

**PAY FOR SUCCESS CONTRACT**

**AMONG**

**SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**AND**

**NURSE-FAMILY PARTNERSHIP**

**AND**

**THE CHILDREN'S TRUST FUND OF SOUTH CAROLINA**

**DATED AS OF**

**January 1, 2016  
As amended March 21, 2016**

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**AND**  
**THE CHILDREN'S TRUST FUND OF SOUTH CAROLINA**

This Contract (the "Contract") is entered into to be effective as of January 1, 2016, by and among the South Carolina Department of Health and Human Services, 1801 Main Street, Post Office Box 8206, Columbia, South Carolina, 29202-8206, ("SCDHHS"), Nurse-Family Partnership, 1900 Grant Street, Suite 400, Denver, Colorado 80203, a Colorado nonprofit corporation, ("NFP") and The Children's Trust Fund of South Carolina, 1330 Lady Street, Suite 310, Columbia, SC 29201, ("Children's Trust") (collectively, the "Parties", and each individually a "Party").

**RECITALS**

WHEREAS, SCDHHS is the single state agency responsible for the administration in South Carolina of a program of Medical Assistance under Title XIX of the Social Security Act as provided for in the South Carolina State Plan for Medical Assistance and SCDHHS regulations (the "Medicaid Program") and makes all final decisions and determinations regarding the administration of the Medicaid Program; and

WHEREAS, SCDHHS has obtained approval for a Section 1915(b) waiver from the Centers for Medicare and Medicaid Services ("CMS") for The Enhanced Prenatal and Postpartum Home Visitation Pilot Project (the "HV Pilot Waiver") in order to provide certain home visiting services as outlined in this Contract; and

WHEREAS, the South Carolina General Assembly has authorized SCDHHS pursuant to Proviso 33.21 of the 2015-2016 Appropriations Act to enter into contracts with community-based not-for-profit organizations for local projects that further the objectives of department programs; and

WHEREAS, NFP is a 501(c)(3) non-profit corporation with its headquarters located in Denver, Colorado, and is the exclusive U.S. licensee of the evidence-based community health program known as the Nurse-Family Partnership Program (the "NFP Program") and desires to expand its services and program within South Carolina; and

WHEREAS, Children's Trust is a 501(c)(3) non-profit corporation with its headquarters located in Columbia, South Carolina, established by the South Carolina General Assembly as an eleemosynary corporation to award grants to private not-for-profit organizations and qualified state agencies in order to stimulate a broad range of innovative child abuse and neglect prevention programs and desires to act as the financial trustee for the PFS Project governed by this Contract; and

WHEREAS, SCDHHS wishes to implement a Pay for Success (“PFS”) project (the “PFS Project”) to measurably improve health and well-being of newborns and first time mothers in South Carolina by providing prenatal and early childhood home visiting services to mothers and newborns in the Medicaid Program in order to improve birth outcomes, child development and other social outcomes for these populations; and

WHEREAS, the PFS Project will utilize qualified service providers to be responsible for delivering home visiting services in accordance with the evidence-based NFP Program model to approximately 3,200 Medicaid-eligible mothers and newborns (the “Project Participants”).

NOW THEREFORE, the Parties to this Contract, in consideration of the mutual promises, covenants and stipulations set forth herein, agree as follows:

### **ARTICLE I - CONTRACT PERIOD**

This Contract shall take effect on January 1, 2016 (the “Effective Date”) and shall, unless sooner terminated in accordance with Article VIII of this Contract, continue in full force and effect through December 31, 2022 or the date on which the final payment required by this Contract is made, whichever is later.

### **ARTICLE II - DEFINITION OF TERMS AND ACRONYMS**

As used in this Contract, the following terms shall have the following defined meanings:

Ancillary Agreements: Those contracts listed on Annex D

Children’s Trust: As defined in the first paragraph of this Contract

CMS: As defined in the Recitals of this Contract

Contract: As defined in the first paragraph of this Contract

Consented Subjects: Individuals who have consented to participate in the Study, but have not yet been randomized.

Control Group: The group of Sample Members randomly designated pursuant to the Randomization not to be offered the NFP Program

DHEC: South Carolina Department of Health and Environmental Control

Enrolled or Enrollment: The point at which a potential client who is Randomized into the Intervention Group receives the first NFP visit where program content is delivered.

Effective Date: As defined in Article I

Funders: Organizations described in Section 501(c)(3) of the Internal Revenue Code that have agreed to provide funding in support of the PFS Project, as more specifically described in Annex A.

Funders’ Account: As defined in Section III.B.4

GAO: U.S. Government Accountability Office

HIPAA: Health Insurance Portability and Accountability Act of 1996, as amended, along with its attendant regulations

HKS SIB Lab: As defined in Section X.B

HV Pilot Waiver: As defined in the Recitals of this Contract

IAs or Implementing Agencies: The individual healthcare organizations and public health clinics under contract with NFP to deliver the NFP Program and who are identified in Section III.C.6

Indemnified Party: As defined in Section X.W

Indemnifying Party: As defined in Section X.W

Independent Evaluator: The independent, third-party evaluator that conducts the PFS Project Evaluation

Intervention Group: A group of Sample Members designated to be offered the NFP Program pursuant to the Randomization

J-PAL: The Abdul Latif Jameel Poverty Action Lab North America, a research center within the Economics Department at the Massachusetts Institute of Technology that conducts rigorous impact evaluations, policy outreach and capacity building with the mission of reducing poverty by ensuring that policy is informed by scientific evidence. For this project, the legal entity, the Institutional Review Board of record, and data receiving entity is the Harvard University T.H. Chan School of Public Health.

LIZC: As defined in Section III.C.3

Loss: As defined in Section X.W

Medicaid Program: As defined in the Recitals of this Contract

MIECHV: Maternal, Infant and Early Childhood Home Visitation

MIECHV Program: MIECHV Program, a Federal program administered by The Health Resources and Services Administration

NFP: As defined in the first paragraph of this Contract

NFP Program: As defined in the Recitals of this Contract

Nurse: As defined in Section III.C.1

Party and Parties: As defined in the first paragraph of this Contract

PFS: As defined in the Recitals of this Contract

PFS Evaluation: As defined in Section III.B.1

PFS Impact Estimates: The calculated relative percent reduction in the Preterm Birth, Healthy Birth Intervals, or Child Injury PFS Outcome Metrics between the Intervention and Control Groups, or the calculated percentage of Sample Members in the Intervention Group from LIZC at the time of Enrollment calculated for the purpose of determining PFS Success Payment, using methodology defined in Article II.J of Annex F

PFS Outcome Metrics: As defined in Section V.A

PFS Project: As defined in the Recitals of this Contract

PFS Success Fund: As defined in Section III.B.4

PFS Success Payment: Amounts payable to NFP upon achievement of one or more PFS Outcome Metrics, pursuant to and in accordance with Annex H

PFS Trust: As defined in Section III.B.4

Pilot Period: As defined in Section III.C.4

Policies: The general principles by which SCDHHS is guided in its management of the South Carolina State Plan for Medical Assistance, as further defined by SCDHHS promulgations and by state and federal rules and regulations

Potential Clients: Individuals recruited for or referred to the Study who have not yet been determined to be eligible for, or consented to participate in, the Study.

Project Participant: As defined in the Recitals of this Contract

Randomization/Randomize: The process through which Consented Subjects in the Study is assigned into either the Control Group or the Intervention Group by the Independent Evaluator (IE)'s survey software.

Recipient: A person who has been determined eligible to receive services as provided for in the South Carolina State Plan for Medical Assistance

Sample Member: The individuals who have consented to participate in the Study and have been Randomized.

SCDHHS: As defined in the first paragraph of this Contract

Service Delivery Period: As defined in Section III.C.4

Social Finance: Social Finance, Inc., a 501(c)(3) non-profit organization with its headquarters located in Boston, Massachusetts, that provides advisory work, transaction structuring and performance management services for social impact financing projects

Social Security Act: Title 42, United States Code, Chapter 7, as amended

South Carolina State Plan for Medical Assistance: A comprehensive written commitment by SCDHHS, submitted under section 1902(a) of the Social Security Act, to administer or

supervise the administration of the Medicaid Program in accordance with federal requirements

Study: The evaluation activities needed to measure the effect of the NFP Program on the PFS Outcome Metrics and the long-term outcomes.

Support Organizations: As defined in Section III.B

Title XIX (Medicaid): Title 42, United States Code, Chapter 7, subchapter XIX, as amended. (42 U.S.C. §1396 et seq.)

USDHHS: United States Department of Health and Human Services

Work Product: As defined in Section X.B

### **ARTICLE III - PFS PROJECT DESCRIPTION**

#### **A. Contractual Framework and Overview of the Contract and Ancillary Agreements**

This Contract shall govern the rights and obligations of the Parties in connection with the PFS Project. In addition to this Contract, the Parties acknowledge that the Ancillary Agreements listed in Annex D hereto are necessary for the performance by the Parties of their obligations hereunder and for the performance of the PFS Project.

#### **B. Roles and Responsibilities of the Parties and the Funders, Social Finance, and J-PAL (collectively, the Funders, Social Finance and J-PAL shall be referred to as the "Support Organizations")**

1. SCDHHS shall have the following responsibilities and obligations:
  - Administer the HV Pilot Waiver to provide appropriate and timely Medicaid payments for services provided to Project Participants in accordance with the terms of all provider agreements between each IA and SCDHHS including the provider enrollment agreement and the provider contract (collectively, the "Provider Contracts");
  - Use best efforts to administer the HV Pilot Waiver in a manner that mitigates risk of an early termination of the PFS Project.
  - No later than thirty (30) days following the Effective Date, provide \$7,500,000 in South Carolina state funds to the PFS Success Fund, which will be administered by Children's Trust and used to make any PFS Success Payments due;
  - Refer pregnant Medicaid-eligible women who are likely to be first-time mothers to NFP for potential enrollment as Sample Members in the Control Group or the Intervention Group starting in the Pilot Period; and
  - Provide necessary data to the Independent Evaluator to facilitate assessment of the PFS Outcome Metrics and the evaluation of the PFS Project (the "PFS Evaluation") in accordance with Annex E.
2. NFP shall serve as the programmatic intermediary entity for the PFS Project through the following activities:
  - Receive and distribute funding received from the Funders to cover all PFS Project costs that are not funded through the HV Pilot Waiver in accordance with Annex A;

- Coordinate service delivery across the IAs who participate in the PFS Project;
  - Establish sufficient training capacity for the NFP Program model to be implemented pursuant to this Contract;
  - Establish and manage a centralized point of contact for all statewide referrals into the NFP Program with support from SCDHHS and the IAs;
  - Establish and implement strategies to reduce the costs of the NFP Program by 25.0 percent by the end of the PFS Project;
  - Conduct an outreach and promotional campaign for the NFP Program to identify potential Project Participants;
  - Coordinate the PFS Evaluation with the IAs and the Independent Evaluator; and
  - Provide necessary NFP Program data to the Independent Evaluator.
3. The IAs will (a) deliver home visiting services in accordance with the NFP Program model to Project Participants; (b) receive payments from SCDHHS pursuant to the HV Pilot Waiver in accordance with the Provider Contracts as payment for the services provided to the Project Participants; and (c) comply with all HV Pilot Waiver reporting requirements specified by CMS and/or SCDHHS.
4. Children's Trust shall have the following responsibilities:
- Establish a trust account (the "PFS Trust") to receive and hold \$7,500,000 from SCDHHS to be used for PFS Success Payments (the "PFS Success Fund");
  - Administer the PFS Success Fund according to the terms and conditions outlined in Article V and the Trust Agreement listed on Annex D;
  - Continue to administer funds received under MIECHV in accordance with Section III.C.7;
  - Calculate each PFS Success Payment, if any, payable to NFP in accordance with the terms and conditions set forth on Annex H
  - Establish a trust account ("Funders' Account") to receive and hold funding from the Funders to be used by a) the Independent Evaluator to conduct the PFS Evaluation and b) NFP to pay allowable costs associated with the PFS Project and to distribute funding to the IAs to deliver the NFP Program; and
  - Administer the Funders' Account according to the terms and conditions outlined in Annex A and the Funding Agreements listed on Annex D
5. The Funders, collectively, shall provide \$17,000,000 for financing all PFS Project costs not covered by the HV Pilot Waiver in accordance with the terms and conditions set forth on Annex A and the Funding Agreements listed on Annex D.
6. Social Finance shall provide project management and other support functions for the PFS Project in accordance with Annex E, Annex H and the Project Management Agreement listed on Annex D, and shall make the calculations required to determine the amount of Capital Calls, as set forth in Annex A.

7. The Independent Evaluator shall conduct the PFS Evaluation in accordance with Annex E and the PFS Evaluation Agreement listed on Annex D.

C. Description of the PFS Project

1. The NFP Program. The NFP Program is an evidence-based home visitation program that supports first-time mothers living in poverty by pairing an expectant mother with a nurse home visitor (a “Nurse”) who provides home visits from early in the pregnancy and for up to two years after the child is born. Project Participants will voluntarily enroll in the NFP Program beginning early in their pregnancies and will receive their first home visit no later than the end of the 28th week of the pregnancy. The Nurses apply the theoretical framework that underpins the NFP Program, which emphasizes self-efficacy, human ecology and attachment theories, through current clinical methods. Using their professional knowledge, judgment and skill, the Nurses implement the NFP Program in accordance with the training they have received and the support and guidance of NFP to achieve the optimal outcomes possible given the circumstances of the Project Participants.

The NFP Program has three major goals for at-risk first-time mothers and their children:

- To improve pregnancy outcomes by helping women improve their prenatal health;
  - To improve children’s subsequent health and development by helping parents provide competent care of their children; and
  - To improve mothers’ own life-course development by helping them develop a vision for their lives and improve their personal health following the birth of their first child.
2. PFS Project Participant Eligibility Criteria. To be eligible to participate in the PFS Project, potential Project Participants must be first-time mothers who (1) have not had a previous live birth, (2) enroll in the South Carolina Medicaid Program and (3) are appropriate for participation in the NFP Program as determined by an IA.
  3. Enrollment. NFP shall be accountable for achieving the enrollment targets as outlined in Annex C. The IAs shall be primarily responsible, with assistance from NFP and SCDHHS, for identifying appropriate Potential Clients. NFP shall conduct community outreach and education that targets Potential Clients in high-risk communities, which are those communities in the zip codes listed on Annex B in which fifteen percent (15%) or more of households have incomes below the federal poverty guidelines according to Census Bureau Data from 2012 (the “LIZCs”). The Parties agree to evaluate the LIZCs included in Annex B if the United States Census Bureau substantially modifies the assignment of ZIP code tabulation areas in South Carolina prior to January 1, 2020. SCDHHS shall assist NFP by providing referrals to newly Medicaid-enrolled pregnant women whenever possible.

Those Potential Clients who are referred to an IA will receive information about the NFP Program and the HV Pilot Waiver. Potential Clients who are interested in voluntarily enrolling in the NFP Program will receive an initial intake visit,

which includes the PFS Evaluation's study consent process, collection of information and determination of services to be provided. Participation in the NFP Program will remain voluntary and will never be a required service for any Recipient.

All Potential Clients who choose to enroll in the PFS Project after the initial intake visit will be randomly assigned either to receive the NFP Program services or to receive only the services covered under the South Carolina State Plan for Medical Assistance. Random assignment will be utilized to equitably allocate available program slots in the HV Pilot Waiver.

Subject to the terms of the HV Pilot Waiver, approximately 3,200 Project Participants (including those Project Participants randomly assigned to receive the NFP Program and excluding those families receiving MIECHV-funded services only as described below) will be Enrolled in the NFP Program. Annex C sets forth the Enrollment Schedule for PFS Project Participants and MIECHV-funded Sample Members.

4. Pilot Period and Service Delivery Period. Commencing on January 1, 2016, a pilot of the PFS Project shall be conducted for approximately 13 weeks (the "Pilot Period"), as determined below, in order to test the data transfer and other evaluation-related processes associated with the PFS Project. The Service Delivery Period is the period of time during which Potential Clients Enroll in the NFP Program during the PFS Project, and are included in the PFS Evaluation and in the calculation of the PFS Success Payments ("Service Delivery Period"), all in accordance with this Contract. At the end of the ninth week of the Pilot Period, the Independent Evaluator will provide the Executive Committee with a) a recommendation of the date on which the Pilot Period should terminate and the Service Delivery Period should commence and b) a recommendation as to whether the Sample Members during the Pilot Period should be included in the PFS Evaluation, based on how well the data transfer and other evaluation-related processes were conducted during the Pilot Period. By the end of the tenth week of the Pilot Period, based upon input from the Independent Evaluator, the Executive Committee will decide the date when the Service Delivery Period will commence. The Independent Evaluator will determine whether to include the Sample Members during the Pilot Period in the PFS Evaluation.

Medicaid funding under the HV Pilot Waiver will only be available during the HV Pilot Waiver period as approved by CMS. The HV Pilot Waiver period will be from January 1, 2016 through December 31, 2020. After the HV Pilot Waiver period concludes, or if the HV Pilot Waiver period is terminated, the IAs will no longer be able to bill SCDHHS under the HV Pilot Waiver for services they provide unless SCDHHS requests and is granted a renewal of the HV Pilot Waiver from CMS. Nothing in this Contract shall prevent (1) the IAs from billing SCDHHS if delivery of the NFP Program services becomes otherwise eligible for reimbursement under the South Carolina State Plan for Medical Assistance or (2) NFP from continuing the PFS Project utilizing other funding sources following any suspension or expiration of the HV Pilot Waiver.

5. Services. The IAs shall provide the NFP Program services to the Project Participants in accordance with the terms and conditions of the HV Pilot Waiver, their Provider Contracts and their Nurse-Family Partnership Implementation Agreement.

6. Implementing Agencies. The NFP Program will be provided by the Nurses who will (1) be employed by or under subcontract to the IAs, (2) be appropriately licensed under South Carolina's nursing regulations and (3) have completed training in the NFP Program as evidenced by NFP Certificates of Completion. The IAs will be enrolled Medicaid providers and have a contract to perform the services under the HV Pilot Waiver.

