Entity.

10. Access to PHI. *Business Associate* shall provide access to *PHI* in a Designated Record Set to Covered Entity or as directed by Covered Entity to an *Individual* to meet the requirements under 45 CFR § 164.524. *Business Associate* shall provide such access in the time and manner reasonably designated by Covered Entity. Within five (5) business days, *Business Associate* shall forward to Covered Entity for handling any request for Access to *PHI* that *Business Associate* directly receives from an *Individual*.

11. Amendment of PHI. *Business Associate* shall make any amendments to *PHI* in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR § 164.526, whether at the request of Covered Entity or an *Individual*. *Business Associate* shall make such amendments in the time and manner reasonably designated by Covered Entity. Within five (5) business days, *Business Associate* shall forward to Covered Entity for handling any request for amendment to *PHI* that *Business Associate* directly receives from an *Individual*.

12. Accounting of Disclosures. *Business Associate* shall document Disclosures of *PHI* and all information related to such Disclosures as would be required for Covered Entity to respond to a request by an *Individual* for an accounting of disclosures of *PHI* in accordance with 45 CFR § 164.528. *Business Associate* shall provide such information to Covered Entity or as directed by Covered Entity to an *Individual*, to permit Covered Entity to respond to an accounting request. *Business Associate* shall provide such information in the time and manner reasonably designated by Covered Entity. Within five (5) business days, *Business Associate* shall forward to Covered Entity for handling any accounting request that *Business Associate* directly receives from an *Individual*.

13. Books and Records. Subject to the attorney-client and other applicable legal privileges, *Business Associate* shall make its internal practices, books, and records (including policies and procedures and *PHI*) relating to the Use and Disclosure of *PHI* available to the Secretary of Health and Human Services (HHS) in the time and manner designated by the Secretary. *Business Associate* shall make the same information available to Covered Entity, upon Covered Entity's request, in the time and manner reasonably designated by Covered Entity so that Covered Entity may determine whether *Business Associate* is in compliance with this Agreement.

14. Termination.

14.1 This Agreement commences on the Effective Date and shall remain in effect until terminated by Covered Entity or until all the *PHI* is destroyed or returned to Covered Entity subject to Section 18.8.

14.2 If *Business Associate* fails to comply with any material term of this Agreement, Covered Entity may provide an opportunity for *Business Associate* to cure. If *Business Associate* does not cure within the time specified by Covered Entity or if Covered Entity believes that cure is not reasonably possible, Covered Entity may immediately terminate the Contract or Grant without incurring liability or penalty for such termination. If neither termination nor cure are feasible, Covered Entity shall report the breach to the Secretary of HHS. Covered Entity has the right to seek to cure such failure by *Business Associate*. Regardless of whether Covered Entity cures, it retains any right or remedy available at law, in equity, or under the Contract or Grant and *Business Associate* retains its responsibility for such failure.

15. Return/Destruction of PHI.

15.1 *Business Associate* in connection with the expiration or termination of the Contract or Grant shall return or destroy, at the discretion of the Covered Entity, *PHI* that *Business Associate* still maintains in any form or medium (including electronic) within thirty (30) days after such expiration or termination. *Business Associate* shall not retain any copies of *PHI*. *Business Associate* shall certify in writing and report to Covered Entity (1) when all *PHI* has been returned or destroyed and (2) that *Business Associate* does not continue to maintain any *PHI*. *Business Associate* is to provide this certification during this thirty (30) day period.

15.2 *Business Associate* shall report to Covered Entity any conditions that *Business Associate* believes make the return or destruction of *PHI* infeasible. *Business Associate* shall extend the protections of this Agreement to such *PHI* and limit further Uses and Disclosures to those purposes that make the return or destruction infeasible for so long as *Business Associate* maintains such *PHI*.

