A supportive community where family, friends and neighbors value the well-being of each person and offer hope to everyone.
Dear Headrest staff, board members and friends,

It is my privilege to report that this has been an exciting year at Headrest for the staff and board members alike as we moved into our new outpatient office space on the campus of Alice Peck Day Memorial Hospital. This new space is welcoming and comfortable for clients and counselors alike and offers a sense of professionalism that was difficult to experience in the basement of 14 Church St. Headrest is participating in the ongoing effort to integrate behavioral health into primary care by providing counseling services in a medication assisted treatment program (MAT) at the Multi-Specialty Clinic at Alice Peck Day. It is very clear that Headrest and all non-profits for that matter must work together and look for opportunities to collaborate with one another. This initiative is certainly a good example. Individuals suffering from substance use disorders and/or a mental health diagnosis need and deserve good integrated health care similar to that we would offer to those with diabetes.

While MAT and other treatment programs are becoming more available, our region is still not where it needs to be in terms of long term recovery support. To that end, Headrest has started a Vocational Program that will focus on assisting individuals to determine career goals for the future and support them in finding work (ideally with benefits). We know that one of the keys to long term recovery is a good job in part because people have an opportunity to develop sense of community and support.

In addition, 14 Church St. was renovated, thanks to Hypertherm volunteers and 4 beds were recently added to our Transitional Living program again addressing a much-needed option for people entering into recovery. Our hot line continues to operate 24/7 the way it has since 1971.

The Headrest Board has been fully engaged in a variety of activities thanks to the leadership of our committee chairs. Some of the accomplishments include finalizing a strategic plan, reviewing and updating our bylaws, restructuring a board orientation program, initiating Office 365 as a mode of communication among board members and staff, hosting our first legislative breakfast. We have also adopted Charity Proud to assist us with our fundraising efforts and expanded our reach for grant opportunities and organized our own continuing education program on Medication Assisted Treatment.

Headrest’s budget continues to challenge us all. We were recently informed about significant cuts that will be passed along by the NH Bureau of Drug and Alcohol Services. While Medicaid Expansion was reauthorized by the NH legislature, one of the compromises was that all recipients would need to go into Managed Care and adhere to a work requirement. It is not at all clear about how that will impact our clients and Headrest’s budget. For now, Headrest will finish this current fiscal year with a positive bottom line thanks to the efforts of our staff, our administrative team and our Finance Committee.

It was just about a year ago that Cameron Ford became Headrest’s Executive Director. He has provided the leadership necessary to accomplish all that I have mentioned above. He has brought a sense of determination, a vision for the future, respect for clients and staff, a good barometer for what is right, a sense of humor, a commitment to collaborative initiatives, a “we can do” attitude and a huge capacity for hard work. We are sure that Cameron in collaboration with our staff and Board of Directors will have the energy and the drive to grow Headrest’s ability to contribute to recovery in the Upper Valley community.

Sincerely,

Laurie Harding, Chair, Board of Directors, Headrest Inc.
A MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear partners, donors and friends of Headrest,

I want to thank you all for making my first year at Headrest a great success. I have met so many amazing people here in the Upper Valley and have been welcomed with open arms. I am so incredibly impressed with the way the community supports the non-profit agencies in this area. Having worked for non-profits for the last 30 plus years throughout New England, I can honestly say the dedication by the community to the well-being of the residents is unsurpassed.

My dream for Headrest is to continue to maintain the rock solid reputation the organization has, while building a strong network of partners that can work together in a concerted effort to create a community that stands ready to bring people out of crisis with hope and dignity.

This year has been one of challenges, growth, highs and lows. However, we have seen this organization become more focused on the outcomes and the continuum of care that people in recovery so desperately need.

The dollars required to keep Headrest going is always a major challenge. Headrest has been able to make ends meet as we stay diligent in making sure every dollar goes to helping clients achieve success through highly qualified, evidence based treatment programs. The community has been incredibly supportive by providing financial, collaborative and volunteer efforts. With out this support, Headrest would not be the organization it has become over the last 47 years.

Our move to the Alice Peck Day Campus provided us with the opportunity to expand our Outpatient and Intensive Outpatient Programs. We are also in the process of applying for a license to operate a DWI school to serve the Upper Valley where one does not currently exist.

The move also allowed us to expand the number of beds at our Church Street location from 10 to now 14 much needed beds. This has helped to alleviate some of the pressures of the waitlist for beds which at times can reach 25-30 people waiting for services.