The following IAs are approved to participate in the PFS Project as of the Effective Date:

- Carolina Health Centers
- South Carolina DHEC Upstate Region
- Greenville Health System
- Spartanburg Regional Healthcare System
- South Carolina DHEC Midlands Region
- South Carolina Office of Rural Health Orangeburg Healthy Start
- South Carolina DHEC Pee Dee Region
- McLeod Home Health
- South Carolina DHEC Low Country Region

Any additional IA that NFP proposes to participate in the PFS Project pursuant to this Contract will have to be approved by SCDHHS in its discretion and CMS will have to approve an amendment to the HV Pilot Waiver prior to the IAs participation. NFP may remove any IA from the PFS Project in its discretion and must immediately notify the other Parties of this action.

7. MIECHV-Funded Services. The IAs shall continue providing the NFP Program to qualifying South Carolina families using funds provided under MIECHV or from other sources. Children's Trust shall continue to administer all funding received from MIECHV.

The outcomes from NFP Program services funded by MIECHV will be included in the PFS Evaluation for purposes of determining the NFP Program's level of impact on each of the PFS Outcome Metrics; therefore, MIECHV-funded Sample Members shall be subject to the same Enrollment and Randomization process as Medicaid-funded Project Participants. Sample Members that receive NFP Program services funded by MIECHV shall not be included in the calculation of the PFS Success Payment and the IAs shall not be eligible to receive Medicaid payment through the HV Pilot Waiver for services provided to these families.

Nothing in this Contract is intended to impact Children's Trust's administration of the MIECHV program.

#### **ARTICLE IV - PFS PROJECT EVALUATION DESIGN AND PLAN**

The Independent Evaluator will conduct the PFS Project Evaluation in accordance with the data collection and analysis plans described on Annex E and the Evaluation Agreement listed on Annex D. The PFS Project Evaluation will assess the impact of the NFP Program on each of the four (4) PFS Outcome Metrics and this assessment will be utilized by Children's Trust in the calculation of the PFS Success Payment as described in Article V.

## ARTICLE V - PFS PROJECT SUCCESS PAYMENTS

### A. PFS Outcome Metrics

The following shall be the outcome metrics (“PFS Outcome Metrics”) upon which the PFS Success Payment shall be determined:

- 1) Preterm Birth
- 2) Healthy Birth Intervals
- 3) Child Injury
- 4) Coverage in LIZCs

A description of each of the PFS Outcome Metrics, measurement principles, data sources and measurement dates is included in Annex G. In the event of a conflict between Article V and Annex G, Annex G shall control.

### B. Threshold for Initiation of PFS Success Payment

The PFS Success Payment shall be calculated by combining the total payment for all four (4) individual PFS Outcome Metrics. In order to determine the payment for each PFS Outcome Metric that has a fixed and variable component, the fixed payment and variable payment shall be combined for each PFS Outcome Metric.

There is no threshold required for the variable payment associated with the Preterm Birth, Healthy Birth Intervals, or Child Injury PFS Metrics. The Coverage in LIZCs PFS Outcome Metric does not have a variable payment component.

There is a threshold required for initiation of the fixed PFS Success Payment associated with the Preterm Birth, Healthy Birth Intervals, Child Injury, and Coverage in LIZCs PFS Outcome Metrics. The minimum thresholds, which will allow for a partial payment from the PFS Success Payment, are as follows:

- a. Preterm Birth – 13.5% reduction in the Intervention Group and relative to the Control Group in the share of live singleton births where the obstetric estimate of gestation in completed weeks is less than thirty-seven (37). For births without an obstetric estimate of gestation, gestation will be calculated from the self-reported date of last menses
- b. Healthy Birth Intervals – 18.0% reduction in the Intervention Group and relative to the Control Group in the rate of subsequent live births observed within twenty-four (24) months of the index birth, where subsequent multiple births only count as one (1) birth
- c. Child Injury – 23.4% reduction in the Intervention Group and relative to the Control Group in the rate of unique hospital admissions of the index birth due to acute injury during the time between birth and the child’s second birthday
- d. Coverage of LIZCs: 65% of the Project Participants and MIECHV-funded families lived in LIZCs when they initially Enrolled into the NFP Program

In order to receive a full portion of the fixed PFS Success Payment associated with Preterm Birth, Healthy Birth Intervals or Child Injury, NFP shall meet the higher

threshold established in Annex H.

C. Maximum Size of PFS Success Payment

Notwithstanding any other provision of this Contract, the total PFS Success Payment shall not exceed \$7,500,000.

D. Timing and Calculation of PFS Success Payment

1. Preterm Birth and LIZC Coverage Evaluation. The Independent Evaluator shall conduct the PFS Evaluation with respect to the Preterm Birth and LIZCs Coverage PFS Outcome Metrics in accordance with Annex H and the PFS Evaluation Agreement listed on Annex D. The Independent Evaluator shall determine the PFS Impact Estimates for Preterm Birth and LIZCs Coverage PFS Outcome Metrics and provide the Executive Committee and Operations Committee with the evaluation results. Based on the PFS Impact Estimates provided by the Independent Evaluator, Children's Trust shall calculate the PFS Success Payment, if any, payable to NFP in accordance with Annex H. Within fifteen (15) days of completion of such PFS Evaluation, Children's Trust shall notify the Members of the Operations Committee of the amount of any PFS Success Payment. Upon the Operations Committee's confirmation that the PFS Success Payment calculation is correct, in accordance with this Contract, Children's Trust shall disburse to NFP any PFS Success Payment to which NFP is entitled from the PFS Success Fund within fifteen (15) days after sending of such notice.
2. Healthy Birth Intervals and Child Injury Evaluation. The Independent Evaluator shall conduct the PFS Evaluation with respect to the Healthy Birth Intervals and Child Injury PFS Outcome Metrics in accordance with Annex H and the PFS Evaluation Agreement. The Independent Evaluator shall determine the PFS Impact Estimates for the Healthy Birth Intervals and Child Injury PFS Outcome Metrics and provide the Executive Committee and Operations Committee with the evaluation results. Based on the PFS Impact Estimates provided by the Independent Evaluator, Children's Trust shall calculate the PFS Success Payment, if any, payable to NFP in accordance with Annex H. Within fifteen (15) days of completion of such PFS Evaluation, Children's Trust shall notify the Members of the Operations Committee of any PFS Success Payment. Upon the Operations Committee's confirmation that the PFS Success Payment calculation is correct in accordance with the terms of this Contract, Children's Trust shall disburse to NFP any PFS Success Payment to which NFP is entitled from the PFS Success Fund within fifteen (15) days after sending of such notice.
3. Any disputes regarding the timing or amount of PFS Success Payments payable to NFP shall be resolved in accordance with the provisions set forth on Annex F.

E. Restriction on Uses of PFS Success Payment

PFS Success Payments received by NFP may only be used to finance the continued implementation of the NFP Program in South Carolina.

F. Residual Balance

Within fourteen (14) days of making all PFS Success Payments as required by this Contract and its annexes, Children's Trust shall return to SCDHHS any funds remaining in the PFS Success Fund.

## **ARTICLE VI - GOVERNANCE**

The PFS Project will be governed by two committees:

- 1) the Executive Committee; and
- 2) the Operations Committee.

The roles and responsibilities of these committees are described in Annex F.

## **ARTICLE VII - RECORDS AND AUDITS**

### **A. Accuracy of Data and Reports**

Each of NFP and Children's Trust shall certify that all statements, reports and claims, financial and otherwise, provided to SCDHHS by NFP or Children's Trust, respectively, are known or should be known by such Party, to be true, accurate and complete. Neither NFP nor Children's Trust shall submit for payment any claims, statements or reports which it knows, or has reason to know, are not properly prepared or payable pursuant to federal and state law, applicable regulations, this Contract, or SCDHHS Policies.

#### **1. Maintenance of Records**

Each of NFP and Children's Trust must maintain an accounting system with supporting fiscal records adequate to assure that claims for funds are in accordance with this Contract and all applicable laws, regulations, and Policies. Each of NFP and Children's Trust further agrees to retain all financial and programmatic records, supporting documents, statistical records and other records of Project Participants relating to the delivery of care or services under this Contract, and as further required by SCDHHS, for a period of five (5) years after the last payment made under this Contract (including any amendments and/or extensions to this Contract). If any litigation, claim or other action involving the records has been initiated prior to the expiration of the five (5) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it or until the end of the five (5) year period, whichever is later. This provision is applicable to any subcontractor and must be included in all subcontracts.

#### **2. Inspection of Records**

At any time during normal business hours and as often as SCDHHS, the State Auditor's Office, the State Attorney General's Office, GAO, USDHHS, and/or any of the designees of the above may deem necessary during the Contract period (including any amendments and/or extensions to this Contract) and for a period of five (5) years after the last payment under this Contract, each of NFP and Children's Trust shall make all program and financial records open to the representatives of SCDHHS, GAO, the State

Auditor, the State Attorney General's Office, USDHHS, and/or any designees of the above. SCDHHS, the State Auditor's Office, the State Attorney General's Office, GAO, USDHHS, and/or their designee(s) shall have the right to audit, review, examine and make copies, excerpts or transcripts from all records, contact and conduct private interviews with each of NFP and Children's Trust employees, and do on-site reviews of all matters relating to service delivery as specified by this Contract. If any litigation, claim, or other action involving the records has been initiated prior to the expiration of the five (5) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it or until the end of the five (5) year period, whichever is later. This provision is applicable to any subcontractor and must be included in all subcontracts.

B. Audits

In the event an audit is performed and the audit report contains audit exceptions or disallowances, it is agreed by the Parties hereto that the following procedures shall be used in making the appropriate audit adjustment(s):

1. Notice of Exceptions and Disallowances

Upon completion of an audit, the audited party shall be furnished a written notice containing the adjustment for each exception and a statement of the amount disallowed for each exception. SCDHHS, the State Auditor's Office or their designee shall make this determination. Such notice shall further state the total sum disallowed as a result of the audit and that payment is due to SCDHHS in the full amount of the sums disallowed. Notice will be sent to the audited party by certified mail.

2. Disallowances - Appeals

In the event the audited party disagrees with the audit exceptions and disallowances, it may seek administrative appeal of such matters in accordance with the SCDHHS appeals procedures. Judicial review of any final agency decision pursuant to this Contract shall be in accordance with S.C. Code Ann. §1-23-380 (1976, as amended) and shall be the sole and exclusive remedy available to either Party except as otherwise provided herein; provided, however, any administrative appeal shall be commenced by written notice as required by the SCDHHS appeals procedures.

Thirty (30) days after mailing of the notice of disallowance, all audit disallowances shall become final unless an appeal in accordance with SCDHHS appeals procedures has been filed. Payment shall be due and should be made upon notice of disallowance regardless of the filing of an appeal. Should the amount of the disallowance be reduced for any reason, SCDHHS will reimburse the audited party for any excess amount previously paid. Additionally, any issue which could have been raised in an appeal shall be final and not subject to challenge by the audited party in any other administrative or judicial proceeding if no appeal is filed within thirty (30) calendar days of the notice of determination.

3. Interest Provision

The Parties further agree that, in addition to any amounts disallowed by audit to be repaid to SCDHHS in accordance with this Section VII.B.3, the Party required to make such payment shall pay interest on the amount required to be paid with said interest accruing from the thirtieth (30th) calendar day following the date of receipt by the audited party of the final audit report. The interest to be paid pursuant to this provision shall be at the current prime rate plus two percentage (2%) points as established on the thirtieth (30th) calendar day following the issuance of the final report.

## **ARTICLE VIII - TERMINATION OF CONTRACT & WIND DOWN PROVISIONS**

Parties will use best efforts to maintain integrity of the evaluation during the termination and wind down process identified in this Article VIII.

### **A. Termination for Lack of PFS Success Fund Payment**

NFP may terminate this Contract if SCDHHS fails to transfer payment of \$7,500,000 for establishment of the PFS Success Fund to Children's Trust within 45 days after the Effective Date.

### **B. Termination for Lack of Funder Payments**

1. NFP may terminate this Contract if one of more of the Funders fails to make a payment in the amount calculated in accordance with Annex A within 50 days after receiving notice of a Capital Call from the Children's Trust.

### **C. Terminations for Breach of Contract**

1. Breach by SCDHHS. If SCDHHS has materially breached or otherwise materially failed to comply with its obligations hereunder, and SCDHHS fails to cure such material breach or material failure to comply within sixty (60) days of receiving notice thereof from NFP, then NFP may terminate this Contract and wind down shall occur in accordance with Section VIII.F of this Article below.
2. Breach by NFP. If NFP has materially breached or otherwise materially failed to comply with its obligations hereunder, and NFP fails to cure such material breach or material failure to comply within sixty (60) days of receiving notice thereof from SCDHHS, then SCDHHS may terminate this Contract and wind down shall occur in accordance with Section VIII.F of this Article below.
3. Breach by Children's Trust. If Children's Trust has materially breached or otherwise materially failed to comply with its obligations hereunder, and Children's Trust fails to cure such material breach or material failure to comply within sixty (60) days of receiving notice thereof from either SCDHHS and NFP, then either NFP and SCDHHS may terminate this Contract solely with respect to Children's Trust and wind down shall occur in accordance with Section VIII.F of this Article below. The Party that terminates Children's Trust shall notify the Funders within three (3) days of issuing such termination notice.

### **D. Insolvency**

This Contract is voidable and subject to immediate termination by SCDHHS upon the insolvency, including the filing of bankruptcy proceedings, of NFP. In the event NFP enters into proceedings relating to bankruptcy, whether voluntary or involuntary, NFP shall furnish written notification of the bankruptcy to SCDHHS. This notification shall be furnished within five (5) days of the initiation of such proceedings. This notification shall include the date on which the bankruptcy petition was filed and the identity of the court in which the bankruptcy petition was filed. This obligation remains in effect until final payment under this Contract.

E. Notice of Termination

In the event of any termination of this Contract under this Article VIII, the Party terminating the Contract shall not give less than sixty (60) days written notice of such termination to the other Parties. Notice of termination shall be sent by certified mail, return receipt requested. If this Contract is terminated pursuant to Sections VIII.A, VIII.B, or VIII.C of this Article, termination shall be effective upon receipt of such notice. If this Contract is terminated pursuant to Section VIII.D of this Article, termination shall be effective upon the date set forth in the notice.

F. Effect of Termination and Wind-Down

If a termination as provided in this Article VIII occurs, then the following provisions shall apply:

1. Termination for Lack of PFS Success Fund Payment. In the event of termination pursuant to Section VIII.A, then (a) the PFS Project shall not be initiated; (b) all funds provided by the Funders shall be returned to such Funders; and (c) this Contract shall be terminated and shall be of no further force and effect.
2. Termination for Lack of Funder Payments.
  - (a) In the event of termination pursuant to Section VIII.B upon failure of one of more of the Funders to make its Funding Period 1 payment in accordance with Annex A:
    - (i) the PFS Project shall not be initiated;
    - (ii) Children's Trust shall return any amount in the PFS Success Fund to SCDHHS within fourteen (14) days of such termination; and
    - (iii) this Contract shall be terminated and shall be of no further force and effect.
  - (b) Upon notification from Children's Trust of the failure of one or more of the Funders to make its payment in Funding Periods 2-8 in accordance with Annex A:
    - (i) new enrollments of Project Participants shall be suspended;
    - (ii) such Funder or Funders shall be removed from the Executive Committee; and
    - (iii) the remaining members of the Executive Committee shall promptly convene to seek additional funding from alternate sources. If the Executive Committee secures adequate funding within sixty (60) days of the receipt of

such notice from Children's Trust, NFP shall re-commence enrolling Project Participants in accordance with this Contract, and the Executive Committee shall consider any amendments to this Contract to reflect such change in the funding schedule. In the event that the Executive Committee does not secure adequate funding within sixty (60) days of the receipt of such notice from Children's Trust, the IAs will be paid for their services appropriately rendered to the enrolled Project Participants at the rate specified in the HV Pilot Waiver from the following sources, and in the following order: (x) payments due or received under the HV Pilot Waiver, provided that the average number of visits for all Enrolled Project Participants, including those visits received prior to termination, does not exceed twenty-four (24); (y) amounts held by Children's Trust in the Funders' Account; and (z) payments made from the PFS Success Fund in accordance with Annex H. To the extent such amounts are inadequate to cover such visits at the rate specified in the HV Pilot Waiver, the remaining Funders shall cover any such remaining service costs on a pro rata basis, and shall use their best efforts to bring forward funding from their future year commitments, if necessary. In addition, NFP shall prepare a wind-down budget, subject to revision and approval by the Executive Committee, which includes, but is not limited to: (1) an itemization of direct costs to ensure every Project Participant already enrolled can complete the NFP Program and (2) the funding needed to cover the costs associated with three (3) months of employment of the Nurses employed by the IAs for the PFS Project, for the proportion of time that the Nurses are serving Project Participants. The costs of such wind-down budget will be paid first from amounts in the Funders' Account and second from the PFS Success Fund. All amounts remaining in the PFS Success Fund after such costs are paid shall be returned to SCDHHS.

3. Termination for SCDHHS Breach. In the event of a termination pursuant to Section VIII.C.1, then (a) new enrollments of Project Participants shall cease upon NFP providing notice of termination pursuant to Section VIII.E and (b) the IAs shall be paid for their services appropriately rendered to the enrolled Project Participants at the rate specified in the HV Pilot Waiver from the following sources, and in the following order: (i) payments due or received under the HV Pilot Waiver provided that the average number of visits for all Project Participants, including those visits received prior to termination, does not exceed 24; (ii) payments made from the PFS Success Fund in accordance with Annex H; and (iii) the remaining balance in the PFS Success Fund. Any amounts remaining in the Funders' Account shall be returned to the Funders.

In addition, NFP shall prepare a wind-down budget, subject to revision and approval by six or more votes of the Executive Committee, which includes, but is not limited to: (1) an itemization of direct costs to ensure every Project Participant already enrolled can complete the NFP Program and (2) the funding needed to cover the costs associated with three (3) months of employment of the Nurses employed by the IAs for the PFS Project, for the proportion of time that the Nurses are serving Project Participants. The costs of such wind-down budget shall be paid from the remaining balance in the PFS Success Fund. All amounts remaining in the PFS Success Fund after such costs are paid shall be returned to SCDHHS.