16. Penalties. *Business Associate* understands that: (a) there may be civil or criminal penalties for misuse or misappropriation of *PHI* and (b) violations of this Agreement may result in notification by Covered Entity to law enforcement officials and regulatory, accreditation, and licensure organizations.

17. Training. *Business Associate* understands its obligation to comply with the law and shall provide appropriate training and education to ensure compliance with this Agreement. If requested by Covered Entity, *Business Associate* shall participate in Covered Entity's training regarding the Use, Confidentiality, and Security of *PHI*; however, participation in such training shall not supplant nor relieve *Business Associate* of its obligations under this Agreement to independently assure compliance with the law and this Agreement.

18. Miscellaneous.

18.1 In the event of any conflict or inconsistency between the terms of this Agreement and the terms of the Contract or Grant, the terms of this Agreement shall govern with respect to its subject matter. Otherwise, the terms of the Contract or Grant continue in effect.

18.2 Each party shall cooperate with the other party to amend this Agreement from time to time as is necessary for such party to comply with the Privacy Rule, the Security Rule, or any other

standards promulgated under HIPAA. This Agreement may not be amended, except by a writing signed by all parties hereto.

18.3 Any ambiguity in this Agreement shall be resolved to permit the parties to comply with the Privacy Rule, Security Rule, or any other standards promulgated under HIPAA.

18.4 In addition to applicable Vermont law, the parties shall rely on applicable federal law (e.g., HIPAA, the Privacy Rule, Security Rule, and HITECH) in construing the meaning and effect of this Agreement.

18.5 *Business Associate* shall not have or claim any ownership of *PHI*.

18.6 *Business Associate* shall abide by the terms and conditions of this Agreement with respect to all *PHI* even if some of that information relates to specific services for which *Business Associate* may not be a “*Business Associate*” of Covered Entity under the Privacy Rule.

18.7 *Business Associate* is prohibited from directly or indirectly receiving any remuneration in exchange for an *Individual’s PHI*. *Business Associate* will refrain from marketing activities that would violate HIPAA, including specifically Section 13406 of the HITECH Act. *Reports* or data containing *PHI* may not be sold without Covered Entity’s or the affected Individual’s written consent.

18.8 The provisions of this Agreement that by their terms encompass continuing rights or responsibilities shall survive the expiration or termination of this Agreement. For example: (a) the provisions of this Agreement shall continue to apply if Covered Entity determines that it would be infeasible for *Business Associate* to return or destroy *PHI* as provided in Section 14.2 and (b) the obligation of *Business Associate* to provide an accounting of disclosures as set forth in Section 12 survives the expiration or termination of this Agreement with respect to accounting requests, if any, made after such expiration or termination.

Rev. 05/22/2020

**ATTACHMENT F: STANDARD VERMONT AGENCY OF HUMAN SERVICES
PROVISIONS FOR CONTRACTS AND GRANTS
REVISED SEPTEMBER 2, 2025**

