

**SERVICE DELIVERY, COORDINATION, AND CASE MANAGEMENT  
CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT TEN, FEBRUARY 2012**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

PURPOSE: The purpose of this amendment is to provide a planned, orderly, cooperative and successful transition of case management, service coordination and service delivery from Contractor. Contractor is entitled to 90 days notice of termination but the parties agree that beginning the transition sooner with Contractor providing additional transition services is in the best interest of the children and families served under this contract. The parties recognize that Contractor has certain long-term obligations that it incurred in anticipation of a multiple-year contract and will have unavoidable fixed expenses that will not decline during the transition period.

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article I. TERM AND TERMINATION A. is amended to read:

A. TERM. This contract is in effect from November 1, 2009 through June 30, 2012.

Article II. CONSIDERATION B. 6 is amended to read:

6. DHHS will pay \$1,910,122.65 each month for services provided July 1, 2010 through June 30, 2011, one half payable after the fifteenth of the month, and one half after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month.

DHHS will pay each month for services provided July 1, 2011 through February 29, 2012 as set forth below. The first installment is payable after the fifteenth of

the month, and the second installment is payable after the end of the month except the payment for the second half of February will be made February 24, 2012.

Month	First Installment	Second Installment
July 2011	\$ 2,067,703.21	\$ 1,446,703.21
August 2011	\$ 1,964,203.21	\$ 1,446,703.21
September 2011	\$ 1,860,703.21	\$ 1,446,703.21
October 2011	\$ 1,757,203.21	\$ 1,446,703.21
November 2011	\$ 1,653,703.21	\$ 1,446,703.21
December 2011	\$ 1,550,203.21	\$ 1,446,703.21
January 2012	\$ 1,343,203.21	\$ 1,446,703.21
February 2012	\$ 1,239,703.21	\$ 1,446,703.21

DHHS will pay Contractor Two million Dollars (\$2,000,000.00) on March 1, 2012, Six hundred sixty thousand Dollars (\$660,000.00) on March 20, 2012, and a final payment of One million three hundred twenty thousand Dollars (\$1,320,000.00) on April 30, 2012 contingent upon performance of Contractor's obligations under this contract including, but not limited to, transition services set forth hereinafter. DHHS will retain funds from the final payment for unperformed obligations in an amount determined by DHHS sufficient to cover the cost of such unperformed obligations. For any services not completed by Contractor, DHHS may elect to complete such work or contract with another provider to complete such work, deduct the cost from retained funds and hold Contractor liable for any excess cost. Such retained funds will not unreasonably be withheld. In addition, DHHS will reimburse Contractor, as set forth below, for the actual cost of space leased by Contractor which is occupied by DHHS employees from March 1, 2012 until the date DHHS no longer occupies the space including lease expenses, utilities, copier expenses, telephone, and property insurance. DHHS will occupy the following listed real estate from March 1, 2012 through May 30, 2012 with the option to continue to occupy any one or more of the premises for up to three additional one-month periods by giving notice to Contractor at least one calendar month prior to the beginning of such additional one-month period.

1111 Grundman Blvd Nebraska City, NE

510 Bradford St Seward, NE  
5220 South 16<sup>th</sup>, Lincoln, NE  
722 Court Street, Beatrice NE

This provision shall survive the termination of this agreement to the extent that DHHS occupies any of these locations beyond June 30, 2012. Nothing herein is intended to constitute an assumption of any lease liability or a sublease of these premises by DHHS.

Beginning January 1, 2011, payments will no longer be made through N-FOCUS, and payments made under Article II. B. 3, 4, 5 and 6 through N-FOCUS will be reconciled to the maximum payment to which contractor would have been entitled from July 1, 2010 through December 31, 2010, which is \$19,101,226.50. To the extent Contractor has been underpaid from July 1 through December 31, 2010, DHHS will initiate processing of payment of the remaining amount due on January 3, 2011. To the extent Contractor has been overpaid from July 1 through December 31, 2010, the next monthly payment under Article II. B. 6 will be adjusted by the amount of the overpayment. Monthly payments under Article II. CONSIDERATION B. 6 are contingent upon full and complete performance of the contract obligations but are not contingent upon the dollar amount of statements for services submitted through N-FOCUS, beginning January 1, 2011. DHHS reserves the right to withhold future payments upon the failure of Contractor to submit statements for all services provided as required under Article III. SCOPE OF SERVICES C. below.