4. Termination for NFP Breach. In the event of a termination pursuant to Section VIII.C.2, then (a) new enrollments of Project Participants shall cease upon receipt of notice of termination pursuant to Section VIII.E; (b) all funds remaining in the PFS Success Fund with Children's Trust shall be returned to

SCDHHS; (c) all funds remaining in the Funders' Account held by Children's Trust shall be returned to the Funders, on a pro rata basis; (d) Children's Trust shall use reasonable efforts to enroll existing Project Participants in another appropriate program; and (e) this Contract shall terminate, except for the provisions of Article VII.A and B, and Article X.

5. Termination for Children's Trust Breach. In the event of termination with respect to Children's Trust pursuant to Section VIII.C.3, NFP and SCDHHS shall appoint a mutually acceptable successor entity, subject to written approval by the Funders, which approval shall not be unreasonably conditioned, delayed or withheld, to administer the PFS Success Fund and the Funders' Account, to calculate the PFS Success Payments, and to carry out the other obligations of Children's Trust hereunder; provided, however, that if a mutually acceptable successor entity is not identified within sixty (60) days, then either SCDHHS or NFP may terminate this Contract. In the event of such termination, then (a) new enrollments of Project Participants shall cease, and (b) the IAs shall be paid for their services appropriately rendered to the Enrolled Project Participants at the rate specified in the HV Pilot Waiver from the following sources, and in the following order: (i) payments due or received under the HV Pilot Waiver provided that the average number of visits for all enrolled Project Participants, including those visits received prior to termination, does not exceed twenty-four (24); (ii) payments made from the PFS Success Fund in accordance with Annex H; and (iii) the remaining balance in the PFS Success Fund. Any amounts remaining in the Funders' Account shall be returned to the Funders on a pro rata basis.

In addition, NFP shall prepare a wind-down budget, subject to revision and approval by the Executive Committee, which includes, but is not limited to: (1) an itemization of direct costs to ensure every Project Participant can complete the NFP Program and (2) the funding needed to cover the costs associated with three (3) months of employment of the Nurses employed by the IAs for the PFS Project, for the proportion of time that the Nurses are serving Project Participants. For each year in which a wind-down is in progress, the costs of such wind-down budget shall be shared on a pro rata basis between the remaining balance in the PFS Success Fund and the Funders' remaining Capital Commitments for that year, provided that each Funder's contribution to the wind-down budget will not exceed its then current annual Capital Commitment. If a Funder's wind-down obligations exceed its Capital Commitment for a year, then any shortfall of funding to fund the wind-down budget shall be paid by the remaining balance in the PFS Success Fund. All amounts remaining in the PFS Success Fund after such costs are paid shall be returned to SCDHHS.

6. Insolvency of NFP. In the event of termination upon NFP's insolvency or filing of bankruptcy proceedings, (a) new enrollments of Project Participants shall cease; (b) all funds remaining in the PFS Success Fund with Children's Trust shall be returned to SCDHHS; (c) all funds remaining in the Funders' Account held by Children's Trust shall be returned to the Funders, on a pro rata basis; and (d) Children's Trust shall use reasonable efforts to enroll existing Project Participants in another appropriate program, (e) this Contract shall terminate, except for the provisions of Article VII.A and B, and Article X.
7. Waiver Non-Renewal. If SCDHHS determines that it will not seek a renewal of the HV Pilot Waiver, (a) new enrollment of Project Participants may continue

through the end of the fourth year following the first day of the Service Delivery Period and shall cease thereafter; and (b) SCDHHS shall continue to pay IAs for services appropriately rendered under the HV Pilot Waiver from funds due or received under the HV Pilot Waiver until the HV Pilot Waiver expires, after which the following sources, in the following order, shall be used to make per-visit payments at the rate specified in the HV Pilot Waiver; (1) amounts due or received under the HV Pilot Waiver; (2) any cash balances in the PFS Contract; (3) the Funders' remaining commitments under the Funding Agreements in accordance with the Capital Calls set forth in Annex A; and (4) the PFS Success Fund. The PFS Success Fund shall not be used to fund a twenty-fifth (25<sup>th</sup>) or subsequent visit for any Project Participant. After these payments are made, any amounts remaining in the Funders' Account will be returned to the Funders and all funds remaining in the PFS Success Fund with Children's Trust shall be returned to SCDHHS.

SCDHHS shall make all PFS Success Payments to Children's Trust for transfer to NFP in accordance with the terms and the timeline in Annex H.

### **ARTICLE IX - APPEALS PROCEDURES**

- A. The Parties shall attempt to resolve disputes arising under the terms of this Contract in accordance with the provisions set forth on Annex F, prior to availing themselves of the appropriate statutory remedies.
- B. Resolutions of disputes or claims, whether for money or other relief, arising hereunder shall be in accordance with S.C. Code Ann. §11-35-4230 (as amended).

### **ARTICLE X - COVENANTS AND CONDITIONS**

In addition to all other stipulations, covenants, and conditions contained herein, the Parties agree to the following covenants and conditions:

#### **A. Applicable Laws and Regulations**

Both NFP and Children's Trust agree to comply with all applicable federal and state laws and regulations including constitutional provisions regarding due process and equal protection of the laws and including, but not limited to the following state laws:

1. The Drug Free Workplace Acts, S.C. Code Ann. §§44-107-10 et seq. (Supp. 2000, as amended).
2. The Iran Divestment Act of 2014, S.C. Code Ann. §§11-57-10 et seq. (Supp. 2014, as amended).

#### **B. Limitation of Liability for HKS SIB Lab**

The Parties acknowledge that the Harvard Kennedy School Social Impact Bond Technical Assistance Lab ("HKS SIB Lab") is providing pro bono technical assistance to SCDHHS in connection with the PFS Project and that the services provided by the HKS SIB Lab involve the expression of professional ideas, judgments and opinions by members of the HKS SIB Lab. The Parties further

acknowledge that it is in the Parties' interest to have such ideas, judgments and opinions expressed frankly, without concern on the part of the HKS SIB Lab that such ideas, judgments and opinions will be deemed representations, warranties or covenants upon which the Parties may claim reliance. The Parties further acknowledge that Pay for Success initiatives are relatively new, little-used and little studied tools. Accordingly, the Parties understand and agree that the HKS SIB Lab does not hereby, and will not hereafter, warrant or make any representations concerning the accuracy of ideas, judgments, opinions, projections, analyses or estimates which any member of the HKS SIB Lab provides to the Parties under this Contract (collectively, "Work Product"). The Parties further agree that (i) any decision the Parties may make to rely on any Work Product shall be at their own risk; and (ii) no member of the HKS SIB Lab shall be liable to the Parties for, and the Parties shall not make any claim against any member of the HKS SIB Lab relating to, any claims, liabilities, losses, damages, costs or expenses of any kind which the Parties may at any time sustain or incur in connection with or arising out of any Work Product or the Parties' reliance thereon or use thereof, other than claims, liabilities, losses, damages, costs and expenses resulting from the gross negligence or intentional misconduct of any member of the HKS SIB Lab. Without limiting the foregoing, in no event shall any member of the HKS SIB Lab be liable for any indirect, consequential, exemplary or punitive damages whatsoever in connection with claims arising under or relating to this Contract, whether based upon a claim or action of contract, warranty, negligence, strict liability.

C. Publicity

The Parties, together with the Support Organizations, shall jointly develop a plan for the public announcement, including the date of the announcement, of the PFS Project to include press releases, fact sheets and other supporting materials. To the extent possible, the Parties and the Support Organizations shall promptly advise each other of media inquiries relating to the PFS Project and provide advance notice of any planned public communications that specifically relate to the PFS Project.

D. Insurance

Each of NFP and Children's Trust shall maintain, throughout the performance of its obligations under this Contract, a policy or policies of Worker's Compensation insurance with such limits as may be required by law, and a policy or policies of general liability insurance insuring against liability for injury to, and death of, persons and damage to, and destruction of, property arising out of or based upon any act or omission of either NFP or Children's Trust, respectively, or any of their subcontractors or their respective officers, directors, employees or agents. Such general liability insurance shall have limits sufficient to cover any loss or potential loss resulting from this Contract. Each of NFP and Children's Trust, as applicable, shall be the named insured on the insurance policies required by this Section.

It shall be the responsibility of each of NFP and Children's Trust, as applicable, to require its subcontractors to secure the same insurance as prescribed herein for NFP and Children's Trust, as applicable. In addition, each of NFP and Children's Trust shall indemnify and save harmless SCDHHS from any liability arising out of its untimely failure to secure adequate insurance coverage as prescribed herein. All such coverage shall remain in full force and effect during the initial term of the Contract and any renewal thereof.

E. Proof of Insurance

Any time, at the request of SCDHHS or its designee, both NFP and Children's Trust shall provide proof of insurance as required in the insurance section of this Article whereby NFP and Children's Trust, as applicable, shall be the named insured on the insurance policy or policies.

F. Safeguarding Information

Each of NFP and Children's Trust shall safeguard the use and disclosure of information concerning applicants for or Recipients of Title XIX and HV Pilot Waiver services in accordance with 42 CFR Part 431, Subpart F, (2014, as amended), SCDHHS' regulations at 10 S.C. Code of State Regs. §126 - 170, et seq., (2012, as amended), and all other applicable state and federal laws and regulations and shall restrict access to, and use and disclosure of, such information in compliance with said laws and regulations.

G. Reporting of Fraudulent Activity

If at any time during the term of this Contract, any Party becomes aware of or has reason to believe by whatever means that, under this or any other program administered by SCDHHS, a Recipient of or applicant for services, an employee of either NFP or Children's Trust or SCDHHS, and/or subcontractor or its employees, has improperly or fraudulently applied for or received benefits, monies, or services pursuant to this or any other contract, such information shall be reported in confidence directly to SCDHHS.

H. Integration

This Contract shall be construed to be the complete understanding of the Parties. No prior or contemporaneous addition, deletion or other amendment hereto shall have any force or effect whatsoever unless embodied in writing in this Contract. No subsequent novation, renewal, addition, deletion, or other amendment hereto shall have any force or effect unless embodied in a written amendment executed and approved pursuant to Section R of this Article.

I. Governing Law

It is mutually understood and agreed that this Contract shall be governed by the laws of the State of South Carolina both as to interpretation and performance.

J. Severability

Any provision of this Contract prohibited by the laws of the State of South Carolina shall be ineffective to the extent of such prohibition without invalidating the remaining provisions of this Contract. Any provision of an Ancillary Agreement prohibited by the laws of South Carolina or rendered unenforceable due to breach shall not affect the validity or enforceability of this Contract which shall remain in full force and effect.

K. Non-Waiver of Breach

The failure of any Party at any time to require performance by any other Party of any provision of this Contract or payments to NFP or Children's Trust by SCDHHS

shall in no way affect the right of any Party to enforce any provision of this Contract; nor shall the waiver by any Party of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of the provision itself.

L. Non-Waiver of Rights

The Parties hereby agree that the execution of and any performance pursuant to this Contract does not constitute a waiver, each to the other, of any claims, rights, or obligations which shall or have arisen by virtue of any previous agreement among or between the Parties. Any such claims, rights, or obligations are hereby preserved, protected, and reserved.

M. Non-Assignability

No assignment or transfer of this Contract or of any rights hereunder by any Party shall be valid without the prior written consent of the other Parties.

N. Subcontracts

The services to be provided under Article III. B.2. and Article III. B.4. shall be provided by NFP and Children's Trust, respectively, directly and no subcontract for the provision of these services shall be entered into by NFP and Children's Trust without the prior written approval of SCDHHS. Any such subcontracts must be submitted to SCDHHS for written approval before reimbursement shall be made for services rendered thereunder. Otherwise, NFP may enter into subcontracts to fulfil its obligations under this Agreement at its sole discretion.

O. Legal Services

No attorney-at-law shall be engaged through use of any funds provided by SCDHHS pursuant to the terms of this Contract. Further, with the exception of attorney's fees awarded in accordance with S.C. Code Ann. §15-77-300 (1976, as amended), SCDHHS shall under no circumstances become obligated to pay an attorney's fee or the costs of legal action to NFP or Children's Trust. This covenant and condition shall apply to any and all suits, legal actions, and judicial appeals of whatever kind or nature to which either NFP or Children's Trust is a party.

P. Venue of Actions

Any and all suits or actions for the enforcement of the obligations of this Contract and for any and every breach thereof, or for the review of a SCDHHS final agency decision with respect to this Contract or audit disallowances, and any judicial review sought thereon and brought pursuant to the S.C. Code Ann. §1-23-380 (1976, as amended) shall be instituted and maintained in any court of competent jurisdiction in the County of Richland, State of South Carolina.

Q. Attorney's Fees

In the event that SCDHHS shall bring suit or action to compel performance of or to recover for any breach of any stipulation, covenant, or condition of this Contract, NFP or Children's Trust, as applicable, shall and will pay to SCDHHS such attorney's fees as the court may adjudge reasonable in addition to the amount of judgment and costs.

R. Amendment

No amendment or modification of this Contract shall be valid unless it shall be in writing and signed by all the Parties.

S. Copyrights

NFP and its licensors shall retain all rights, title and ownership to copyrighted materials, and all derivative works thereof, including materials developed under the term of this Contract, that it owned or had exclusive rights to prior to the Effective Date of this Contract, including but not limited to any materials developed in connection with this Contract that are specifically related to the NFP Program or NFP Program model. At all times during the term of this Contract, the Parties agree to comply with 45 CFR 75.322.

T. Safety Precautions

SCDHHS assumes no responsibility with respect to accidents, illnesses, or claims arising out of any activity performed under this Contract. Both NFP and Children's Trust shall take necessary steps to insure or protect itself and its personnel. Both NFP and Children's Trust agree to comply with all applicable local, state, and federal occupational and safety acts, rules, and regulations.

U. Titles

All titles used herein are for the purpose of clarification and shall not be construed to infer a contractual construction of language.

V. HIPAA Business Associate

Individually identifiable health information is to be protected in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as agreed upon in Annex I.

W. Indemnification-Third Party Claims

Notwithstanding any limitation in this Contract, each of NFP and Children's Trust (each, an "Indemnifying Party") shall defend and indemnify each other Party and such Party's respective officers, agents, and employees (each, an "Indemnified Party") against all suits or claims of any nature (and all damages, settlement payments, attorneys' fees, costs, expenses, losses or liabilities attributable thereto) (collectively, "Losses") by any third party that arises out of, or results in any way from, any defect in services provided hereunder or from any act or omission of Indemnifying Party, its subcontractors, employees, workmen, servants, or agents, other than with respect to Losses caused by such Indemnified Party's material breach of this Agreement, negligence, or intentional misconduct. The applicable Indemnifying Party shall be given written notice of any suit or claim. The applicable Indemnifying Party shall be allowed to defend such claim so long as such defense is diligently and capably prosecuted through legal counsel. The applicable Indemnifying Party shall be allowed to settle any such suit or claim so

long as (i) all settlement payments are made by (and any deferred settlement payments are the sole liability of) such Indemnifying Party, and (ii) the settlement imposes no non-monetary obligation upon any other Party, without such Party's express consent. No Indemnifying Party shall admit liability or agree to a settlement or other disposition of the suit or claim, in whole or in part, without prior written consent of the other Parties. Each Party shall reasonably cooperate with Indemnifying Party in its defense of such suit or claim. The obligations of this paragraph shall survive termination of this Contract.

X. Authority

Each Party represents and warrants that it has the requisite authority and capacity to enter into this Contract and that the signatory for each Party is duly authorized to execute this Contract sign on behalf of the Party.

Y. Counterparts

This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument. The Parties agree that this Contract may be delivered by facsimile or electronic mail with a copied signature having the same force and effect of a wet ink signature.

Z. Incorporation of Annexes/Appendices

All Annexes and appendices referred to in this Contract are attached hereto, and are hereby expressly made a part hereof by this reference.

IN WITNESS WHEREOF, SCDHHS, NFP and Children's Trust, by their authorized agents, have executed this Contract to be effective as of the first day of January, 2016.

SOUTH CAROLINA DEPARTMENT OF  
HEALTH AND HUMAN SERVICES  
"SCDHHS"

NURSE-FAMILY PARTNERSHIP  
"NFP"

BY:

\_\_\_\_\_  
Christian L. Soura  
Director

BY:

*Roxane White*  
\_\_\_\_\_

Roxane White  
President & CEO

\_\_\_\_\_  
Roxane White  
Print Name

NURSE-FAMILY PARTNERSHIP  
"NFP"

BY:

*Paul Tosetti*  
\_\_\_\_\_

Paul Tosetti  
Chief Financial Officer

\_\_\_\_\_  
Paul Tosetti  
Print Name

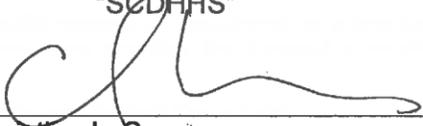
THE CHILDREN'S TRUST FUND OF  
SOUTH CAROLINA  
"CHILDREN'S TRUST"

BY:

\_\_\_\_\_  
Sue Williams  
Chief Executive Officer

IN WITNESS WHEREOF, SCDHHS, NFP and Children's Trust, by their authorized agents, have executed this Contract to be effective as of the first day of January, 2016.

SOUTH CAROLINA DEPARTMENT OF  
HEALTH AND HUMAN SERVICES  
"SCDHHS"

BY:   
Christian L. Saura  
Director

NURSE-FAMILY PARTNERSHIP  
"NFP"

BY: \_\_\_\_\_  
Roxane White  
President & CEO

\_\_\_\_\_  
Print Name

NURSE-FAMILY PARTNERSHIP  
"NFP"

BY: \_\_\_\_\_  
Paul Tosetti  
Chief Financial Officer

\_\_\_\_\_  
Print Name

THE CHILDREN'S TRUST FUND OF  
SOUTH CAROLINA  
"CHILDREN'S TRUST"

BY  
Sue Williams  
Chief Executive Officer

\_\_\_\_\_  
Print Name

IN WITNESS WHEREOF, SCDHHS, NFP and Children's Trust, by their authorized agents, have executed this Contract to be effective as of the first day of January, 2016.