1. Definitions.

- A. As used in this Attachment F, the terms “**Agreement**” and “**Party**” are defined in Attachment C.
- B. “**State Data:**” For the purposes of this Agreement, the term State Data, defined in Attachment C as “data received, obtained, or generated by Party in connection with performance under this Agreement,” does not include AHS-Funded Service Data.
- C. “**AHS-Funded Service Data**” means data that is received, obtained, or generated by Party in the course of providing goods or services for the direct benefit of third parties under this Agreement, except a) when such goods or services are provided on behalf of the State or b) to the extent such data is collected or used to provide services to the State.
- D. “**Work Product**” means:
 - i. any tangible or intangible ideas, inventions, improvements, modifications, discoveries, development, customization, configuration, methodologies or processes, designs, models, drawings, photographs, reports, formulas, algorithms, patterns, devices, compilations, databases, computer programs, work of authorship, specifications, operating instructions, procedures manuals or other documentation, technique, know-how, secret, or intellectual property right whatsoever or any interest therein (whether patentable or not patentable or registerable under copyright or similar statutes or subject to analogous protection) and any derivative thereof
 - ii. that is specifically made, conceived, discovered or reduced to practice under this agreement, including Jointly Developed Work.
- E. “**Deliverables**” means all items that Party is required to deliver to the State under this Agreement.
- F. “**Licensed Intellectual Property**” means any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that is provided, purchased, or licensed by or to Party for the use or benefit of the State under this Agreement and:
 - i. was created prior to the execution of this Agreement or
 - ii. was not created or obtained using State funds or specifically for the benefit of the State.
- G. “**State Intellectual Property**” means:
 - i. all content and all property, data and information furnished by or on behalf of the State or any agency, commission or board thereof, and all State trademarks, trade names, logos and other State identifiers, Internet uniform resource locators, State user name or names, Internet addresses and e-mail addresses obtained or developed pursuant to this Agreement,
 - ii. all information that is created for the direct benefit of State under this Agreement including, but not limited to, all data, reports, or records generated through the use by Party, the State, or any third party of any technology systems or knowledge bases that are developed, purchased, or licensed in connection with this Agreement, and
 - iii. any work, ideas, inventions, discoveries, tools, methodology, computer programs, processes and improvements and any other intellectual property, tangible or intangible, that has been licensed to State by a third party under a separate agreement with State for the use or benefit of State under this Agreement.
- H. “**Jointly Developed Work**” is a subset of Work Product and means:
 - i. any materials jointly created under this Agreement by the State and Party or any third party and
 - ii. any modifications, enhancements, and/or reconfigurations of or to Licensed Intellectual Property and/or derivative works based on Licensed Intellectual Property completed as part of this Agreement.
- I. “**Non-State Work Product**” means information:
 - i. that is submitted to Party by a third party or created by Party on behalf of a third party under this

Agreement,

- ii. that the State is restricted from accessing by law or, when permitted under the terms of this Agreement, confidentiality terms adopted or agreed to by Party.

2. Authority of Agency of Human Services. The Agency of Human Services has oversight authority for all contracts and grants executed by its departments, boards, offices, and business units, however denominated. AHS has shared authority over contracts, grants, and scopes of work executed by the Agency of Digital Services on behalf of AHS, its departments, boards, offices, and business units, however denominated.

- A. The Agency of Human Services, through the business office of the Office of the Secretary, and through its Field Services Directors, will share with any named AHS-associated party to this Agreement oversight, monitoring and enforcement responsibilities.
- B. Party agrees to cooperate with both the named AHS-associated party to this Agreement and with the Agency of Human Services itself with respect to the resolution of any issues relating to the performance and interpretation of this Agreement, payment matters and legal compliance.

3. Medicaid Program Agreements. The following terms apply to Agreements funded under Vermont's Medicaid Program through the Centers for Medicare and Medicaid Services (CMS):

A. General:

- i. In addition to any other requirement under this Agreement or at law, Party must fulfill all state and federal legal requirements and comply with all requests appropriate to enable AHS, the U.S. Department of Health and Human Services (along with its Inspector General and CMS), the Comptroller General, the Government Accountability Office, or any of their designees, to audit and evaluate through inspection or any other means of the quality, appropriateness and timeliness of services provided under this Agreement.
- ii. In addition to the requirements of Attachment C for Sub-Agreements, Party is responsible for ensuring a) that the Agreement is fully performed according to its terms, b) that subcontractor agrees to and remains in compliance with the terms applicable to Party under this Agreement as well as terms applicable to the service or activity delegated under the subcontract, and c) that subcontractor complies with all state and federal laws and regulations relating to the Medicaid program in Vermont.

B. Managed Care Program Contracts: The following terms apply to Parties providing managed care program services and services related to state-operated Managed Care Organization entity operations.