We have also significantly increased the talent pool of our Board of Directors, with new members who bring with them experience in the areas of finance, development, community resources and workforce development.

Lastly, because of the support we have received from grants through foundations and the City of Lebanon, we now have started a very intensive Vocational program that will help our clients and others with Pre-Employment Training, Job Development, Placement into livable wage, career ladder jobs with benefits, while providing support to the employee and the employer. This opportunity will help the people we serve to get back on their feet and support themselves and their family while maintaining their sobriety.

All of this could not be possible without the support of individuals, businesses, foundations and state agency support, as well as the amazing staff of Headrest who give of themselves day in and day out, determined to make a difference in the lives of others.

A huge thank you to everyone who believes in our mission and supports what we do every day,

Sincerely,

Cameron J. Ford, Executive Director
This past year was a busy one for the Finance Committee. Some of the many activities that were undertaken include, but are not limited to the following:

1. Headrest’s revenue falls into two categories: Earned Revenue from services provided (inpatient stay and outpatient counseling) and Contributed Support (grants and donations from local government agencies, foundations and trusts, and individuals). Historically, approximately 60% of Headrest’s total revenue comes from Earned Revenue and 40% from Contributed Support. To that end, we conducted detailed historical analyses to better understand the impact these sources of revenue, and their variability, have on Headrest’s cash flow.

2. In addition, we conducted several ‘white board’ exercises to better understand the process from when an individual becomes a patient to being reimbursed for services provided. This exercise has led to significant improvements in our ability to on-board patients allowing us to keep our now 14 beds running at peak efficiency.

3. As cash flow is critical to Headrest’s ability to fulfill its mission, we had extensive discussions with our third party billing service to devise ways to reduce the amount and timing of our account receivables from third party insurance companies. This effort has sharpened our receipt of receivables to were, on average, approximately three-quarters of Headrest’s receivables are 60 days or less.

4. This year we developed several analytical tools that enable management to forecast and monitor revenue from inpatient and outpatient services versus budgeted revenue. In so doing, and in conjunction with the historical analyses mentioned above, we have been able to evolve the budgeting process to a monthly versus annual basis. This gives management better insight into its short-term cash flow needs. This approach is the base for our 2018-2019 fiscal year budget.

5. We also performed some detailed, unit-by-unit analyses to determine what the minimum breakeven billable rates for our services would need to be in the absence of any contributed support. These analyses provide strong support for higher reimbursement rates from government programs, as well as the continued support and generosity of our individual donor.

Respectfully submitted,

Paul C Guidone, CFA
Board Treasurer, Chair of Finance Committee
A REPORT FROM THE GOVERNANCE COMMITTEE

The Governance Committee consists of John Ferney, Harrison Drinkwater, Perry Eaton and Andrew Daubenspeck (chair). We meet on the first Wednesday of the month at 7:30AM at the Lebanon Coop café.

In FY18 we have revamped the Bylaws to conform to the guidelines of the New Hampshire Center for Nonprofits (NHCN) guidelines. The Bylaws had suffered incremental changes over the past 13 or so years and still had vestiges of an older time when Headrest was a self-styled member organization. This categorization did not have a basis in NH incorporation law and it was no longer appropriate to refer to members regarding Headrest decision making.

The new Bylaws evolved over the last half of 2017 and were approved in final form in January 2018. A major change was that the organization included only essential elements into the Bylaws and relegated much of the operational aspects to policies that the Board will produce to prescribe Board procedures. This follows the organization structure that evolved from the strategic planning process completed in the fall of 2017.

In addition, definition of the standing committees has been made to clarify the roles and responsibilities of each, and the standing committee chairs have formulated guideline policies for each committee to ensure smooth continued operation of these committees as committee memberships change over time.

The Governance committee works closely with the Personnel and other committees to ensure that policy creation, implementation and review are attended to as prescribed by Bylaws and Board policies. In addition to the standing committee guidelines, the Governance committee submitted a set of policies for board approval involving personnel issues (including revised Operation and Employee Handbooks and review policies), governance, committee constitution and strategic planning review. The first quarterly strategic plan review was done this May and a plan of regular review is in place. The Strategic Plan progress report is a separate document in the Annual Report.

The Governance committee has used the new and very useful Headrest Office 365 site to organize a logical structure of the current versions of the Bylaws, Employee and Operation Handbooks and board policies accessible to board and staff.

Plans for FY19 include developments of a regular board self-assessment process using an NHCN instrument, board member orientation (in conjunction with the nominating committee), board ethics training and an exit interview procedure for departing board members.