SOUTH CAROLINA DEPARTMENT OF  
HEALTH AND HUMAN SERVICES  
"SCDHHS"

NURSE-FAMILY PARTNERSHIP  
"NFP"

BY: \_\_\_\_\_  
Christian L. Soura  
Director

BY: \_\_\_\_\_  
Roxane White  
President & CEO

\_\_\_\_\_  
Print Name

NURSE-FAMILY PARTNERSHIP  
"NFP"

BY: \_\_\_\_\_  
Paul Tosetti  
Chief Financial Officer

\_\_\_\_\_  
Print Name

THE CHILDREN'S TRUST FUND OF  
SOUTH CAROLINA  
"CHILDREN'S TRUST"

BY: *Sue Williams*  
Sue Williams  
Chief Executive Officer

Sue Williams  
Print Name

## **Annex A - Philanthropic Funding Schedule**

This Annex outlines the schedule and process by which the Children's Trust will determine and issue Capital Calls to the Funders and disburse funding to NFP and the Independent Evaluator for the PFS Project.

### **Article I: Additional Definitions**

Capitalized terms used herein and not otherwise defined shall have the meaning set forth below:

Capital Call means the notification sent by Children's Trust to a funder, setting forth the amount of Funder capital required to be transferred by such Funder to Children's Trust, calculated in accordance with Annex A.

Capital Calls Uses means the projected amount of capital to be used to finance particular PFS Project related costs in a Funding Period, as detailed in Article VII, Table 3 below.

Committed Capital means the amount each Funder is committed to provide in accordance with its funding agreement.

Enrollment Ratio means the ratio of actual cumulative Project Participants Enrolled in the Intervention Group as determined by Program Output Summary Report in accordance with Article V in Annex F to the projected number of cumulative Project Participants Enrolled in the Intervention Group pursuant to a monthly projection of Project Participants Enrollment of the PFS project that the Operations Committee must approve prior to the Service Delivery Period.

Funding Period means each six [6] month period commencing with the Service Commencement Date, as determined in accordance with Article III.C.4, which is anticipated to be April 15, 2016, and each October 15 and April 15 thereafter.

### **Article II: Funding Periods**

The PFS Project will have a total of eight [8] Funding Periods.

### **Article III: Capital Call Schedule**

#### **A. Capital Call for the First Funding Period**

The Children's Trust will send the Capital Call notices for the first Funding Period to the Funders on approximately January 25, 2016, in the aggregate amount set forth in Article IV below. The Funders must provide the Committed Capital set

forth in the Capital Call notice within 45 days, but no less than 30 days to Children’s Trust, provided that one or more of the Funders may directly transfer its Committed Capital related to NFP Program Services as set forth in Table 3 below to NFP or one or more of the Implementing Agencies in accordance with its Funding Agreement, and upon providing written notice of such transfer to Children’s Trust. If one or more of the Funders fail to provide all of the Committed Capital set forth in the Capital Call notice for the first Funding Period, then (a) the Children’s Trust shall notify the Executive Committee within three [3] days of such failure and (b) Article VIII.F.2.A in this Contract will take effect.

**B. Capital Call for Subsequent Funding Periods**

For each of the seven [7] subsequent Funding Periods (Funding Periods 2, 3, 4, 5, 6, 7, and 8), the Children’s Trust will send Capital Call notices to the Funders 75 days prior to the start of each Funding Period. The exact amount of the Capital Call will be determined pursuant to the terms of Article V and Article VI below. Each of the Funders must provide the Committed Capital set forth in the applicable Capital Call notice within 45 days, but not less than 30 days, to Children’s Trust, provided that one or more of the Funders may directly transfer its Committed Capital related to NFP Program Services as set forth in Table 3 below to NFP or one or more of the Implementing Agencies in accordance with its Funding Agreement, and upon providing written notice of such transfer to Children’s Trust. If one or more of the Funders fails to provide all of the Committed Capital set forth in the applicable Capital Call notice, then (a) the Children’s Trust shall notify the Executive Committee within three [3] days of such failure and (b) Article VIII.F.2.b in this Contract will take effect.

**C. Cumulative Capital Calls**

Notwithstanding any other provision of this Contract, the cumulative Capital Calls for all of the eight [8] Funding Periods will not exceed \$17,000,000.

**Article IV: Draw Down Schedule and Process**

For each Funding Period, the Children’s Trust will (a) transfer funding to the Independent Evaluator per the schedule outlined in Table 1 below from the applicable Capital Call and (b) transfer all remaining proceeds of the Capital Call to NFP at least fourteen (14) days prior to the start of the each Funding Period.

Table 1: Funding Schedule for the Independent Evaluator

Independent Evaluator Funding Schedule	Year One		Year Two		Year Three		Year Four		Total Compensation
	1	2	3	4	5	6	7	8	
Independent Evaluator	\$109,153	\$109,153	\$109,153	\$109,153	\$109,153	\$109,153	\$109,153	\$109,143	\$873,214

## Article V: Projected Capital Call Schedule

A. Table 2 below sets forth the projected aggregate Capital Call schedule for all eight (8) Funding Periods.

Table 2: Projected Capital Call Schedule

Capital Calls by Funder	Year One		Year Two		Year Three		Year Four		Total Capital Called
	Funding Period 1	Funding Period 2	Funding Period 3	Funding Period 4	Funding Period 5	Funding Period 6	Funding Period 7	Funding Period 8	
Philanthropic Support									
The Duke Endowment	\$2,429,162	\$1,319,666	\$1,068,232	\$1,370,441	\$813,075	\$686,925	\$312,500	\$-	\$8,000,000
New Partnership for Youth LLC	1,807,340	1,131,332	750,000	311,327	-	-	-	-	4,000,000
BlueCross BlueShield of SC Foundation	578,198	296,802	437,500	437,500	437,500	437,500	600,000	275,000	3,500,000
The Boeing Foundation	132,160	67,840	100,000	100,000	100,000	100,000	100,000	100,000	800,000
Greenville County SC First Steps	115,640	59,360	87,500	87,500	87,500	87,500	175,000	-	700,000
<b>Total</b>	<b>\$5,062,500</b>	<b>\$2,875,000</b>	<b>\$2,443,232</b>	<b>\$2,306,768</b>	<b>\$1,438,075</b>	<b>\$1,311,925</b>	<b>\$1,187,500</b>	<b>\$375,000</b>	<b>\$17,000,000</b>
<b>Cumulative Capital Called</b>	<b>\$5,062,500</b>	<b>\$7,937,500</b>	<b>\$10,380,732</b>	<b>\$12,687,500</b>	<b>\$14,125,575</b>	<b>\$15,437,500</b>	<b>\$16,625,000</b>	<b>\$17,000,000</b>	

## Article VI: Monitoring Enrollment

Beginning with the Program Output Summary Report submitted by NFP prior to the Funding Period 3, any representative from The Duke Endowment, BlueCross BlueShield of SC Foundation, or The New Partnership for Youth LLC shall have the right to call a meeting with the Operations Committee if the Enrollment Ratio, as reported on the most recent Program Output Summary Report submitted by NFP, is below eighty-five percent (85%) to determine the appropriate course of action to improve the Enrollment Ratio, including but not limited to increasing the frequency of reporting, adjusting future Capital Calls, or any other action that the Funders and Operations Committee deem necessary.

If the Enrollment Ratio for any of Funding Periods 2 through 7 is below eighty-five percent (85%), then, at the direction of The Duke Endowment, BlueCross BlueShield of SC Foundation and The New Partnership for Youth LLC, Social Finance shall calculate an adjustment to the Capital Call for the following Funding Period in accordance with Article VII below. Upon receipt of such calculation, The Duke Endowment, BlueCross BlueShield of SC Foundation, and The New Partnership for Youth LLC may reduce, proportionately, the Capital Call Schedule for all of the Funders in Article V above upon unanimous consent of all the Funders. Any such reduction in the Capital Call shall conform to the guidelines established in Article VII below and shall only apply to such following Funding Period.

If the Funders reduce the Capital Call for a Funding Period in accordance with this

provision, and the Enrollment Ratio changes in subsequent Program Output Summary Reports, then Social Finance shall calculate adjustments to the Capital Call for future Funding Periods, if any, in accordance with Article VII below. The Duke Endowment, BlueCross BlueShield of SC Foundation and The New Partnership for Youth LLC shall increase, proportionately, the amount of subsequent Capital Calls from all the Funders, to reflect improvements in the Enrollment Ratio, and may decrease any such subsequent Capital Calls to reflect declines in the Enrollment Ratio below eighty-five percent (85%). Any such reduction shall be done with the unanimous consent of all of the Funders. All such subsequent Capital Calls shall be in an amount at least equal to the amount that results from such calculation.

Any reduction to the Capital Call Schedule in accordance with this Article VI shall not, by itself, be considered a termination event under Article VIII.B.1 of the Contract. Any adjustments to the Capital Call Schedule must be provided in writing by Social Finance at the direction of the Funders to the Operations Committee and Executive Committee within five (5) days.

At the end of each Funding Period, NFP will submit a Program Output Summary Report summarizing the Enrollment Ratio for the relevant period to the Children’s Trust, Social Finance and the Operations Committee, in the format and frequency included in Article V of Annex F in this Contract.

**Article VII: Guidelines to Adjust Capital Calls Based on the Enrollment Ratio**

Table 3 below details the projected Capital Calls Uses by Funding Period

Capital Call Uses	Year One		Year Two		Year Three		Year Four		Totals
	Funding Period 1	Funding Period 2	Funding Period 3	Funding Period 4	Funding Period 5	Funding Period 6	Funding Period 7	Funding Period 8	
NFP Program Service Delivery	\$3,143,691	\$1,569,033	\$1,824,919	\$1,688,456	\$758,724	\$632,575	\$693,497	\$621,862	\$10,932,756
Marketing & Outreach	833,056	236,937	245,187	245,187	223,687	223,687	204,916	130,197	\$2,342,855
Evaluation Budget	109,152	109,152	109,152	109,152	109,152	109,152	109,152	109,152	\$873,214
NFP Management	183,431	183,431	183,431	183,431	183,431	183,431	183,431	917,156	\$2,201,175
Social Finance	125,000	125,000	50,000	50,000	50,000	50,000	50,000	150,000	\$650,000
<b>Total Capital Call Uses</b>	<b>\$4,394,329</b>	<b>\$2,223,553</b>	<b>\$2,412,689</b>	<b>\$2,276,226</b>	<b>\$1,324,994</b>	<b>\$1,198,845</b>	<b>\$1,240,995</b>	<b>\$1,928,367</b>	<b>\$17,000,000</b>
Total Capital Called	\$5,062,500	\$2,875,000	\$2,443,232	\$2,306,768	\$1,438,075	\$1,311,925	\$1,187,500	\$375,000	\$17,000,000

Upon unanimous consent of all of the Funders and at the direction of The Duke Endowment, BlueCross BlueShield of SC Foundation and The New Partnership for Youth LLC, Social Finance shall use the following guidelines to calculate an adjustment to the Capital Call Schedule:

1. The following Capital Call Uses, as detailed in Table 3 above, shall not be subject to adjustment pursuant to this Article VII or Article VI above:

- a. Marketing and Outreach
  - b. Evaluation Budget
  - c. Social Finance
  
2. The following Capital Call Uses, as set forth in Table 3 above, may be included in calculating an adjustment to a Capital Call pursuant to this Article VII or Article VI above (“Adjustable Capital Call Uses”):
  - a. NFP Program Service Delivery
  - b. NFP Management
  
3. Any reduction or increase in the Adjustable Capital Call Uses shall be based on the Enrollment Ratio from the beginning of the first Funding Period to the most recent Program Output Summary Report submitted by NFP.
  
4. If the Adjustable Capital Call Uses are reduced or increased pursuant to this Article VII or Article VI above, the following formula shall be used to calculate the minimum Adjustable Capital Call Uses in a given Funding Period:
  - a. Adjustable Capital Call Uses for such Funding Period multiplied by the Enrollment Ratio in the most recent Program Output Summary Report submitted by NFP.
  - b. For example, Social Finance may use the formula below to calculate the Adjustable Capital Call Uses, and corresponding change to the Capital Call for a particular Funding Period:
    1. The sum of the cumulative Adjustable Capital Call Uses from the beginning of the third Funding Period to the current Funding Period and the projected Adjusted Capital Call Uses for the current Funding Period, pursuant to Capital Call Uses (Table 3) in Article VII
 

*multiplied by*

      2. The actual cumulative Project Participants Enrolled in the NFP Program from the beginning of the first Funding Period through the end of the prior full month from the most recent Program Output Summary Report submitted by NFP divided by the projected cumulative Enrollment of Project Participants Enrolled in the NFP Program over the same period

*minus*

      3. The cumulative Adjustable Capital Call Uses from the beginning of the third Funding Period to the current period.
  
5. Total Capital Call Uses for a Funding Period shall never be less than \$0

6. In no event shall the cumulative amount of Capital Calls as of any Funding Period exceed the projected cumulative Capital Calls as of such Funding Period as set forth in Article V, Table 2 above, and the aggregate amount of Capital Calls shall not exceed \$17,000,000.



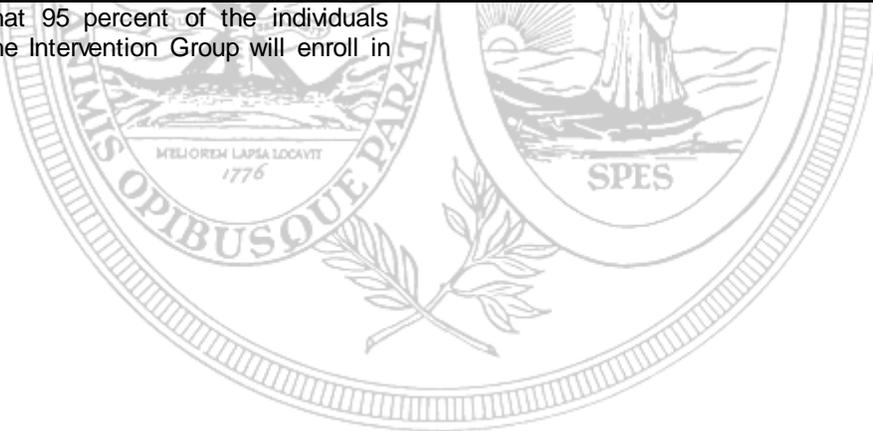
### Annex B - List of Low Income Zip Codes

29001	29067	29138	29320	29477	29570	29646	29810	29918
29003	29069	29142	29325	29479	29571	29651	29812	29920
29006	29075	29145	29330	29481	29574	29653	29816	29921
29009	29080	29146	29333	29488	29580	29655	29817	29922
29010	29081	29148	29335	29506	29581	29659	29819	29923
29014	29082	29150	29340	29510	29584	29683	29821	29924
29015	29101	29152	29341	29512	29590	29692	29824	29927
29020	29102	29153	29346	29518	29591	29702	29826	29929
29031	29104	29161	29351	29519	29592	29704	29827	29934
29032	29105	29162	29353	29520	29593	29706	29828	29935
29038	29108	29163	29356	29525	29596	29709	29829	29936
29042	29111	29164	29360	29536	29601	29714	29831	29939
29044	29112	29168	29364	29544	29605	29718	29834	29940
29046	29113	29175	29370	29545	29609	29720	29840	29941
29047	29114	29178	29372	29546	29611	29726	29842	29943
29048	29115	29180	29375	29550	29617	29727	29843	29944
29052	29118	29201	29378	29554	29620	29728	29847	29945
29053	29122	29202	29379	29555	29624	29729	29849	
29055	29125	29203	29403	29556	29628	29730	29851	
29056	29128	29204	29405	29560	29631	29741	29853	
29058	29129	29205	29432	29563	29634	29745	29856	
29059	29130	29210	29440	29564	29640	29801	29902	
29062	29135	29303	29458	29565	29644	29805	29911	
29065	29137	29306	29468	29567	29645	29809	29915	

### Annex C - PFS Project & MIECHV Enrollment Schedule

Year	1	2	3	4	Total
<b>PFS – Funded Participants</b>					
Project Participants <sup>1</sup>	861	644	847	764	3,116
Randomized to Intervention	907	678	891	804	3,280
Randomized to Control	453	339	446	402	1,640
<b>MIECHV- Funded Participants</b>					
MIECHV Funded Sample Members <sup>1</sup>	173	214	288	211	884
Randomized to Intervention	182	225	303	222	931
Randomized to Control	91	112	151	111	465
<b>Total Participants Included in PFS Evaluation</b>					
Enrolled Sample Members <sup>1</sup>	1,034	857	1,134	975	4,000
Randomized to Intervention	1,088	903	1,194	1,026	4,211
Randomized to Control	544	451	597	513	2,105
<b>Total Sample Size for PFS Evaluation</b>	1,633	1,354	1,791	1,539	6,316

<sup>1</sup> Assumes that 95 percent of the individuals assigned to the Intervention Group will enroll in NFP



## Annex D - Ancillary Agreements

Provider Contracts

PFS Project Evaluation Agreement

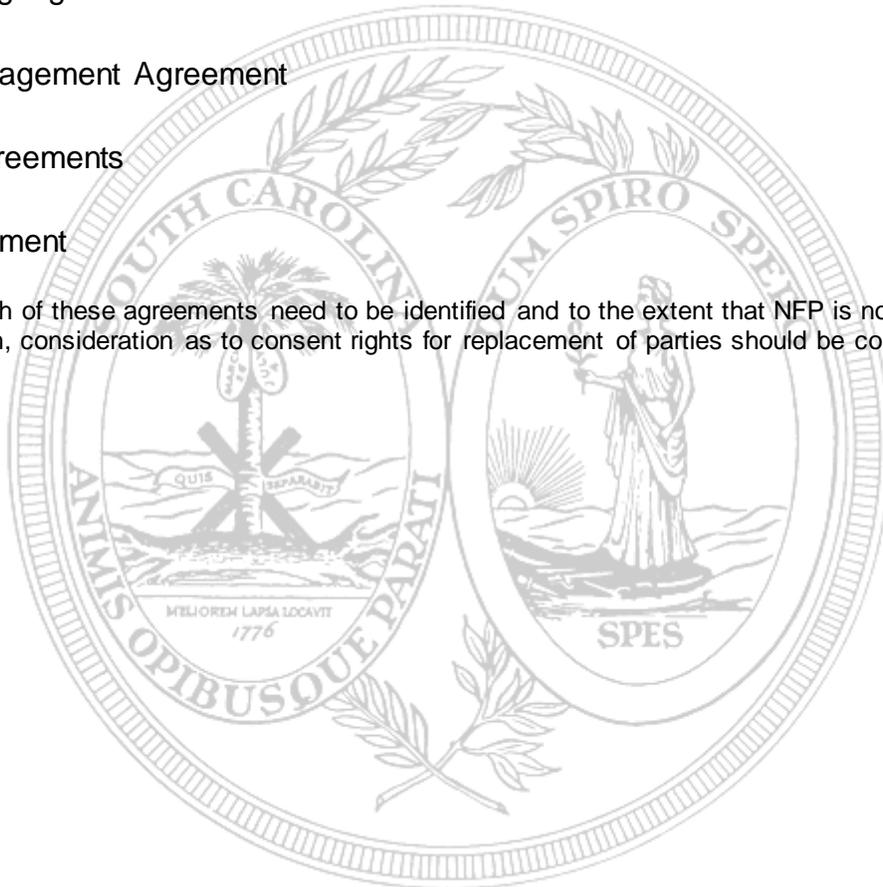
Data Sharing Agreements

Project Management Agreement

Funding Agreements

Trust Agreement

Parties to each of these agreements need to be identified and to the extent that NFP is not a party to any of them, consideration as to consent rights for replacement of parties should be considered.