- i. Party will extend the rights provided under Section 3.A.i. to include the right to audit, evaluate, and inspect any books, records, contracts, computer or other electronic systems of Party or its Subcontractors that pertain to any aspect of services and activities performed, or determination of amounts payable under this Agreement.
- ii. Party must make available for the purposes of audit, evaluation, or inspection its premises, physical facilities, equipment, books, records, contracts, computer, or other electronic systems relating to Medicaid enrollees.
- iii. Party must retain records and ensure the right to audit will exist through 10 years from the final date of the Agreement period or from the date of completion of any audit, whichever is later.
- iv. Subcontracts, and any service provider agreements entered into by Party in connection with the performance of this Agreement, must clearly specify in writing the responsibilities of the subcontractor or other service provider and Party must retain the authority to revoke its subcontract or service provider agreement or to impose other sanctions if the performance of the subcontractor or service provider is inadequate or if its performance deviates from any requirement of this Agreement.
- v. Party must make available on request all contracts, subcontracts and service provider agreements between Party, subcontractors and other service providers to the Agency of Human Services and any of its departments as well as to the Center for Medicare and Medicaid Services.
- vi. Party shall follow the Department of Vermont Health Access Managed-Care-Organization enrollee-notification requirements, to include the requirement that Party provide timely notice of any termination of its practice.
- vii. Party shall provide encounter data to the Agency of Human Services and/or its departments and ensure

further that the data and services provided can be linked to and supported by enrollee eligibility files maintained by the State.

C. Medicaid Automated Data Processing (ADP): The following terms apply to Parties providing ADP services and solutions.

- i. Party must provide for the purposes of audit or evaluation the ADP system in all of its aspects, including design developments, operation, and cost records of Party and subcontractors at such intervals as are deemed necessary by the US Department of Health and Human Services to determine whether conditions for funding approval are being met and to determine the efficiency, economy, and effectiveness of the system.
- ii. Party must provide a security plan, risk assessment, and security controls review document within three months of the start date of this Agreement (and update it annually thereafter) in order to support audit compliance with 45 CFR 95.621(f), *ADP System Security Requirements and Review Process*.

4. Terms Relating to Direct Services or Interactions with AHS Program Individuals or Populations: The following terms apply only to Agreements under which Party will directly interact with individuals receiving services from or otherwise involved in AHS programs.

A. Children and Vulnerable Adults - Abuse Registries: The following terms apply with respect to any services involving the care, custody, treatment, transportation, or supervision provided directly to children or to vulnerable adults:

- i. Such services may not be performed by an employee, volunteer or other service provider of the Party, or otherwise reimbursed under the Agreement, if there has been a substantiation of abuse, neglect, or exploitation involving the individual performing the service.
- ii. Party must verify, as provided under 33 V.S.A. § 6911(c)(3), through the Adult Abuse Registry maintained by the Department of Disabilities, Aging and Independent Living that no such substantiated allegation of abuse, neglect, or exploitation exists against any individual providing services to vulnerable adults.
- iii. Party must verify, as provided under 33 V.S.A. § 4919(a), through the Department for Children and Families that no such substantiated allegation of abuse, neglect, or exploitation exists against any individual providing services to children.

B. Children and Vulnerable Adults - Reporting of Abuse, Neglect, or Exploitation: The following terms apply with respect to services performed under this Agreement in which Party and any of its agents or employees are caregivers or have any other direct contact with clients:

- i. Party must ensure its agents or employees receive appropriate training on the reporting of abuse and neglect to children as required under 33 V.S.A. §§ 4911 et seq., and/or abuse, neglect or exploitation of vulnerable adults as provided under 33 V.S.A. §§ 6901 et seq.
- ii. Party, its agents, or employees having a reasonable cause to believe that a child has been abused or neglected must make a report within 24 hours to the Commissioner of the Department for Children and Families containing the information required by 33 V.S.A. §4914.
- iii. Party, its agents, or employees having a reasonable cause to believe that a vulnerable adult has been abused, neglected, or exploited must make a report within 48 hours to the Division of Licensing and Protection at the Department of Disabilities, Aging, and Independent Living containing the information required by 33 V.S.A. §6904.