Article III. SCOPE OF SERVICES A. 4 is amended to read:

4. Provide service coordination and case management functions for treatment and non-treatment services for court involved and non-court involved children, youth and families as defined in the Manual through February 29, 2012.

Article III. SCOPE OF SERVICES A. 18 is amended to read:

18. Service Coordination and Case Management Functions:

- a) The Contractor will carry out case management functions except those functions DHHS notifies the Contractor in writing not to perform through February 29, 2012.
- b) The Contractor will coordinate all non-treatment and treatment services. This includes providing services to children, youth and families as well as coordinating all aspects of care, organization and planning for the children, youth and families through February 29, 2012.
- c) The Contractor will work collaboratively with the Administrative Service Organization (ASO) provider to coordinate Medicaid treatment services through February 29, 2012.

- d) The role and function of Service Coordination and Case Management and the supervision of Service Coordination and Case Management may not be sub-contracted by the Contractor. Service Coordination and Case Management staff must be direct employees of the Contractor.
- e) In the event the Contractor becomes aware of a conflict of interest, the Contractor must notify DHHS immediately. DHHS will determine how the conflict will be resolved.
- f) Contractor will remain responsible, including, but not limited to, fiscal responsibility for case management, service coordination, and service delivery under this contract through February 29, 2012. Contractor's fiscal responsibility is determined by the date services were performed, not the date the services are invoiced or billed.
- g) The Contractor will provide transitional services commencing upon the signing of this amendment as follows:
  - 1. For each referral to Contractor, accurate current placement information will be entered into the NFOCUS system prior to March 1, 2012.
  - 2. For each referral to Contractor, all required documentation of visits and other required NFOCUS data fields will be accurate and up to date prior to March 1, 2012.
  - 3. Contractor will immediately provide a list and copies of all existing letters of agreement for treatment and non-treatment services together with contact information updated daily until March 1, 2012.
  - 4. Contractor will complete and submit to DHHS no later than April 1, 2012 home studies for any child placement made prior to March 1, 2012.
  - 5. All hard-copy files for children and families being served by Contractor will be updated and organized in a similar fashion to the approved DHHS format and returned to DHHS by March 1, 2012. Administrative Memo 1-03 dated April 16, 2003 provides guidance regarding the DHHS format. Contractor may use its existing binders and folders so long as the content and organization of the file is substantially the same as the DHHS format.
  - 6. Contractor will provide a master list and also include in each file any unfinished or outstanding information such as substance abuse evaluations, therapy reports, visitation worker documentation, testing results, psychological and psychiatric evaluations, drug testing results, medical reports, foster and adoptive home studies, approval studies, case plans/court reports, and any other case management documentation.
  - 7. Contractor will complete all quarterly reports, and federal reporting requirements timely.

8. Contractor will provide DHHS employees access to Contractor's financial, child welfare, and personnel records relating to this contract to the extent permitted by State and Federal law. This paragraph will survive the termination of this agreement.
9. DHHS employees will be allowed to co-locate at KVC controlled worksites in Nebraska except the Omaha location, Papillion worksite and the Color Court building in Lincoln. Contractor will provide keys, codes, and access to the worksites at all times. Contractor will provide DHHS with copies of all leases for real estate used as KVC worksites in Nebraska which DHHS is contemplating will be occupied by DHHS employees.
10. To preserve the integrity of confidential data and to provide continuity of services, Contractor will turn over to DHHS ownership of desktop computers, laptop computers, peripherals, cell phones, and other personal devices that have child welfare data stored in them. DHHS will also be given control of office furniture, copiers, faxes and other business equipment except postage meters at the KVC worksites listed in Article II Consideration B. 6 above until they are no longer required. Contractor will provide DHHS with copies of its existing equipment and personal property leases for equipment to be used by DHHS under this paragraph. Contractor will also transfer to DHHS ownership of child car seats used for transportation in Nebraska.
11. Contractor will provide child welfare computer system access and support for software systems, including but not limited to NEU, to DHHS or its designee. DHHS will notify Contractor if these services are no longer required prior to the end of the contract.
12. All Contractor books, records, and documents regardless of physical form, including data maintained in computer files or on magnetic, optical or other media, relating to work performed or monies received under this contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by DHHS. Contractor shall maintain all records for five (5) years from the date of final payment, except that records that fall under the provisions of the Health Insurance Portability and Accountability Act (HIPAA) shall be maintained for six (6) full years from the date of final payment. In addition to the foregoing retention periods, all records shall be maintained until all issues related to an audit, litigation or other action are resolved to the satisfaction of DHHS. All records shall be maintained in accordance with generally accepted business practices and in a manner consistent with