## Annex E - PFS Evaluation

This Annex provides a general overview of the PFS Evaluation and the process by which the Independent Evaluator will recommend and the Executive Committee will approve the Evaluation Plan. As outlined in Article III, hereof, a detailed Evaluation Plan will be finalized after the Pilot Period.

### Article I: Additional Definitions

Capitalized terms used herein not otherwise defined shall have the meaning ascribed below:

Evaluation Plan: sets forth the process for measuring and determining the PFS Impact Estimates for the PFS Outcome Metrics to determine the PFS Success Payment and will include, but is not limited to, the following sections: (a) Data Sources for PFS Outcome Metrics; (b) Data Collection and Transfer Process; (c) Data Security; (d) Random Assignment Process; (d) Measurement Periods; and (e) Measurement of PFS Impact Estimates.

Final Impact Estimates: refers to the calculated percent difference in the Preterm Birth, Health Birth Intervals, or Child Injury PFS Outcome Metrics between the Intervention and Control Groups, or the calculated percentage of Sample Members in the Intervention group from LIZC at the time of Enrollment calculated after outcome data for all the Sample Members become available. This may differ from PFS Impact Estimate because PFS Impact Estimate may only use data from a portion of the Sample Members.

Nurse Supervisor: refers to a registered professional nurse with training in the NFP Program who oversees activities of a team of Nurses.

Outreach and Referral Coordinator: refers to an NFP staff member in charge of coordinating referrals to central intake system, distributing referrals to Outreach Workers and coordinating outreach efforts for the Study.

Outreach Worker: refers to the NFP staff dedicated to supporting the planning, coordination and execution of outreach activities to ensure that adequate referrals are generated for the project and Enrollment targets for the Study are accomplished within prescribed time frames.

Outcomes Data: refers to the data sets that contain the PFS Outcome Metrics described in Article II.

Study Eligibility Assessment: refers to the process of determining a Potential Client's eligibility for the Study pursuant to the screening criteria set forth in Article II.E. of this Annex F.

Study Period: The minimum study period is the time it takes NSO to serve 4,000 Treatment group mothers, including providing home-visiting services for up to two [2] years after the birth of the last enrolled study member. The Independent Evaluator intends to follow the study members for a longer-term evaluation analyzing outcomes beyond the four PFS Outcome Metrics defined in the contract.

Study Intake: refers to the process set forth in Article II.F in this Annex F.

## Article II: Terms of the PFS Evaluation

### A. Introduction

The PFS Evaluation is the evaluation design by which the Independent Evaluator will calculate the PFS Impact Estimates for the PFS Outcome Metrics to determine the PFS Success Payment. The PFS Outcome Metrics will be evaluated in two (2) Measurement Periods. The PFS Impact Estimates for the Preterm Birth, Child Injury, and the Healthy Birth Interval PFS Outcome Metrics will compare outcomes for Sample Members who were Randomized to the Intervention Group to those who were Randomized to the Control Group. The PFS Impact Estimate for the Coverage of LIZCs will be measured on results of the Intervention Group only.

### B. PFS Outcome Metric Definitions and Data Sources

This section outlines the details for the definitions of the PFS Outcome Metrics and the data sources that will be used to measure and calculate the PFS Impact Estimates.

1. **Preterm Birth:** Preterm births are defined as a live singleton birth where the obstetric estimate of gestation is less than 37 completed weeks. For births without an obstetric estimate of gestation, gestation will be calculated from the self-reported date of last menses. Data will be obtained from vital statistics birth records.
2. **Healthy Birth Interval:** Healthy birth intervals are defined as having no subsequent live births observed within 24 months of the index birth, where subsequent multiple births only count as one birth. Data will be obtained from Vital statistics birth records.
3. **Child Injury:** Defined as child emergency department visits (outpatient) and hospitalizations (inpatient) of the index birth due to acute injury within the 24 month period following the first child's date of birth. Acute injuries will be identified based on the following: (a) if using ICD10 codes: Any of T01 to T35; T51 to T78; or T36 to T50 if the intent code is between 1 and 4; (for example, only if the sixth character of the 7-character code is between 1 and 4 such as T36.xx4x); or any S code in the first 3 diagnoses positions of the record; or any of the ICD-10 codes above in any position when an ICD10 external cause of injury code is indicated on the record, or (b) if using ICD9 codes: primary or secondary diagnosis codes (ICD9)

800-909.2, 909.4, 909.9, 910-957, 959-995.59, 995.80-995.85

4. **Coverage in LIZCs:** Coverage in LIZCs is defined as whether Sample Members in the Intervention Group have a primary residential address within a LIZC at the time of Study Intake, prior to the Randomization stage, as reported by a PFS Participant. Data will be obtained from the Baseline Survey File.

### C. Data Sources for PFS Outcome Metrics

The following data sources will be used by the Independent Evaluator for the analyses of the PFS Outcome Metrics.

For all data sources used by the Independent Evaluator, SCDHHS and the Independent Evaluator shall identify any changes to data definitions during the study period, and the Independent Evaluator shall review any implications with the Operations Committee.

Outcomes Data are listed with the agency that owns them. Individual Data Use Agreements or other necessary agreements will be signed between the Independent Evaluator and the data owning agency. The SC Revenue and Fiscal Affairs Office (RFA) serves as the data manager for a number of these state agencies that own the Outcomes Data needed to measure the PFS Impact Estimates. The Independent Evaluator and RFA will also establish a data use agreement that enables the RFA to conduct the linkage between Sample Members and the Outcomes Data, and to send back the linked files to the Independent Evaluator for cleaning and analysis.

1. University of South Carolina Rural Health Research Center: South Carolina MIECHV Data
  - i. This data will contain information on South Carolina Maternal, Infant, and Early Childhood Home Visiting (MIECHV)-funded programs. The data will be used to identify whether any Sample Members in the Intervention or Control Group enrolled in any other home visiting program during the Evaluation period.
2. Various Agencies: Enrollment Data on Non-MIECHV funded programs.
  - i. This data will contain information on South Carolina home visiting programs that are not MIECHV-funded. SCDHHS will work with the Independent Evaluator to obtain individual-level enrollment and/or service receipt data on these programs that is as complete as possible. These data will be used to identify whether any Sample Members in the Intervention or Control Group enrolled in any other home visiting program during the Evaluation period.
3. Evaluator: Master Data File
  - i. This data will contain identifying information on all Sample Members, including, but not limited to, full name, date of birth, Social Security Number, Medicaid Number and residential address.
  - ii. This data will contain a Study identifier.

- iii. This data will contain Control or Intervention Group status of each Sample Member. This data will also be used as the crosswalk file for matching Sample Members in the Study to other administrative data sets.
  - iv. This data will provide measures for the Coverage in LIZCs PFS Outcome Metric.
4. Evaluator: Baseline Survey File
- i. This data will contain a Study identifier
  - ii. This data will contain answers to the eligibility assessment and baseline survey questions for all Sample Members.
5. NSO: Data on recruitment effort and progress
- i. This data will contain the following information on all Potential Clients who are referred to the Implementing Agencies:
    - a. Referral sources
    - b. Zip code
    - c. Date referred
    - d. NFP disposition code of recruitment and consent
    - e. Characteristics of Potential Clients if available at referral, such as age, gestational age, Medicaid enrollment, etc. (NFP currently collects DOB, estimated delivery date, language)
    - f. A Study identifier if the Potential Client consented to the Study
6. Crosswalk Files for Children: South Carolina Department of Health and Human Services (SCDHHS) will work with RFA.
- i. This data will contain identifying information on all children of the Sample Members, including, but not limited to, full name, date of birth, Social Security Number, and residential address
  - ii. This data will contain a Study identifier, and in the case of multiples, a Study children identifier
7. Office of Public Health Statistics & Information Services (PHSIS) of the South Carolina Department of Health & Environmental Control (DHEC): South Carolina Vital Statistics Data
- i. This data will contain vital statistics birth data on birth outcomes and parental characteristics, including:
    - a. Sample Members' vital statistics birth data during the Study Period. This data will be used to calculate the PFS Impact Estimate for Preterm Birth and Healthy Birth Intervals.
8. South Carolina Department of Health and Human Services (SCDHHS): Medicaid Enrollment and Claims Data
- i. This data will contain Medicaid and CHIP encounter, claims, and enrollment data, including:
    - a. Historical data for Sample Members going back 5 years prior to the date of Study Intake
    - b. Data for Sample Members and their children during the Study period

9. South Carolina Data Oversight Council: All-Payer Health Utilization Data
  - i. This data will contain:
    - a. uniformed billing data on inpatient discharges, emergency department visits, outpatient surgery, imaging, radiation therapy and other outpatient services requiring Certificate of Need (CON) from both short term acute care hospitals and licensed freestanding centers in the state.
    - b. Historical data for Sample Members going back 5 years prior to the date of study intake.
    - c. Data on both Sample Members and their children during the Study period
  - ii. This data will be used to calculate the Child Injury PFS Outcome Metric
10. NSO: Service Delivery Data for Sample Members
  - i. This data will contain information on NFP Program services delivered to Sample Members, including all data collection forms used by Nurses

#### D. Data Collection and Transfer Process

The Independent Evaluator will manage all data used to track and monitor Study Enrollment or to measure PFS Impact Estimates of PFS Outcome Metrics. NFP and SCDHSS will provide data sets they oversee to the Independent Evaluator at mutually agreed-upon frequencies. The Independent Evaluator may receive and analyze data prior to the end of measurement periods specified in Article II.G in this Annex F to check data quality and to monitor processes.

#### E. Eligibility Criteria for the Study

To be eligible for the Study, Potential Clients must meet the following eligibility criteria:

<b>Eligibility Criteria</b>	<b>Process for assessing criteria</b>
Female	Potential Client's self-report
No previous live births	Potential Client's self-report
Age	Potential Client is 15 years of age or older
Currently pregnant	Results from pregnancy test
Gestation period less than 27 weeks, 7 days	Estimated due date; best guess of practitioner and Potential Client
Income level meets	Potential Client's self-report, verify enrollment and/or eligibility in QuickCheck (State eligibility

Medicaid eligibility criteria	determination program)
Live within an area serviced by a NFP Implementing Agency	Potential Client's self-report of current mailing address
Not currently enrolled in the Study	Search for matches by last name & DOB in the Study database

During the Study Period, all Potential Clients who wish to receive NFP Program services must be eligible and enroll in the Study, unless mentioned in the Exceptions to Simple Randomization in Article II. I in this Annex F.

If the Potential Client is eligible for Medicaid but has not yet submitted a Medicaid application, the Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will work with the Potential Client to submit a Medicaid Application prior to enrolling the potential client into the Study and prior to randomization into Intervention or Control Group.

#### F. Study Intake Process

Any staff person who is conducting the Study Intake process must complete the CITI Human Subjects Training and the Independent Evaluator's Study Enrollment Training before Enrolling Potential Clients into the Study.

For eligible Potential Clients:

1. The Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will review the informed consent form and invite the Potential Client to participate in the PFS Evaluation;
2. If the Potential Client consents (a "Consented Subject"), the Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor and the Consented Subject will sign the Informed Consent Form electronically within the SurveyCTO on a tablet. The Consented Subject may keep one copy of an unsigned consent form, unless she is a minor (aged 15, 16, or 17). Instead, a minor will be provided with the Principal Investigator's email address (kbaicker@hsph.harvard.edu) and/or the IRB's toll-free number (1-866-606-0573) in case she later has questions, concerns or complaints about this research study. If the Potential Client does not consent, the Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will ascertain and record the reason for such non-consent and the Potential Client will not be eligible for the NFP Program.<sup>1</sup>

<sup>1</sup> If a Potential Client has not advanced to the Randomization stage before exiting the Intake Process, assuming she continues to meet the eligibility criteria, she remains eligible to re-start the Intake Process at a later date.

3. The Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will then collect personal identifiers from the Consented Subject and administer the Baseline Survey.
4. After completion of the Baseline Survey, the Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will conduct the Randomization through a built-in random number generator in the Independent Evaluator survey software. The result of the Randomization will be displayed to the Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor as “Intervention Group” or “Control Group”. The result of the Randomization will be recorded and immediately communicated to the Consented Subject in-person by the Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor. The Independent Evaluator will keep a daily archive of all Randomizations. Once random assignment is complete, the potential client is considered a study Sample Member.
5. The Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will then provide the Sample Member a \$25 gift card to compensate her for her time completing the Baseline Survey and a list of non-home-visiting resources available to her. All Sample Members must sign a receipt for the gift card.
6. Sample Members who have been assigned to the Intervention Group will continue with the NFP Program’s standard enrollment process. Intervention Group Sample Members will be assigned a Nurse, who will follow up with them to schedule the initial home visit, and obtain program consent to participate in NFP.
7. Sample Members who have been assigned to the Control Group will not enroll in NFP or receive any follow-up visits. The Outreach Worker, Outreach and Referral Coordinator, Nurse, or Nurse Supervisor will also not make any referrals to other home visiting programs or distribute any additional materials beyond those already distributed as described in paragraph 5. However, after the Randomization is conducted, no active steps will be taken to prevent Control Group Sample Members from receiving other home-visiting services. Control Group Sample Members’ direct involvement in the PFS Project ends at this stage.

The Study Intake Process is illustrated in Appendix 1

#### G. Measurement Periods

The PFS Evaluation will include two different measurement periods. During Measurement Period 1, the Independent Evaluator will determine the PFS Impact Estimates for the Preterm Birth and Coverage in LIZCs PFS Outcome Metrics using the subset of the Study Sample Members whose data is observable and

available at the time. The PFS Impact Estimates will be used by Children’s Trust to calculate Success Payment 1 pursuant to Annex I.

During Measurement Period 2, the Independent Evaluator will determine the PFS Impact Estimates for the Healthy Birth Intervals and Child Injury PFS Outcome Metrics using the subset of the Sample Members whose data is observable and available at the time. These data points will be used by Children’s Trust to calculate Success Payment 2 pursuant to Annex I.

#### H. Randomization Ratio

The Randomization will use a 2:1 Intervention to Control Group ratio with approximately 4,000 mothers served in the Intervention Group. Approximately 3,100 of the 4,000 clients Enrolled will be funded by this Contract and approximately 900 will be funded by MIECHV, but the Enrollment, Randomization, data collection, and PFS Impact Estimate measurement processes do not distinguish between Contract-funded and MIECHV-funded clients. There will be no discretion in the Randomization assignment of Consented Subjects to the Intervention or Control Groups. All Consented Subjects who are Randomized to the Intervention and Control Groups will be included in the PFS Impact Estimate analysis if data is observable and available at the time.

#### I. Exceptions to Simple Randomization

Potential Clients who are fourteen (14) years of age and younger are the only Potential Clients who can receive NFP services without Randomization during the Study Period. They are not counted as Sample Members. Exclusion criteria for the evaluation are defined earlier in this section.

#### J. Empirical Model for Determining PFS Impact Estimates

Analysis of the Preterm Birth, Child Injury, and the Healthy Birth Interval metrics will compare outcomes for Sample Members who were Randomized to the Intervention Group to those who were Randomized to the Control Group. To account for potential non-compliance, the Independent Evaluator will calculate the PFS Impact Estimates using an Instrumental Variable approach.

Consider an outcome,  $Y$ , such as an indicator for Preterm Birth. For subject  $i$ , the estimating equation is:

$$Y_i = \pi_0 + \pi_1 1(\text{Enrolled in NFP})_i + \pi_2 X_i + \vartheta_i$$

where “Enrolled in NFP” means having received at least one home visit from NFP for service delivery.

This model will be estimated using Two-Stage Least Squares (2SLS), where the first stage is:

$$1(\text{Enrolled in NFP})_i = \alpha_0 + \alpha_1 1(\text{Treatment})_i + \alpha_2 X_i + \omega_i$$

where  $1(\text{Treatment})_i$  is an indicator variable equal to one if the subject was Randomized to the Intervention Group and zero if the subject was Randomized to the Control Group;  $X_i$  is a vector of covariates. These covariates should in theory be uncorrelated with the treatment indicator, but they can aid in the precision of the estimate. The Independent Evaluator will define the exact set of covariates in the Evaluation Plan. Potential candidates include standard demographic variables based on previous NFP trials, such as age (<17), socio-economic status (self-reported income, race/ethnicity, education), sex of the child, smoking status. The exact set of control variables will be determined in the Evaluation Plan in the timeline outlined in Article III of this Annex F. Whether the set of control variables outlined in the Evaluation Plan can be used in the PFS Outcomes Metrics Results Reports depends on the data quality of these variables for the Sample Members.