C. Direct Social and Mental Health Services – Workplace Violence Prevention and Crisis Response: Parties providing direct social or mental health services under this Agreement must establish a written workplace violence prevention and crisis response policy meeting the requirements of Act 109 (2016), 33 VSA §8201(b), for the benefit of employees delivering such direct services.

- i. Party must, in preparing its policy, consult with the guidelines promulgated by the U.S. Occupational Safety and Health Administration for Preventing Workplace Violence for Healthcare and Social Services Workers, as those guidelines may from time to time be amended.
- ii. Party, through its violence protection and crisis response committee, must evaluate the efficacy of its policy, and update the policy as appropriate, at least annually. Party must provide the policy and any

written evaluations thereof to employees delivering direct social or mental health services.

- iii. Party must ensure that any subcontractor and sub-grantee who hires employees (or contracts with service providers) who deliver social or mental health services directly to individual recipients of such services, complies with all requirements of this Section.
- D. 2-1-1 Database:** Party must review the inclusion/exclusion criteria available at www.vermont211.org. If Party provides included services in or near the border of Vermont, Party must provide Vermont 211 relevant descriptive information regarding its agency, programs and/or contact information as well as accurate and up to date information to its database as requested.
- E. Children’s Services – Prohibition of Environmental Tobacco Smoke, Tobacco Products and Substitutes, and Cannabis. 33 V.S.A. § 3504 and Public Law 103-227 (also known as the Pro-Children Act of 1994):**
- i. Party must ensure that no person is permitted: a) to use cannabis as defined in 18 V.S.A. § 4201 or tobacco products or tobacco substitutes as defined in 7 V.S.A. § 1001 on the premises, both indoor and outdoor, of any licensed child care center or afterschool program at any time; b) to smoke on the premises, both indoor and in any outdoor area designated for child care, health or day care services, kindergarten, pre-kindergarten, elementary, or secondary education or library services; c) to use cannabis, tobacco products, or tobacco substitutes on the premises of a licensed or registered family child care home while children are present and in care. Party must refrain from promoting the use of tobacco products for all clients and from making tobacco products available to minors, or d) cultivate cannabis in a licensed or registered family child care home.
 - ii. Failure to comply with the federal tobacco prohibitions may result in the imposition of a civil monetary penalty and/or the imposition of an administrative compliance order on the responsible entity under 20 USCA § 6083. The federal Pro-Children Act of 1994, however, does not apply to portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, & Children (WIC) coupons are redeemed.
 - iii. Failure to comply with State cannabis prohibitions may result in the imposition of a misdemeanor criminal fine under 33 V.S.A. § 3504.
- F. Substance Use Treatment Services:** If Party provides Substance Use Treatment services, Party must Determine whether it, in its entirety or with respect to any unit, personnel, or staff, is a Part 2 Program as defined in 42 C.F.R. § 2.11. If Party is a Part 2 Program, Party must:
- i. prior to the commencement of any work under this Agreement involving the creation, use, or disclosure of Substance Use records, have notified the AHS Privacy Officer of its determination, submitted all consent forms applicable to such work to the AHS Privacy Officer, and have received approval from State; and
 - ii. comply with provisions requiring notice of prohibition on redisclosure for Part 2 protected claims and other Part 2 protected records submitted to the State.
- G. Voter Registration:** Parties who, in the regular course of its business, collect and verify documents described in 17 V.S.A. § 2145b(e) may be designated as a voter registration agency by the Secretary of State. If designated by the Secretary of State, Party agrees to comply with the requirements of state and federal law pertaining to such agencies.
- H. Continuity of Service and Termination Assistance:** Party must maintain records reasonably necessary for continuity or coordination of services provided to third parties under this Agreement or for the resolution of matters under this Agreement in which Party directly interacted with individuals involved in AHS programs.
- i. Party must employ measures to protect against destruction, loss, or damage of such records due to environmental hazards, such as fire and water damage.
 - ii. When complying with the Termination Assistance requirements of Attachment C section 27.C, Party must take all reasonable and prudent measures to ensure that such services provided under this Agreement are transitioned appropriately to other service providers, including coordination of care and reasonable retention and timely transfer of service records.

