AMENDMENT ONE TO
CONTRACT FOR SERVICES BETWEEN
KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES
AND
KVC Behavioral HealthCare, Inc

Family Preservation Services

Kansas City Region

This constitutes a First Amendment to the current contract entered into on the first day of July, 2013, between KVC Behavioral HealthCare, Inc., 21350 West 153rd Street, Olathe, Kansas, 66061 hereafter called "KVC", and the Secretary of the Department for Children and Families, 555 S. Kansas Avenue, Topeka, KS 66603, hereinafter called DCF.

WHEREAS in the terms and conditions set forth in Section 5 of the current contract the parties mutually agreed to negotiate rates for FY 2016 and FY 2017.

WHEREAS Administration for Children and Families (ACF), a division within the Department of Human and Health Services (HHS) has determined that the relationship between DCF and KVC is one of grant recipient and sub-recipient and not a relationship between contractor and vendor. As per federal requirements, a subrecipient (e.g., KVC) is an entity that expends awards received from a pass-through entity (e.g., DCF) to carry out a project. A subrecipient relationship exists when funding from a pass-through entity is provided to perform a portion of the scope of work or objectives of the pass-through entity's award agreement with the awarding agency (e.g., the federal government program). A vendor, on the other hand, is generally a dealer, distributor or other seller. The contract between the two parties is for the purpose of obtaining goods and services for the non-Federal entity's own use and creates a procurement relationship with the contractor. Federal requirements require that subrecipients that meet established expenditure thresholds obtain a single audit. In addition, they are subject to a higher level of scrutiny by the pass-through entity and must meet federal cost and program principles, statutes, regulations and policies.

THEREFORE, both parties mutually agree that the contract will be amended with an effective date of July 1, 2015 as follows:

SECTION 5. BILLING AND PAYMENT

1. That KVC is in all matters relating to this agreement shall be acting as an independent contractor and shall assume and pay all liabilities and perform all obligations imposed with respect to the performance of this agreement. KVC shall have no right, power, or

authority to create any obligation, expressed or implied, on behalf of DCF and shall have no authority to represent DCF as an agent.

2. This is a two year rate renewal period. Family Preservation costs and rates will be subject to audit by DCF who will audit to determine the actual costs of providing these services. If the actual costs of KVC, as determined by audit, are below that paid by DCF, DCF will adjust future rates and recoup monies that do not represent the actual, allowable, reasonable and necessary costs of performing the services in this contract. If the actual costs of KVC are above the amounts paid by DCF, DCF may adjust future rates, depending upon available funding, to reflect actual, allowable, necessary and reasonable costs of performing the services in this contract. Definitions and guidance of actual, allowable, reasonable and necessary costs are contained in federal regulations, program instruction and circular guidance and the state contract.

3. If the parties have not mutually agreed to a new rate on or before July 1, 2017, the default rate shall be that which was in effect for the period July 1, 2016 through June 30, 2017.

4. For new referrals made on or after July 1, 2015, the contractor will receive a case rate for Family Preservation services to be paid as described below. The case rate is the total payment per family. The payment schedule is as follows:

    a. One-third of the case rate will be paid upon referral.

    b. One-third of the case rate will be earned and payable on the 45th day after referral.

    c. The final one-third of the case rate will be earned and payable on the 90th day after referral.

    The payment amounts per family referral are as follows:

Contract Period	Case Rate
FY 2016	$3,933.00
FY 2017	$4,011.00

5. The following payment exceptions apply:

    a. No payment will be made when the referral for contract management responsibility is retracted, i.e., referral is withdrawn by DCF.
    b. Engagement is established when the case plan is signed by the family. In some circumstances, families referred by DCF to the contractor will not become

engaged in Family Preservation services. In these cases, the second and third payments will not be made.

c. For cases in which one or more children in the family being served are removed from the home for Foster Care/Reintegration services, payments will be made with the following limitations:

   i. If a child or children are removed from the home on or prior to the 45th day after referral, the second and third payments will not be made.

   ii. If the removal occurs after the 45th day, but on or prior to the 90th day, the third payments will not be made.

   iii. The child is placed in permanent custodianship.

SECTION 7. AUDIT REQUIREMENTS AND AUDIT CLAUSE.

6. KVC acknowledges and agrees that it has been determined to be a sub-recipient of federal and state funds under the federal definition of "sub-recipient" as found in federal requirements. All audits conducted by the Contractor's own auditors, DCF and other state auditors, and federal auditors will follow the applicable federal guidelines for sub-recipient relationships.

7. KVC acknowledges and agrees that audits performed by DCF may include audits of contract performance, i.e., compliance with terms and conditions of the contract with DCF including accomplishment of federal and state outcomes related to children and families.

8. KVC further agrees that as a sub-recipient, it shares responsibility with DCF, when failing to follow DCF guidance and/or guidance found in the circulars, for addressing findings and recommendations of audits performed by the federal government and its contracted staff. Audits can include those conducted by the Office of Inspector General or those performed by the federal oversight agency for DCF – Health and Human Services, for example.

9. Neither party to the contract shall prohibit or prevent the Legislative Division of Post Audit, DCF Audit Services, or any authorized federal or state representative and/or auditors from having access to any records, documents, or other information-confidential or otherwise-regarding or relating to the execution and/or performance of this agreement. (See K.S.A 46-1101 et seq.)

10. All other terms and conditions in the Agreement dated the first day of July 2013 remain unaltered and are binding upon the parties.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized official or officers.

B. Wayne Sims, Chief Executive Officer
KVC Behavioral HealthCare, Inc.

7/29/15
Date

Phyllis Gilmore

Phyllis Gilmore, Secretary
Kansas Department for Children and Families

9/29/15
Date

Tracy Diel, Director
Procurement and Contracts
Kansas Department of Administration

10·1·15
Date