This model estimates the effect of NFP relative to the services consumed by the Control Group. The only source of non-compliance that it explicitly captures is that some Randomized into the Intervention Group may never receive NFP services (the “enrollment rate” is smaller than 1). If some Sample Members in the Control Group receive services from similar home visiting programs that may also affect outcomes, this model estimates the effect of NFP relative to the mix of other home-visiting programs that the control group receives, rather than relative to no home-visiting service at all. The Independent Evaluator will report the share of Control group and Intervention Group members receiving other home visiting services (to the extent that those programs are captured in the data provided to the Independent Evaluator), which the Operations Committee may use as context in interpreting and disseminating the NFP Program impact findings.

Analysis of the Coverage of LIZCs will report outcomes for Sample Members in the Intervention Group.

#### K. PFS Outcome Metrics Results Reports

After completing the PFS Impact Estimate analysis of the PFS Outcome Metrics during Measurement Period 1 and Measurement Period 2, the Independent Evaluator will send a written PFS Outcome Metrics Results Report, described below, to all members of the Executive Committee and Operations Committee. The PFS Outcome Metrics Results Reports will contain information needed to calculate PFS Success Payment 1 and Success Payment 2.

The following information will be included in the PFS Outcome Metrics Results Report:

1. Results Table (see Table 1 below)
2. List of Control Variables
3. Independent Evaluator Disclaimer

**Table 1 – Results Table for PFS Outcome Metrics Results Table**

<b>Dependent Variable</b>	<b>Control Group Mean</b>	<b>Intervention Group Mean</b>	<b>Sample Size</b>	<b>Estimated Treatment Effect (2SLS)</b>	<b>95% Confidence Interval</b>
Preterm Birth					
Healthy Birth Interval					
Child Injury					
LIZC Coverage					

**L. Final Impact Assessment**

Interim data points will be used to calculate final outcomes for the purpose of PFS payments at the end of each Measurement Period. After outcome data for the entire study sample of 6,316 mothers becomes available, Independent Evaluator will assess all four PFS Outcome Metrics and other outcomes independently, including both point estimates and statistical significance. This analysis may yield substantially different outcomes from the interim results generated by the incomplete panel available at the end of each pre-specified Measurement Period.

**M. Measuring Non-PFS Outcome Metrics**

In accordance with a separate Memorandum of Understanding between the Independent Evaluator and SCDHHS, the Independent Evaluator will be given access to additional data sets; including, but not limited to, data on behavioral health, education, employment and wages, crime, and use of Medicaid and other social services. The Independent Evaluator will use these data to conduct a more comprehensive analysis of the impact of NFP. The Independent Evaluator will work with NFP and SCDHHS to determine which NFP outcomes will be measured in the comprehensive analysis of impact. The results from these additional analyses will not affect the PFS Success Payments.

Prior to any public dissemination of these findings, Independent Evaluator will provide to NFP and SCDHHS a copy of any draft presentation or publication manuscript for review and comment within a 10-day response period. The results of such review would be non-binding with respect to Independent Evaluator’s rights for presentation or publication.

### **Article III: Process to Develop, Approve, and Amend the Evaluation Plan**

#### **A. Development of the Evaluation Plan**

The Independent Evaluator, in partnership with SCDHHS, NFP, Social Finance, and the Harvard SIB Lab, will develop and send the Evaluation Plan to the Executive Committee two (2) months after the latest of the following dates:

1. 30 days after Study Intake for the pilot period is completed (to ensure that the Master Data File and Baseline Survey File are available for the pilot individuals).
2. A de-identified version of all historical all-payer discharge data in South Carolina from 2010 to 2014 is received by the Independent Evaluator.
3. A de-identified version of all historical birth certificate data in South Carolina from 2010 to 2014 is received by the Independent Evaluator.
4. A de-identified version of all historical Medicaid enrollment and claims data in South Carolina from 2010 to 2014 is received by the Independent Evaluator.

#### **B. Approval of the Evaluation Plan**

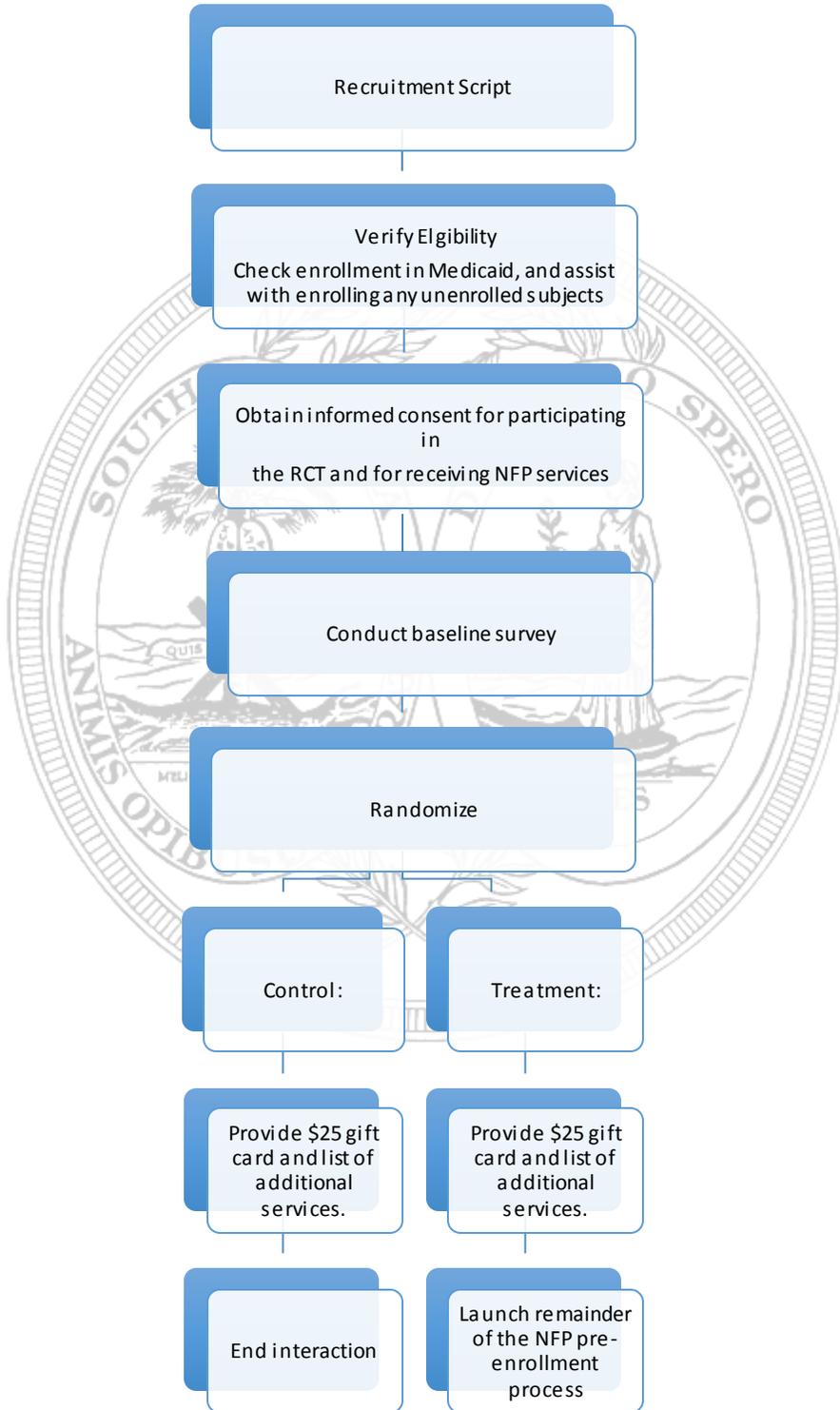
The Executive Committee shall vote to approve or reject the Evaluation Plan two [2] weeks after receiving the Evaluation Plan from the Independent Evaluator

If the Executive Committee rejects the Evaluation Plan, the Executive Committee shall develop a timeline for (a) the Independent Evaluator to revise the Evaluation Plan; (b) the Independent Evaluator to resubmit the Evaluation Plan to the Executive Committee; and (c) the Executive Committee to vote on the revised Evaluation Plan.

#### **C. Amendment of the Evaluation Plan**

Any subsequent amendment to the approved Evaluation Plan must be approved by the Executive Committee.

# Appendix 1: Study Intake Process



## Annex F - PFS Governance and Reporting

### Article I: PFS Governance, Overview and Reporting

1. This Annex F outlines a process for governing the PFS Project and provides a list and description of reports that the Parties and Support Organizations agree to provide. Nothing in this Annex F provides any person or group of persons with authority to amend the Contract, including any Annex thereto, except in accordance with Section X.R of the Contract.

2. PFS Governance will be managed by two committees: (a) an Executive Committee and (b) an Operations Committee. The Operations Committee may choose to convene working groups as needed throughout the PFS Project. Social Finance and SCDHHS shall be jointly responsible for scheduling all meetings of the Executive Committee and the Operations Committee, proposing an agenda in advance of the meetings and circulating notes and follow-up items afterwards. The roles and responsibilities of each committee are detailed below.

3. Reports will be comprised of key operational and evaluation interim metrics and will be reviewed by both the Operations Committee and the Executive Committee to track operating and evaluation data.

### Article II: PFS Governance, Roles and Responsibilities

The roles and responsibilities of each of the Executive Committee and the Operations Committee are detailed in Table 1. The members of these committees are outlined in Table 2 below.

Table 1. Roles and Responsibilities

Role	Role Description/Responsibilities
<b>Executive Committee</b>	Purpose: The Executive Committee provides strategic direction, vision and goals for the PFS Project. The Executive Committee members will champion the PFS Project within their respective organizations.

**Key Responsibilities:**

- Provide leadership to ensure that the goals of the PFS Project are on track or implement corrective actions to bring the PFS Project back on track
- Meet with the Operations Committee to review the status of the PFS Project and compliance with the Contract and Ancillary Agreements
- Review and resolve disputes arising under the Contract except as provided in Section IX.A of the Contract
- Review and resolve issues elevated by the Operations Committee
- Review and approve any changes to the PFS Project, which may be recommended by the Operations Committee
- Recommend and review amendments to the Contract, if needed. For the avoidance of doubt, the Executive Committee may recommend amendments to the Contract, but any amendment to the Contract must be approved in accordance with the procedures set forth in Section XI.R of the Contract.

**Operations Committee**

Purpose: The Operations Committee identifies policy and contractual issues and/or decisions with respect to the PFS Project and resolves such issues, makes such decisions or escalates such issues to the Executive Committee.

**Key Responsibilities**

- Identify and resolve issues raised by the members of the Operations Committee or any working groups established by the Operations Committee.
- Elevate issues to the Executive Committee that the Operations Committee is unable to resolve or believes should be handled in the first instance by the Executive Committee. All proposed Contract amendments must be presented to the Executive Committee for its consideration, and the Independent Evaluator must review and provide a recommendation to the Executive Committee on all issues and changes pertaining to the PFS Evaluation, unless otherwise noted in the evaluation design.
- Monitor and review operational reports defined below
- Ensure data flows between the Parties, the Implementing Agencies, and Independent Evaluator are working as intended per the Contract and Ancillary Agreements
- Meet with Executive Committee to provide status update on the PFS Project, and escalate decisions to the Executive Committee, as appropriate
- Establish ad hoc working groups as necessary

The Tables below list the members of the committees described in Table 1 as of the Effective Date. The individuals and committees may change as the PFS Project proceeds. Should any individual need to be replaced for whatever reason, the listed member's organization shall appoint the appropriate representative of that organization to be his/her successor.

Table 2. Executive Committee

Organization	Role
Director of SCDHHS or designee	Voting Member
Representative from NFP or designee	Voting Member
Representative from The Duke Endowment or designee	Voting Member
Representative from the BlueCross BlueShield of SC Foundation	Voting Member
Representative from The New Partnership for Youth LLC or designee	Voting Member
Representative from Social Finance	Observer
Representative from Harvard SIB Lab	Observer
Representative from the Independent Evaluator	Observer
Representative from Children’s Trust	Observer

Table 3. Operations Committee

Organization	Role
Representative from SCDHHS	Member

Representative from NFP	Member
Representative from Social Finance	Member
Representative from Harvard SIB Lab	Member
Representative from the Duke Endowment	Observer
Representative from the BlueCross BlueShield of SC Foundation	Observer
Representative from The New Partnership for Youth LLC or designee	Observer
Representative from the Independent Evaluator	Observer
Representative from Children's Trust	Observer

**Article III: PFS Governance, Voting Structure**

A. Executive Committee

1. Except as otherwise provided in this paragraph, any action by the Executive Committee shall be taken at a duly convened meeting of such committee. In addition to the scheduled meetings of the Executive Committee, any voting member of the Executive Committee may call a meeting upon the seconding of any two other voting members upon three [3] days' notice; provided that with the consent of a quorum of the Executive Committee, the notice requirement may be waived. Members of the Executive Committee may participate in a committee meeting by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting. Members of the Executive Committee may call for a meeting, second such a call, and/or consent to a waiver of the advance notice requirement either in writing or by electronic transmission. The Executive Committee may take individual, specific actions based upon written and/or electronically transmitted authorizations without convening a meeting, but only with the unanimous consent of all voting members.

2. The participation of members from SCDHHS, NFP and at least one representative from The Duke Endowment, the BlueCross BlueShield of SC Foundation, and the Partnership shall constitute a quorum of the Executive Committee.
3. The Executive Committee shall make decisions with a qualified majority of at least seven votes in a duly convened meeting of the committee at which a quorum is present. There will be a total of nine votes across the five voting members. The votes will be distributed as follows:
  - a) SCDHHS will have three votes.
  - b) NFP will have three votes.
  - c) Each Representative or designee from The Duke Endowment, the BlueCross BlueShield of SC Foundation, and the Partnership will have one vote.

#### B. Operations Committee

1. Except as otherwise provided herein, any action by the Operations Committee shall be taken at a duly convened meeting of such committee. In addition to the scheduled meetings of the Operations Committee, any member of the Operations Committee may call a meeting upon three day's notice to each committee member; provided that with the consent of a quorum of the Operations Committee, the notice requirement may be waived. Members of the Operations Committee may participate in a committee meeting by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

2. The participation of members from SCDHHS and NFP, and one non-SCDHHS and non-NFP member shall constitute a quorum of the Operations Committee.

3. The Operations Committee shall make decisions by unanimous consent at duly convened meetings of the committee at which a quorum is present. If unanimous consent is not achieved, the decision will be escalated to the Executive Committee.

4. The Operations Committee may take individual, specific actions based upon written and/or electronically transmitted authorizations without convening a meeting, but only with the unanimous consent of all voting members.

#### **Article IV: PFS Governance Meeting Frequency**

1. The Executive Committee shall meet on a quarterly basis for the first 12 months from the Effective Date and annually thereafter, or as requested by the Operations Committee. Meetings may take place in person or by telephone. The voting members of the Executive Committee can collectively agree to adjust the frequency of meetings as needed.

2. The Operations Committee shall meet on a biweekly basis during the first 2 months from the Effective Date; monthly during months 3-6 after the Effective Date; and quarterly thereafter. Meetings may take place in person or by telephone. The members of the Operations Committee can collectively agree to adjust the frequency of meetings as needed.

#### **Article V: PFS Project Reporting**

1. Reports will take the forms provided for in the Appendix hereto, and will be delivered in accordance with the table below:

<b>Report Title</b>	<b>Frequency</b>	<b>Responsible Party</b>	<b>Recipients</b>	<b>Sample Report</b>
<b>Program Output Summary Report</b>	<b>90 days prior to the end of each Funding Period</b>	<b>NFP</b>	<b>Executive and Operations Committee</b>	<b>Appendix 1</b>
<b>PFS Outcome Metrics Results Reports</b>	<b>45 days prior to the fourth and fifth anniversary of the Commencement of the Service Delivery Period</b>	<b>Independent Evaluator</b>	<b>Executive, Committee, Operations Committee, and Children's Trust</b>	<b>Annex E, Article II.L</b>

# Appendix 1: Sample Program Output Summary Report

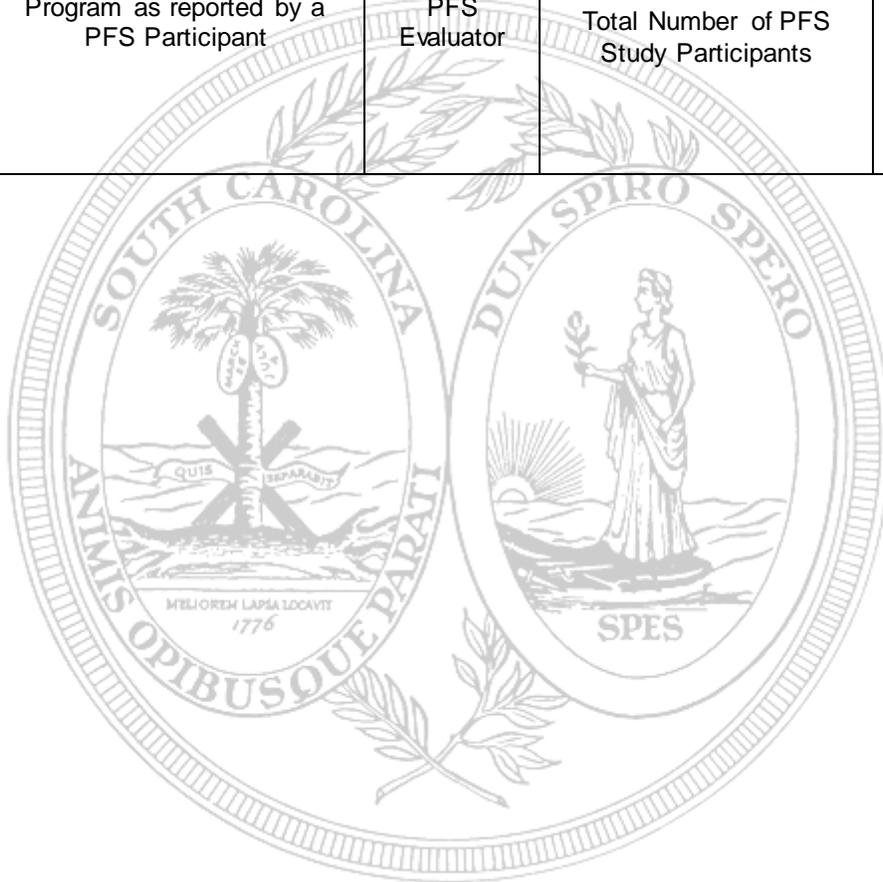
	Period Ending [Date]	Cumulative	Percent
<b>Referral and Random Assignment</b>	<b>All Referrals</b>		
<b>1. Number of Referrals Received</b>			
By Referral Source			
WIC			
Pregnancy Testing Clinic			
Healthcare Provider/Clinic			
School			
NFP Client (Current/Past)			
Other Home-Visiting Program			
Medicaid			
Self			
Unknown			
<b>2. Number of Eligible Women Referred</b>			
<b>3. Number of Referrals from LIZC Received</b>			
<b>Enrollment</b>	<b>Treatment Population</b>		
<b>4. Number of Clients Enrolled in NFP (i.e. received first visit in ETO)</b>			
By Referral Source			
WIC			
Pregnancy Testing Clinic			
Healthcare Provider/Clinic			
NFP Client (Current/Past)			
School			
Other Home-Visiting Program			
Medicaid			
Self			
Unknown			
By 16 Weeks Gestation			
By 28 Weeks Gestation			
<b>5. Number of Clients Enrolled from LIZCs</b>			
<b>6. Percent of Clients Enrolled from LIZCs</b>			
<b>Graduation and Attrition</b>	<b>Treatment Population</b>		
<b>7. Number of Clients Graduated</b>			
<b>8. Number of Clients who Left Early</b>			
By Reason			
Miscarriage/Fetal Death			
Moved from Service Area			
Unable to Locate			
Excessive Missed Visits			
Client Death			
Returned to Work or School			