5. Non-Discrimination:

- A. Party shall not unlawfully discriminate, and will prohibit its employees, agents, subcontractors, sub-grantees and other service providers from unlawful discrimination, on the basis of age under the Age Discrimination Act of 1975, on the basis of handicap under section 504 of the Rehabilitation Act of 1973, on the basis of sex under Title IX of the Education Amendments of 1972, and on the basis of race, color or national origin under Title VI of the Civil Rights Act of 1964. Party shall not unlawfully refuse, withhold from or deny to any person the benefit of services, facilities, goods, privileges, advantages, or benefits of public accommodation on the basis of disability, race, creed, color, national origin, marital status, sex, sexual orientation or gender identity as provided by Title 9 V.S.A. Chapter 139.
- B. No person shall on the grounds of religion or on the grounds of sex (including, on the grounds that a woman is pregnant), be unlawfully excluded from participation in, be denied the benefits of, or be subjected to discrimination, to include sexual harassment, under any program or activity supported by State of Vermont and/or federal funds.
- C. Party further shall comply with the non-discrimination requirements of Title VI of the Civil Rights Act of 1964, 42 USC Section 2000d, et seq., and with the federal guidelines promulgated pursuant to Executive Order 13166 of 2000, requiring that contractors and subcontractors receiving federal funds assure that persons with limited English proficiency can meaningfully access services. To the extent Party provides assistance to individuals with limited English proficiency through the use of oral or written translation or interpretive services, such individuals cannot be required to pay for such services.

6. Classification of Independent Contractors: Party staff residing in or whose primary workplace is located in the State of Vermont must be appropriately classified by Party as either “employees” or “independent contractors” for all purposes, to include for purposes related to unemployment compensation insurance and workers compensation coverage, and proper payment and reporting of wages.

- A. Party agrees to ensure that all of its subcontractors or sub-grantees also remain in legal compliance with respect to classification of staff residing in or whose primary workplace is located in the State of Vermont.
- B. Party must, on request, provide to the Agency of Human Services information pertaining to the classification of such staff to include the basis for the classification. Failure to comply with these obligations may result in termination of this Agreement.

7. Data Protection and Privacy:

- A. **Compliance with Applicable Law:** Party must comply with applicable State and Federal law relating to the privacy and security of data, including but not limited to Vermont’s Security Breach Notice Act, 9 V.S.A. § 2435, the Social Security Number Protection Act, 9 V.S.A. § 2440, the Document Safe Destruction Act, 9 V.S.A. § 2445, protections for Exchange Personally Identifiable Information, 45 C.F.R. § 155.260, protections for Medicaid records, 33 V.S.A. § 1902a, protections for Department for Children and Families Records, 33 V.S.A. § 111, the Health Insurance Portability and Accountability Act (HIPAA) regulations, 45 CFR Parts 160 and 164, and federal rules for Confidentiality of Substance use Disorder Patient Records under 42 CFR Part 2 (“Part 2”).
- B. The notice required under the Use and Protection of State Information terms of Attachment C shall be provided to the Agency of Digital Services Chief Information Security Officer. <https://digitalservices.vermont.gov/about-us/contacts>.
- C. Following termination of this Agreement for any reason, the privacy and security requirements of this Agreement will continue to apply to all data received, obtained, or generated by Party under this Agreement until it is securely returned to the State or destroyed according to the terms of this Agreement or as instructed by the State.
- D. **State Data:**
 - i. Party must comply with the privacy and security requirements of Attachment C, and, as applicable, Attachments D, E, and H, with respect to all State Data.
 - ii. Party is bound by the provisions of 42 CFR Part 2 with respect to any applicable State Data.
 - iii. Party must comply with all State requests for cooperation in its compliance with applicable law, rule, and practice for the privacy and security of State Data.

