AMENDMENT TWO TO CONTRACT
FOR SERVICES BETWEEN
KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES
AND
KVC BEHAVIORAL HEALTHCARE, INC.

Reintegration/Foster Care/Adoption Services

Kansas City Region

This constitutes a Second 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.

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. Payments will be made retrospectively on the third business day following the month of service. There will be two types of payments. A base payment will be made each month to cover the fixed costs of KVC. This payment is independent of the case load. There will also be a monthly case rate paid for each child out-of-home placement on the last day of the previous month.

3. This is a one year rate renewal period. Rates for the next renewal period from July 1, 2016 to June 30, 2017, will be renegotiated prior to June 30, 2016. This will allow DCF the necessary time to audit KVC and Child Placing Agencies to determine the actual costs of providing services. KVC and the Child Placing Agencies will be audited every fiscal year thereafter and new rates set as a result of those audits. If the actual costs of KVC are below that paid by DCF, DCF will adjust future rates and seek recoupment. If the actual costs of KVC are above the amounts paid by DCF, DCF will adjust future rates.

4. If the parties have not mutually agreed to a new rate on or before July 1, 2016, the default rate shall be that which was in effect for the period July 1, 2015 through June 30, 2016.

5. The monthly base rate shall remain seven hundred and sixty five thousand dollars ($765,000.00) per month. The monthly case rate shall be one thousand four hundred and ninety five dollars ($1,495.00) per out of home placement per month.

6. Payments will cease (no payment will be made) for the service month in which one of the following events occurs:

    a. The child is reintegrated with their family, i.e., returns to their home.

    b. The child achieves finalization of adoptive placement.

    c. The child is placed in permanent custodianship.

    d. The child is transferred to Department of Corrections. (This action nullifies the 12 month aftercare requirement).

    e. The child is transferred to tribal custody (This action nullifies the 12 month aftercare requirement).

    f. The child is released from DCF custody for other reasons not specified above.

SECTION 7. AUDIT REQUIREMENTS AND AUDIT CLAUSE.

7. 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.

8. 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.

9. 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.

10. 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.)

11. 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.

9/29/15
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