<i>Client received what she needed from Program</i>			
<i>Refused New Nurse</i>			
<i>Dissatisfied with Program</i>			
<i>Pressure from Family</i>			
<i>Client Incarcerated</i>			
<i>Child No Longer in Custody</i>			
<i>Safety of Nurse</i>			
<i>Unable due to Language</i>			
<i>Unable to Accommodate Schedule</i>			
<i>No Specific Reason</i>			
<i>Other</i>			
By Program Phase			
<i>Pregnancy</i>			
<i>Infancy</i>			
<i>Toddlerhood</i>			
<b>Caseload</b>	<b>Treatment Population</b>		
9. Number of Active Nurses			
10. Number of Clients Served			
11. Number of Children Served			
12. Number of Active Clients at Month-End			
13. Mean Nurse Caseload			
14. Median Nurse Caseload			
<b>Visits</b>	<b>Treatment Population</b>		
15. Mean Number of Visits per Client			
16. Number of Visits Completed			
By 6-Month Interval			
17. Mean Visit Time (Minutes)			
18. Median Visit Time (Minutes)			
<b>Births</b>	<b>Treatment Population</b>		
19. Number of Babies Born			
20. Number of Premature Babies			

## Annex G - Description of PFS Outcome Metrics

Outcome	Definition	Data Source	Measurement	Participant-Level Measurement
<b>Preterm birth</b>	Live singleton birth where the obstetric estimate of gestation in completed weeks is less than 37. For births without an obstetric estimate of gestation, gestation will be calculated from the self-reported date of last menses.	Birth Certificate	Obstetric estimate of gestation < 37 weeks	Binary – Yes or No (i.e. birth was preterm or birth was not preterm)
<b>Child Injury</b>	Child emergency department visits (outpatient) and hospitalizations (inpatient) of the index birth due to acute injury within the 24 month period following the first child's date of birth	Inpatient and Emergency Department hospital claims from all hospitals in South Carolina's Medicaid Service Area (all-payer database)	<p>Number of unique hospital admissions with a claim containing one or more of the following Any of T01 to T35; T51 to T78; or T36 to T50 if the intent code is between 1 and 4; (for example, only if the sixth character of the 7-character code is between 1 and 4 such as T36.xx4x); or any S code in the first 3 diagnoses positions of the record; or any of the ICD-10 codes above in any position when an ICD10 external cause of injury code is indicated on the record.</p> <p>Should codes be updated differently than anticipated or again during the project period, the Independent Evaluator will consult with an expert mutually agreed to by the Parties and propose a revised definition, which may be approved by the Executive Committee without requiring an amendment to this Agreement.</p>	Numerical - # of unique admissions
<b>Healthy Birth Interval</b>	No subsequent live births observed within 24 months of the index birth, where subsequent multiple births only count as one birth.	Birth Certificate	No subsequent live birth occurring 24 months or less from the initial child's date of birth	Binary – Yes or No (i.e. there was a subsequent delivery within 24 months or there was not)

				a subsequent delivery within 24 months)
<b>Coverage in LIZCs</b>	Primary residential address within a LIZC at the time of enrollment into the NFP Program as reported by a PFS Participant	Participant roster retained by PFS Evaluator	Total Number of PFS Study Participants with a primary residential address within a LIZC / Total Number of PFS Study Participants	Binary – Yes or No (i.e. participant resided in a LIZC at the time of enrollment or participant did not reside in a LIZC at the time of enrollment)



## Annex H - Calculating PFS Success Payments

### Article I: Overview

Funds from the PFS Success Fund shall be used to make PFS Success Payments for the PFS Project. The amount of PFS Success Payments shall be determined by the PFS Impact Estimates for each of the four (4) PFS Outcome Metrics and the number of Project Participants. The PFS Impact Estimates for the four (4) PFS Outcome Metrics shall be calculated by the Independent Evaluator in accordance with the methodology outlined in Annex E. The four (4) PFS Outcome Metrics are:

1. Preterm Birth
2. Healthy Birth Interval
3. Child Injury
4. Coverage of LZCs

Two (2) PFS Success Payments, PFS Success Payment 1 and PFS Success Payment 2, shall be made in accordance with the timeline set forth in Articles V and VI of this Annex H. The maximum aggregate amount of PFS Success Payments for the PFS Project shall not exceed \$7,500,000. Even if the sum of PFS Success Payment 1 and PFS Success Payment 2 exceeds \$7,500,000, the total PFS Success Payment shall equal \$7,500,000.

The inputs to calculate the amount of the PFS Success Payment 1 and PFS Success Payment 2 shall be (a) the PFS Outcome Metric benefit ("Metric Benefit") for each PFS Outcome Metric in accordance with Article II of this Annex and (b) SCDHHS's share of the HV Pilot Waiver expenditures ("SCDHHS Waiver Expenditures") in accordance with Article III of this Annex. For the purpose of calculating the SCDHHS Waiver Expenditures to determine the PFS Success Payments, SCDHHS's share of the total HV Pilot Waiver expenditures shall be held constant at 28.92 percent of the total HV Pilot Waiver expenditures.

### Article II: Calculating Individual PFS Outcomes Metric Benefits

A Metric Benefit will be calculated for each of the four (4) individual PFS Outcome Metrics. Each Metric Benefit includes one or both of the following components:

1. "Fixed Component": Defined as the component of the Metric Benefit that is contingent upon achievement of a minimum threshold, as defined in Article V.B in this Contract. The Fixed Component is a set dollar amount for every Project Participant.
2. "Variable Component": Defined as the component of the Metric Benefit for the Preterm Birth, Healthy Birth Intervals, and Child Injury PFS Metrics that is not

contingent upon the achievement of a minimum threshold as defined in Article V.B in this Contract. The dollar amount of the Variable Component of each Metric Benefit shall be determined by the PFS Impact Estimate and the number of Project Participants.

The Metric Benefit for each of the PFS Outcome Metrics shall be calculated as follows:

1. Preterm Birth Metric Benefit = Fixed Component + Variable Component
2. Healthy Birth Interval Metric Benefit = Fixed Component + Variable Component
3. Child Injury Metric Benefit = Fixed Component + Variable Component
4. Coverage of LIZCs Metric Benefit= Fixed Component

### **Article III: SCDHHS Waiver Expenditures**

SCDHHS's share of the HV Pilot expenditures, representing 28.92 percent of the Federal CMS portion and SCDHHS Waiver Expenditures, for Project Participants shall be provided by SCDHHS in the form of a report titled Statement of Waiver Expenditures at two points in time in accordance with the timeline outlined in Articles V and VI of this Annex.

The first Statement of Waiver Expenditures report ("Waiver Expenditure 1") provided by SCDHHS shall be used to calculate PFS Success Payment 1 and the second Statement of Waiver Expenditures report ("Waiver Expenditure 2") provided by SCDHHS shall be used to calculate PFS Success Payment 2.

SCDHHS Waiver Expenditures for each of the PFS Success Payments shall be calculated as follows:

1. "SCDHHS Waiver Expenditures 1" = (a) total HV Pilot Waiver expenditures for Project Participants from (i) the commencement of the Service Delivery Period to (ii) the final date of the time period for which the Independent Evaluator collects Outcomes Data to calculate the PFS Impact Estimates for the Preterm Birth and Coverage of LIZC PFS Outcome Metrics multiplied by (b) 28.92 percent, which represents SCDHHS's share of the total HV Pilot Waiver expenditures for the purpose of calculating the PFS Success Payment.
2. "SCDHHS Waiver Expenditures 2" = (a) total HV Pilot Waiver expenditures for Project Participants from (i) the day following the end of the time period used to calculate SCDHHS Waiver Expenditures 1 to (ii) the final date of the time period for which the Independent Evaluator collects Outcomes Data to calculate the PFS Impact Estimates for the Healthy Birth Intervals and Child Injury PFS Outcome Metrics multiplied by (b) 28.92 percent, which represents SCDHHS's share of the total HV Pilot Waiver expenditures for the purpose of calculating the PFS Success Payment.

The HV Pilot Waiver expenditures for Project Participants will be determined by claims reported through SCDHHS' business information system.

**Article IV: Calculating PFS Success Payment 1 and PFS Success Payment 2**

**A. Party Calculating PFS Success Payments**

The Children’s Trust shall calculate the amount of PFS Success Payment 1 and PFS Success Payment 2 using (a) the information outlined in Article IV.B below provided by the Independent Evaluator and SCDHHS and (b) the instructions outlined in Article IV.D below for PFS Success Payment 1 and Article IV.E below for PFS Success Payment 2. In accordance with Article V.D.1 and Article V.D.2 in this Contract, the Operations Committee will confirm the Children’s Trust calculation of the PFS Success Payments prior to Children’s Trust disbursing PFS Success Payments to NFP.

**B. Information to Calculate the PFS Success Payments**

1. The Children’s Trust will use the following information to calculate PFS Success Payment 1:
  - i. PFS Outcome Metrics Results Report for the Preterm Birth and Coverage in LIZCs PFS Outcome Metrics provided in accordance with Annex E of this Contract; and
  - ii. Waiver Expenditure 1.
  
2. The Children’s Trust will use the following information to calculate PFS Success Payment 2:
  - iii. PFS Outcome Metrics Results Report for the Healthy Birth Intervals and Child Injury PFS Outcome Metrics provided in accordance with Annex E of this Contract; and
  - a. Waiver Expenditure 2.

**C. Formula to Calculate PFS Success Payments**

The following formula shall be used to calculate PFS Success Payment 1:

PFS Success Payment 1	=	Preterm Birth Metric Benefit	+	Coverage of LIZCs PFS Metric Benefit	-	SCDHHS Waiver Expenditure 1
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The following formula shall be used to calculate PFS Success Payment 2:

PFS Success Payment 2	=	Child Injury Metric Benefit	+	Healthy Birth Interval Metric Benefit	-	SCDHHS Waiver Expenditure 2
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D. Determining the Amount of the PFS Success Payment 1

1. Upon receiving (a) PFS Outcome Metrics Results Report for the Preterm Birth and Coverage in LIZCs PFS Outcome Metrics from the Independent Evaluator and (b) Waiver Expenditure 1 from SCDHHS, the Children's Trust shall use (x) the PFS Success Payment 1 Calculator Table (Table 3 below) and (y) the step-by-step guide to completing PFS Success Payment 1 Calculator Table in this Article IV.D.2 below in order to determine the amount of PFS Success Payment 1.

**Table 3 – PFS Success Payment 1 Calculator Table**

	A	B	C	D
1	<b>Metric Benefit Component</b>	<b>Minimum Threshold</b>	<b>Calculation</b>	<b>Total Calculated Metric Benefit</b>
2	Preterm Birth Fixed Component	If the PFS Impact Estimate for Preterm Birth is less than 0.135	Fixed Component = \$0	\$X
		If the PFS Impact Estimate for Preterm Birth is greater than or equal to 0.135 and less than 0.15	Partial Fixed Component = total number of Project Participants x \$331	
		If the PFS Impact Estimate for Preterm Birth is greater than or equal to 0.15	Complete Fixed Component = total number of Project Participants x \$551	
3	Preterm Birth Variable Component	No Minimum Threshold	Variable Component = total Project Participants x Control Group Mean x PFS Impact	\$X

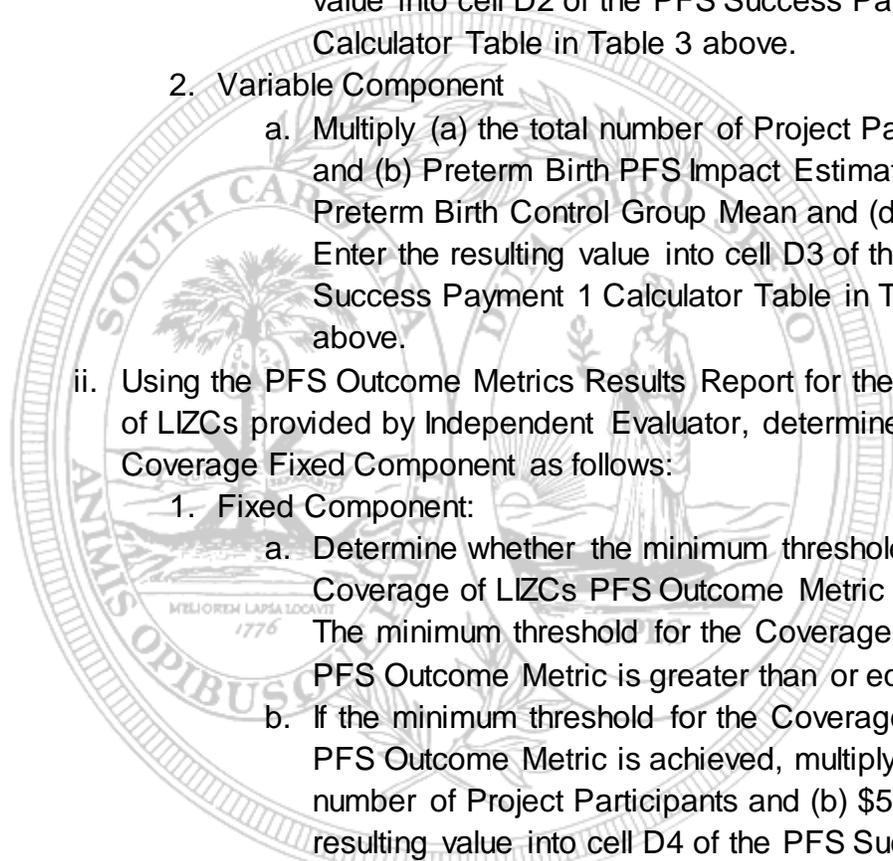
			Estimate for Preterm Birth x \$29,514	
4	Coverage of LIZCs Fixed Component	If the PFS Impact Estimate for Coverage of LIZCs PFS Outcome Metric is greater than or equal to 0.65	Fixed Component = total Project Participants x \$551	\$X
5	SCDHHS Waiver Expenditures 1	N/A	SCDHHS Waiver Expenditures 1	\$X
6	Total PFS Success Payment 1			(D2+D3+D4) – D5

2. Step-by-Step Guide to Completing PFS Success Payment 1 Calculator Table

i. Using the PFS Outcome Metrics Results Report for the Preterm Birth PFS Outcome Metric provided by the Independent Evaluator, determine the Preterm Birth Fixed Component as follows:

1. Fixed Component:

- a. Determine whether the minimum threshold for the Partial Fixed Component or Complete Fixed Component for the Preterm Birth PFS Outcome Metric is achieved. The minimum threshold for the Partial Fixed Component for the Preterm Birth PFS Outcome Metric is achieved if the Preterm Birth PFS Impact Estimate is greater than or equal to 0.135 and less than 0.15. The minimum threshold for the Complete Fixed Component for the Preterm Birth PFS Outcome Metric is achieved if the Preterm Birth PFS Impact Estimate is greater than or equal to 0.15.
- b. If the minimum threshold for the Partial Fixed Component or Complete Fixed Component for the Preterm Birth PFS Outcome Metric is not achieved, enter the value \$0 into cell D2 of the PFS Success Payment 1 Calculator Table in Table 3 above.
- c. If the minimum threshold for the Partial Fixed Component for the Preterm Birth PFS Outcome Metric is achieved, multiply (a) the total number of



Project Participants and (b) \$331. Enter the resulting value into cell D2 of the PFS Success Payment 1 Calculator Table in Table 3 above.

- d. If the minimum threshold for the Complete Fixed Component for the Preterm Birth PFS Outcome Metric is achieved, multiply (a) the total number of Project Participants and (b) \$551. Enter the resulting value into cell D2 of the PFS Success Payment 1 Calculator Table in Table 3 above.

2. Variable Component

- a. Multiply (a) the total number of Project Participants, and (b) Preterm Birth PFS Impact Estimate, and (c) Preterm Birth Control Group Mean and (d) \$29,514. Enter the resulting value into cell D3 of the PFS Success Payment 1 Calculator Table in Table 3 above.

- ii. Using the PFS Outcome Metrics Results Report for the Coverage of LIZCs provided by Independent Evaluator, determine the LIZCs Coverage Fixed Component as follows:

1. Fixed Component:

- a. Determine whether the minimum threshold for the Coverage of LIZCs PFS Outcome Metric is achieved. The minimum threshold for the Coverage of LIZCs PFS Outcome Metric is greater than or equal to 0.65.
- b. If the minimum threshold for the Coverage of LIZCs PFS Outcome Metric is achieved, multiply (a) the total number of Project Participants and (b) \$551. Enter the resulting value into cell D4 of the PFS Success Payment 1 Calculator Table in Table 3 above.
- c. If the minimum threshold for the Coverage of LIZCs PFS Outcome Metric is not achieved, enter the value \$0 into cell D4 of the PFS Success Payment 1 Calculator Table in Table 3 above.