- iv. Party must assume responsibility at its own expense for remediation activities required under applicable law in response to a security incident that compromises State Data (“Security Breach”). Such obligations will be determined at the sole discretion of the State, including a) notice to the Attorney General or Department of Financial Regulation, b) notice to affected consumers, c) investigation and remediation including but not limited to outside investigation, forensics, counsel, crisis management, and credit monitoring.

E. Compliance With Privacy Practices for AHS-Funded Service Data: To the extent Party creates, obtains, or receives AHS-Funded Service Data, Party must adopt and adhere to privacy practices for the protection of such data. Such practices must conform with the requirements of AHS Rule No. 08-048 or applicable law and must address the use and disclosure of personal information that relates to any beneficiary or recipient of goods, services, or other forms of support.

F. Use and Protection of AHS-Funded Service Data: The provisions of Attachment C Section 12 that apply to State Data also apply to AHS-Funded Service Data, except that:

- i. Party may use AHS-Funded Service Data for its own purposes, provided such use is consistent with its privacy practices and applicable law, except that Party must obtain written permission before providing or allowing AHS-Funded Service Data to be used to train artificial intelligence technologies.
- ii. Party must securely destroy Confidential AHS-Funded Service Data a) following any period of retention required by this Agreement, law, professional or industry standard, or regulation, or b) as required by law.
- iii. Party may collect, use, or disclose AHS-Funded Service Data in any manner consistent with its privacy practices and expressly permitted under AHS Rule No. 08-048.
- iv. Party must promptly notify the State of a request or demand by a court, governmental agency, or other person asserting a demand or request for AHS Funded Service Data to the extent such request relates specifically to the services provided under this Agreement.
- v. Party may update or correct AHS-Funded Service Data without prior written consent of the State but must employ appropriate controls to ensure such records will not be inadvertently or maliciously altered.
- vi. To the extent permitted by applicable law, professional or industry standard, or regulation, Party may allow AHS Funded Service Data to be processed, transmitted, stored, or transferred outside the United States consistent with the express terms of Party’s notice of privacy practices, the express consent of the individuals who are the subject of such Data, or the express written permission of the State.
- vii. Party must comply with special terms provided, as applicable, in Attachment D under the heading “Special Privacy and Security Requirements.”

G. In addition to any other indemnification obligations in this Contract, the Contractor shall fully indemnify and save harmless the State from any costs to the State resulting from a Security Breach or the unauthorized disclosure of State Data or AHS-Funded Service Data by the Contractor, its officers, agents, employees, and subcontractors.

8. State Computer Equipment and System Access: Unless expressly provided in Attachment A or D, Party must supply its own computing equipment, networking equipment, and internet access. To the extent Party is provided or otherwise obtains access to State systems, equipment, or accounts:

- A.** Party is responsible for all damage, loss, or theft to State equipment resulting from acts or omissions of Party, its employees, agents, or subcontractors and
- B.** Party will complete any training and comply with all applicable laws, rules, and policies, including applicable policies of the Vermont Agency of Digital Services, related to such access.

9. Compliance with Federal Intangible Asset Regulations: For Agreements receiving Federal funds, Party must ensure that title to intangible assets vests in the State and/or reserve appropriate licenses in intangible assets to Federal partners to the extent provided under applicable regulations, as may be further described in Attachment D under the heading Ownership and License in Work Product and Deliverables.