Respectfully Submitted

Andrew Daubenspeck, Chair, Governance Committee
A REPORT FROM THE DEVELOPMENT COMMITTEE

The primary focus of the Development Committee in FY 18 has been to increase support from individuals and from government, business and private foundation grants.

Through May 31, 2018 headrest has raised $341,604 of Contributed Support. With ever-increasing operating costs, the challenge to consistently increase this support will continue for the foreseeable future.

For FY 19, our goal for contributed support will increase to $389,164 or 30% of total revenue.

New strategies for increasing support include:
- Maintaining both a spring and fall appeal
- Initiating a minimum of two home receptions a year to increase awareness of Headrest services and its funding challenges
- Increase direct donor communications to encourage continuous support
- Continue to look for support from community-initiated events such as Cully's Run, 3-Fold Wellness,
- Find new sources of grant support and renew existing support
- Hire development coordinator to manage increased activity

Respectfully Submitted,

Carol Olwert, Chair, Development Committee
A REPORT FROM THE PERSONNEL COMMITTEE

This past year continued a process that was initiated in late 2016 that focuses on personnel process and structure for the organization. A series of policies and documents were developed and approved by the Board that give clarity to employee roles and responsibilities as well as compliance with our contract with the State of New Hampshire. These include:

- Employee Handbook – Completed and Board approved and updated in December and April.
- Operations Handbook – Updated and approved by Personnel Committee in November and April.
- Staff Job descriptions – Additions and updates approved by Committee.
- Executive Director annual review – Completed with Committee and Board Chair
- The following are the policies developed in 2017 were reviewed, updated and approved by Board:
  a. Annual job description review
  b. Annual pay scale review
  c. Annual employee reviews
  d. Annual pay scale reviews
  e. Whistle Blower policy
  f. Compliance with policies, handbooks and state, local and contract regulations
  g. Semi annual review of Employee and Operations Handbooks
  h. Employee Discipline
  i. Salary Reviews

The Committee also worked with the staff to complete the compliance review of the Employee Handbook and the Operations Handbook for the second year.

The Committee continues to meet on a regular basis with the Executive Director and key staff as appropriate. I would like to thank members of the Committee, Charlotte Sandborn, Andy Daubenspeck, Harrison Drinkwater and John Creagh. Laurie Harding served as an ad hoc member. Cameron Ford also attended on a regular basis.

Respectfully Submitted,

John Ferney, Committee Chair
A REPORT FROM THE NOMINATING COMMITTEE

The Committee is pleased to submit four candidates to Headrest’s Board of Directors. Once elected, Board members serve 3-year terms from 2018 – 2021. This election will bring the Board roster to 15 seats, the maximum allowed by our Bylaws. Candidates are:

ANGIE M. LEDUC (new director) is the Community Partnership Coordinator in the Community Health Improvement Department at DHMC. She has spent much of her professional life working with youth and young adults, concentrating on public health issues, specifically substance misuse and suicide. Angie and her family live in Lebanon, NH

DAVID MCGAW (incumbent) has been working as a Research Engineer in Space Physics for the Department of Physics and Astronomy at Dartmouth College since 2006. He has been active in the recovery community for many years and also has an interest in services for suicide prevention.

MATTHEW S. MCKENNEY, (new director) is the Workforce Development Manager at Hypertherm, where he oversees the training and development “pipeline” for Hypertherm employees and recently spoke at Governor Sununu’s NH Recovery Friendly Workplace Initiative. Matt and his family live in Lebanon, NH.

JOHN VANSANT (incumbent) is a Principal at Smith & Vansant Architects PC, of White River Junction, practicing human-scale residential and community architecture in the Upper Valley since 1992. John and his family live in Hanover, NH.

Our Bylaws also state that the Committee will submit to the Annual Meeting a slate of candidates for Board officers and the Nominating Committee chair. It’s a pleasure to propose the following Board officers for FY 2018-19:

Chair: Laurie Harding  
Vice-Chair: Harrison Drinkwater  
Treasurer: Paul Guidone  
Secretary: Andy Daubenspeck  
Nominating Committee Chair: Perry Eaton

Respectfully submitted,

Harrison Drinkwater, chair  
Karen Borgstrom Perry Eaton  
John Ferney Laurie Harding, ex officio  
James Larrick Hilde Ojibway, community member
HEADREST
SERVING THE UPPER VALLEY AND BEYOND SINCE 1971