- iii. Using the Waiver Expenditure 1 provided by SCDHHS, determine the SCDHHS Waiver Expenditures 1 as follows:

- 1. Multiple (a) total HV Pilot Waiver expenditures for the applicable time period and (b) 0.2892. Enter the value of SCDHHS Waiver Expenditures 1 into cell D5 of the PFS Success Payment 1 Calculator Table in Table 3 above.

- iv. Using the values in cells D2 through D5 of PFS Success Payment 1 Calculator Table in Table 3 above, calculate and determine the amount of PFS Success Payment 1 as follows:
  1. Adding values (a) D2; (b) D3 and (c) D4, and then subtract the value in D5.
  2. If Step 1 above results in a negative value, then enter \$0 into cell D6 of the PFS Success Payment 1 Calculator Table in Table 3 above.
  3. If Step 1 above results in a value greater than \$7,500,000, then enter \$7,500,000 into cell D6 of the PFS Success Payment 1 Calculator Table in Table 3 above.
  4. If Step 1 above results in a positive value less than or equal to \$7,500,000, enter the value derived in Step 1 above into cell D6 of the PFS Success Payment 1 Calculator Table in Table 3 above.

E. Determining the Amount of the PFS Success Payment 2

1. Upon receiving (a) PFS Outcome Metrics Results Report for the Healthy Birth Intervals and Child Injury PFS Outcome Metrics from the Independent Evaluator and (b) Waiver Expenditure 2 from SCDHHS, the Children's Trust shall use (x) the PFS Success Payment 2 Calculator Table (Table 4 below) and (y) the step-by-step guide to completing PFS Success Payment 2 Calculator Table below in order to determine the amount of Success Payment 2.

**Table 4 – PFS Success Payment 2 Calculator Table**

	A	B	C	D
1	<b>Payment Component</b>	<b>Minimum Threshold</b>	<b>Calculation</b>	<b>Total Calculated Metric Benefit</b>
2	Child Injury Fixed Component	<p>If the PFS Impact Estimate for Child Injury is less than 0.234</p> <p>If the PFS Impact Estimate for Child Injury is greater than or equal to 0.234 and less than 0.26</p> <p>If the PFS Impact Estimate for Child Injury is greater than or equal to 0.26</p>	<p>Fixed Component = \$0</p> <p>Partial Fixed Component = total number of Project Participants x \$331</p> <p>Complete Fixed Component = total number of Project Participants x \$551</p>	\$X
3	Child Injury Variable Component	No Minimum Threshold	Variable Component = total Project Participants x Control Group Mean x PFS Impact Estimate for Child Injury \$141	\$X
4	Healthy Birth Intervals Fixed Component	<p>If the PFS Impact Estimate for Healthy Birth Intervals is less than 0.18</p> <p>If the PFS Impact Estimate for Healthy Birth Intervals is greater than or equal to 0.18 and less 0.20</p>	<p>Fixed Component = \$0</p> <p>Partial Fixed Component = total number of Project Participants x \$331</p>	\$X

		If the PFS Impact Estimate for Healthy Birth Intervals is greater than or equal to 0.2	Complete Fixed Component = total number of Project Participants x \$551	
5	Healthy Birth Intervals Variable Component	No Minimum Threshold	Variable Component = total Project Participants x Control Group Mean x PFS Impact Estimate for Health Birth Intervals x \$2,437	\$X
6	SCDHHS Waiver Expenditures 2	N/A	SCDHHS Waiver Expenditures 2	\$X
7	Total PFS Success Payment 2			(D2+D3+D4+D5) – D6

2. Step-by-Step Guide to Completing PFS Success Payment 2 Calculator Table

i. Using the PFS Outcome Metrics Results Report for the Child Injury PFS Outcome Metric provided by the Independent Evaluator, determine the Child Injury Fixed Component by following the following procedure:

1. Fixed Component

a. Determine whether the minimum threshold for the Partial Fixed Component or Complete Fixed Component for the Child Injury PFS Outcome Metric is achieved. The minimum threshold for the Partial Fixed Component for the Child Injury PFS Outcome Metric is achieved if the Child Injury PFS Impact Estimate is greater than or equal to 0.234 and less than 0.26. The minimum threshold for the Complete Fixed Component for the Child Injury PFS Outcome Metric is achieved if the Child Injury PFS Impact Estimate is greater than or equal to 0.26.

If the minimum threshold for the Partial Fixed Component or Complete Fixed Component for the Child Injury PFS Outcome Metric is not achieved,

enter the value \$0 into cell D2 of the PFS Success Payment 2 Calculator Table in Table 4 above.

- b. If the minimum threshold for the Partial Fixed Component for the Child Injury PFS Outcome metric is achieved, multiply (a) the total number of Project Participants and (b) \$331. Enter the resulting value into cell D2 of the PFS Success Payment 2 Calculator Table in Table 4 above.
- c. If the minimum threshold for the Complete Fixed Component for the Child Injury PFS Outcome Metric is achieved, multiply (a) the total number of Project Participants and (b) \$551. Enter the resulting value into cell D2 of the PFS Success Payment 2 Calculator Table in Table 4 above.

## 2. Variable Component

- a. Multiply (a) total number of Project Participants, and (b) Child Injury PFS Impact Estimate, and (c) Child Injury Control Group Mean and (d) \$141. Enter the resulting value into cell D3 of the PFS Success Payment 2 Calculator Table in Table 4 above.
- ii. Using the PFS Outcome Metrics Results Report for the Healthy Birth Intervals PFS Outcome Metric provided by the Independent Evaluator, determine the Healthy Birth Intervals Fixed Component by following the following procedure:
  1. Fixed Component
    - a. Determine whether the minimum threshold for the Partial Fixed Component or Complete Fixed Component for the Healthy Birth Intervals PFS Outcome Metric is achieved. The minimum threshold for the Partial Fixed Component for the Healthy Birth Intervals PFS Outcome Metric is achieved if the Healthy Birth Intervals PFS Impact Estimate is greater than or equal to 0.18 and less than 0.20. The minimum threshold for the Complete Fixed Component for the Healthy Birth Intervals PFS Outcome Metric is achieved if the Healthy Birth Intervals PFS Impact Estimate is greater than or equal to 0.20.
    - b. If the minimum threshold for the Partial Fixed Component or Complete Fixed Component for the

Healthy Birth Intervals PFS Outcome Metric is not achieved, enter the value \$0 into cell D4 of the PFS Success Payment 2 Calculator Table in Table 4 above

- c. If the minimum threshold for the Partial Fixed Component for the Healthy Birth Intervals PFS Outcome Metric is achieved, multiply (a) the total number of Project Participants and (b) \$331. Enter the resulting value into cell D4 of the PFS Success Payment 2 Calculator Table in Table 4 above.
- d. If the minimum threshold for the Complete Fixed Component for the Healthy Birth Intervals PFS Outcome Metric is achieved, multiply (a) the total number of Project Participants and (b) \$551. Enter the resulting value into cell D4 of the PFS Success Payment 2 Calculator Table in Table 4 above.

### 3. Variable Component

- a. Multiply (a) total number of Project Participants, and (b) Healthy Birth Intervals PFS Impact Estimate, and (c) Child Injury Control Group Mean and (d) \$2,437. Enter the resulting value into cell D5 of the PFS Success Payment 2 Calculator Table in Table 4 above.
- iii. Using the Waiver Expenditure 2 provided by SCDHHS, following the following process to determine the SCDHHS Waiver Expenditures 2 as follows:
- 1. Multiple (a) total HV Pilot Waiver expenditures for the applicable time period and (b) 0.2892. Enter the value of SCDHHS Waiver Expenditures 2 into cell D6 of the PFS Success Payment 2 Calculator Table in Table 4 above.
- iv. Using the values in cells D2 through D6 of PFS Success Payment 2 Calculator Table in Table 4 above, calculate and determine the amount of PFS Success Payment 2 as follows:
- 1. Add values in D2, D3, D4, and D5 and then subtract the value in D6.
  - 2. If Step 1 above results in a negative value, then enter \$0 into cell D7 of the PFS Success Payment 2 Calculator Table in Table 4 above.
  - 3. If the sum of (a) the PFS Success Payment 1 and (b) Step 1 above results in a value greater than \$7,500,000, then

subtract (a) PFS Success Payment from (b) \$7,500,000 and enter the calculated value into cell D7 of the PFS Success Payment 2 Calculator Table in Table 4 above.

4. If (a) Step 1 above results in a positive value and (b) the sum of (i) the PFS Success Payment 1 and (ii) Step 1 above is less than or equal to \$7,500,000, enter the value derived in Step 1 above into D7 of the PFS Success Payment 2 Calculator Table in Table 4 above.

**Article V: Timeline for PFS Success Payment 1**

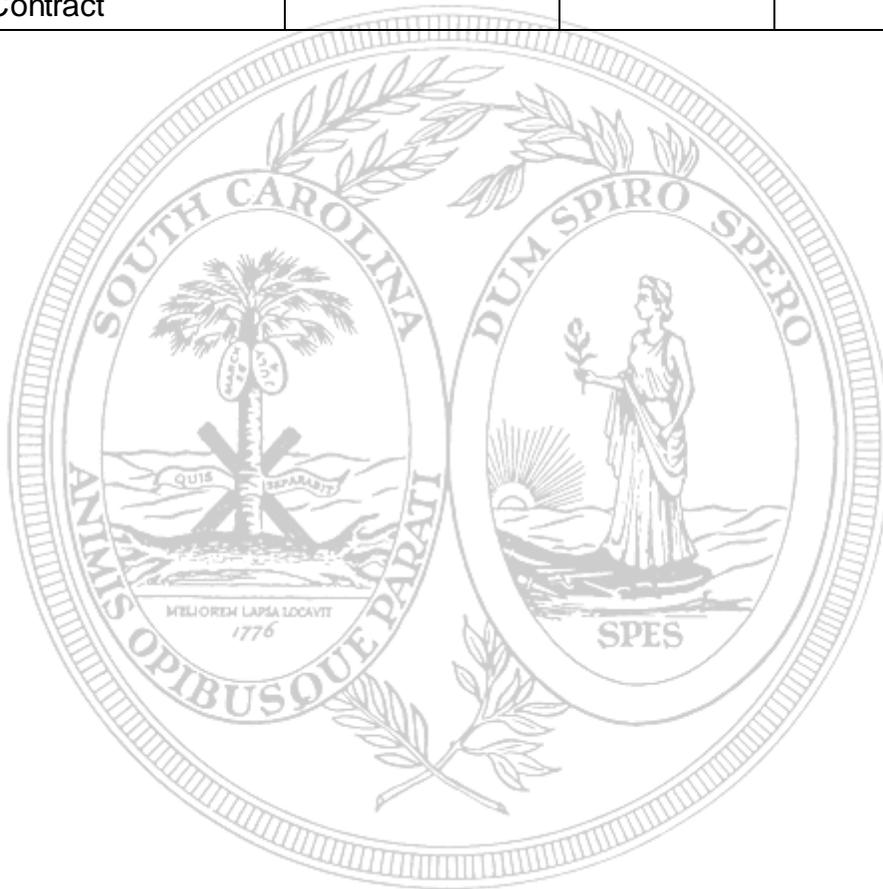
<b>Date</b>	<b>Task</b>	<b>Sender</b>	<b>Recipient</b>
45 days prior to the fourth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	Receipt of PFS Outcome Metrics Results Report 1	J-PAL	The Children's Trust, PFS Executive Committee, Social Finance and HKS SIB Lab
45 days prior to the fourth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	Receipt of SCDHHS Statement of Waiver Expenditures 1	SCDHHS	The Children's Trust, Executive Committee, Social Finance, and HKS SIB Lab
30 days prior to the fourth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	The Children's Trust determines the amount of PFS Success Payment 1 by following the process outlined above		
25 days prior to the fourth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	Operations Committee Reviews the Children's Trust PFS Success Payment Calculation	The Children's Trust	Operations Committee
20 days prior to the fourth anniversary of the Commencement of the	Receipt of Written Statement of	The Children's Trust	PFS Executive Committee, Social Finance, and HKS

Service Delivery Period pursuant to Article III.C.4 in this Contract	Amount of PFS Success Payment 1		SIB Lab
Fourth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	PFS Success Payment 1 Funds Transfer	The Children's Trust	NSO

**Article VI. Timeline for PFS Success Payment 2**

<b>Date</b>	<b>Task</b>	<b>Sender</b>	<b>Recipient</b>
45 days prior to the fifth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	Receipt of PFS Outcome Metrics Results Report 2	J-PAL	The Children's Trust and PFS Executive Committee, Social Finance and HKS SIB Lab
45 days prior to the fifth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	Receipt of SCDHHS Statement of Waiver Expenditures 2	SCDHHS	The Children's Trust, Executive Committee, Social Finance, and HKS SIB Lab
30 days prior to the fifth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	The Children's Trust determines the amount of PFS Success Payment 1 by following the process outlined above		
25 days prior to the fifth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	Operations Committee Reviews the Children's Trust PFS Success Payment Calculation	The Children's Trust	Operations Committee
20 days prior to the fifth anniversary of the Commencement of the	Receipt of Written Statement of	The Children's Trust	PFS Executive Committee, , Social Finance, and HKS

Service Delivery Period pursuant to Article III.C.4 in this Contract	Amount of PFS Success Payment 1		SIB Lab
Fifth anniversary of the Commencement of the Service Delivery Period pursuant to Article III.C.4 in this Contract	PFS Success Payment 1 Funds Transfer	The Children's Trust	NSO



## Annex I - HIPAA Business Associate Agreement

### A. Purpose

The South Carolina Department of Health and Human Services (Covered Entity) and Business Associate agree to the terms of this Agreement for the purpose of protecting the privacy of individually identifiable health information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) in performing the functions, activities, or services for, or on behalf of, Covered Entity as specified in the Contract between the parties.

### B. Definitions

#### General Statement

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

#### Specific definitions:

(a) Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean NFP or Children's Trust.

(b) Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this Agreement, shall mean SCDHHS.

(c) HIPAA Rules. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

### C. Obligations and Activities of Business Associate

Business Associate agrees to:

(a) Not use or disclose protected health information other than as permitted or required by the Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information, to prevent use or disclosure of protected health information other than as provided for by the Agreement;

(c) Report to Covered Entity any use or disclosure of protected health information not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 CFR 164.410, and any security incident of which it becomes aware;

(d) Notwithstanding the requirements of 45 CFR 164.410, Business Associate shall notify Covered Entity of potential breaches within fifteen (15) calendar days of discovery and include Covered Entity's designee in their breach determination process;

(e) Business Associate shall report security incidents on a quarterly basis, unless the severity of the security incident elevates the risk to a potential breach, in which case paragraph (d) takes precedence;

(f) Unless otherwise directed by Covered Entity, Business Associate shall be responsible for breach notifications to individuals, the HHS Office of Civil Rights (OCR), and the media, if applicable, on behalf of Covered Entity and shall include Covered Entity's designee as part of the breach response team;

(g) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit protected health information on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

(h) Make available protected health information in a designated record set to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524;

(i) Make any amendment(s) to protected health information in a designated record set as directed or agreed to by the Covered Entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526;

(j) Maintain and make available the information required to provide an accounting of disclosures to Covered Entity, or an individual if directed by Covered Entity, as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528;

(k) Notify Covered Entity within five (5) business days of receipt of any request covered under paragraphs (h), (i) or (j) above;

(l) To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s); and

(m) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

#### **D. Permitted Uses and Disclosures by Business Associate**

(a) Business associate may only use or disclose protected health information as necessary to perform the services set forth in the Contract to which this Agreement is appended, including, if applicable, authorization to use protected health information to de-identify the information in accordance with 45 CFR 164,514(a)-(c);

(b) Business Associate may use or disclose protected health information as required by law;

(c) Business Associate agrees to make uses and disclosures and requests for protected health information consistent with Covered Entity's minimum necessary policies and procedures;

(d) Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity;

(e) Business Associate may disclose protected health information for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(f) Business Associate may not disclose or duplicate protected health information identified by Covered Entity as provided by the Social Security Administration (SSA) without written approval and permission from SSA. If the need for such disclosure and/or duplication arises, Business Associate must notify Covered Entity and work with Covered Entity to obtain approval and permission from SSA.

#### **E. Term and Termination**

(a) Term. The Term of this Agreement shall be effective as of and shall terminate on the effective and termination dates of the Contract to which this Agreement is appended, or on the date Covered Entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner;

(b) Termination for Cause. Business Associate authorizes termination of this Agreement by Covered Entity, if Covered Entity determines Business Associate has

violated a material term of the Agreement and Business Associate has not cured the breach or ended the violation within thirty (30) calendar days.

(c) Obligations of Business Associate Upon Termination.

(1) Upon termination of this Agreement for any reason, Business Associate shall return to Covered Entity, or, if agreed to by Covered Entity, destroy all protected health information received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity that the Business Associate still maintains in any form. Business Associate shall retain no copies of the protected health information;

(2) In the event that Business Associate determine that returning or destroying the protected health information is not practical or possible, Business Associate shall notify Covered Entity of the conditions and reasons return of the protected health information is not practical or possible. Upon concurrence by Covered Entity that return is not practical, Business Associate shall:

(i) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as Business Associate retains the protected health information;

(ii) Not use or disclose the protected health information retained by Business Associate other than for the purposes for which such protected health information was retained and subject to the same conditions set out at Section D of this Appendix.

(3) Business Associate shall obtain or ensure the destruction of protected health information created, received, or maintained by any subcontractors;

(4) Business Associate shall transmit the protected health information to another Business Associate of the Covered Entity at termination, if requested to do so by Covered Entity.

(d) Survival. The obligations of Business Associate under this Section shall survive the termination of this Agreement.

**F. Miscellaneous**

(a) Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

(b) Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.