10. Intangible Assets: Except as necessary to comply with Section 9, Party agrees to the following terms.

A. Ownership and License in Work Product:

- i. Work Product will be owned by the State, regardless of the state of completion. All Work Product must be delivered to the State upon 30 days' notice by the State.
- ii. Provided Party grants State license, as described herein, to use any such Licensed Intellectual Property incorporated into Deliverables, Party will not be required to grant State ownership of Licensed Intellectual Property
- iii. To the extent exclusive title and/or complete and exclusive ownership rights in and to any Work Product may not originally vest in the State by operation of law or otherwise as contemplated hereunder, Party must immediately upon request, unconditionally and irrevocably assign, transfer and convey to the State all right, title and interest therein.
- iv. The State will have the sole and exclusive right to apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, all patents and copyrights, and all applications and registrations, renewals and continuations thereof and/or any and all other appropriate protection related to Work Product and State Intellectual Property.
- v. The State may grant license, title, or other rights in or to Work Product to Party only to the extent permitted under applicable law and according to terms modifying this Attachment F.

B. Ownership and License in Non-State Work Product: To the extent Party creates or receives Non-State Work Product under this Agreement:

- i. neither the State nor Party shall make any claim of rights, title, or ownership over Non-State Work Product; and
- ii. Party must obtain from applicable third parties such rights, title, or ownership in Non-State Work Product as necessary to ensure any use or access to Non-State Work Product under this Agreement by, for the direct benefit of, or on behalf of the State.

C. Ownership and License in Licensed Intellectual Property: Except as necessary to comply with the following terms of this subsection C, Party and/or its Licensors retain all rights, title, and interest in and to Licensed Intellectual Property.

- i. To the extent delivered under this Agreement, upon full payment to Party in accordance with Attachment B, and subject to the terms and conditions contained herein, Party hereby a) assigns to State all rights in and to all Deliverables, except to the extent they include Licensed Intellectual Property and b) grants to the State or must, in the case of Licensed Intellectual Property owned by a third party, obtain for the benefit of State, a perpetual, non-exclusive, irrevocable, royalty-free license to use Licensed Intellectual Property for State's internal business purposes including, but not limited to, use in any manner or for any purpose described in Attachment A and to authorize others to do the same on the State's behalf.
- ii. Where the use of Licensed Intellectual Property is necessary for the development and/or use of Deliverables, Party hereby grants to the State or must, in the case of Licensed Intellectual Property created by a third party, obtain for the benefit of State a royalty-free license for such use.
- iii. Party must reserve for Federal funding partners any licenses required under Section 9 of this Attachment F.
- iv. Party may not sell or apply for, obtain, register, hold and renew, in its own name and/or for its own benefit, any patents and copyrights and any applications and registrations, renewals and continuations thereof and/or any other protection related to Jointly Developed Works without written permission from the State or in any manner prohibited under Federal regulation.

D. State Intellectual Property:

- i. Party may not collect, access, or use State Intellectual Property for any purpose other than as specified in this Agreement.
- ii. Upon expiration or termination of this Agreement, Party will have no further right or license to State Intellectual Property and must return or destroy State Intellectual Property according to the terms of this Agreement.

- iii. Party acquires no rights or licenses, including, without limitation, intellectual property rights or licenses, to use State Intellectual Property for its own purposes. In no event may the Party claim any security interest in State Intellectual Property.
- iv. If Party is operating or hosting a system or application on behalf of the State of Vermont, then the Party must not make information entered into the system or application available for uses by any other party than the State of Vermont without prior authorization by the State.

11. Other Provisions:

- A. Drug Free Workplace Act:** Party will assure a drug-free workplace in accordance with 45 CFR Part 76.
- B. Lobbying:** No federal funds under this agreement may be used to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendments other than federal appropriated funds.
- C. Sub-Agreements:** Party must include, as applicable, terms of this Attachment F in any subcontract, subaward, or assignment under this Agreement permitted pursuant to the terms of Attachment C. Notwithstanding such subcontract, subgrant, or assignment, Party will remain responsible for the full performance of this Agreement and compliance with this Attachment F as it applies to this Agreement, including any parts subcontracted, sub-awarded, or assigned to other parties.