HIPAA and other applicable laws. Contractor will advise DHHS of the location of all such books, records, and documents March 1, 2012. In the event that Contractor ceases to operate as a business, Contractor will relinquish custody of these materials to DHHS unless a company affiliated with Contractor agrees to assume the obligation to retain and protect these records in a manner consistent with this contract, HIPAA, and other applicable Nebraska and federal laws. Such affiliated company will execute a business associate agreement with DHHS and make the books, records, and documents available for inspection and copying at any reasonable time upon reasonable notice from DHHS. In no event will these materials be destroyed without the consent of DHHS.

13. Contractor will be available for ongoing consultation relating to general operations and specific cases for the duration of the contract. This includes, but is not limited to, meeting with DHHS employees as requested and completing a case staffing template form for each case assigned to a KVC employee who will not become an employee of DHHS or another DHHS contractor for case management.
14. Contractor will provide a detailed accounts payable statement with the best information available as of March 1, 2012 and provide updated information weekly. The accounts payable information will also include aging. It is the parties' intention that Contractor will make its best effort to identify all subcontractors and vendors that have provided services through February 29, 2012 and those that have not been paid in full. It is further the intent of the parties that Contractor will pay all claims rightfully due and owing for services performed through February 29, 2012 as quickly as practicable prior to April 30, 2012. Contractor will also continue to provide DHHS with monthly financial statements including a monthly balance sheet and income statement together with a reconciliation of accounts payable and accrued expense listing to the balance sheet. Accrued expense information will also be updated weekly. Nothing in this contract is intended to create a third-party benefit to subcontractors and vendors of KVC Behavioral Healthcare, Inc.
15. Contractor will make a good faith effort to provide DHHS with releases from subcontractors and vendors evidencing payment of accounts for services relating to the care, treatment, and education of children and families served pursuant to this contract. Such releases will be provided no later than April 30, 2012. If a release cannot be obtained, despite a good faith effort, Contractor will provide sufficient

evidence that the subcontractor or vendor has been paid in full. Nothing in this contract is intended to create a third-party benefit to subcontractors and vendors of KVC Behavioral Healthcare Inc.

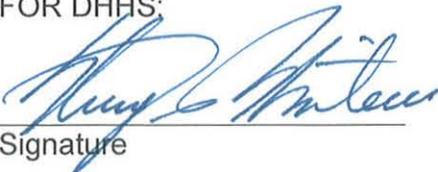
16. For accounts payable still unpaid and disputed as of April 30, 2012, Contractor will establish an escrow account with a Nebraska company and an amount sufficient to pay all such claims upon final resolution shall be deducted from the April 30, 2012 payment by DHHS and deposited into this account. If the April 30, 2012 payment is not sufficient to pay all such claims, Contractor will add to the escrow account any additional funds necessary. Nothing in this contract shall be construed to create a third-party benefit to KVC Behavioral Healthcare Nebraska Inc.'s subcontractors and vendors.
  17. For purposes of the Worker Adjustment and Retraining Notification Act, as of February 27, 2012, DHHS has offered employment to 284 employees of Contractor that DHHS wants and needs for case aides, case aide supervisors, case managers, case manager supervisors, admissions specialists, and program support workers. Another contractor of DHHS for case management, service coordination and service delivery has offered an additional 90 employees of Contractor similar employment. Employees accepting employment will begin work March 1, 2012. The 284 workers offered employment by DHHS are in the Southeast Service area and the remaining 90 employees are in the Eastern Service Area. The totals for both the Eastern and Southeast Services areas recited herein are not intended to be cumulative to any similar provision contained in any contract amendment for KVC's contract to provide services in the Eastern Service Area.
  18. Contractor agrees to cooperate with other contractors of DHHS to the extent necessary to accomplish the intent of these transitional services for children and families currently served by KVC that will be referred to other contractors for case management, service coordination, and service delivery.
  19. Contractor will notify families that aftercare services will no longer be provided after February 29, 2012. Contractor will provide to DHHS a list of families that have adopted a child in the past 12 months and will notify those families of options such as Right Turn services. The content of the notices will be approved by DHHS in advance.
- h) Proprietary information of KVC will not be used by DHHS outside the scope of this contract and will not be shared with DHHS vendors or contractors without permission and will be protected to the extent allowed by Nebraska law.

- i) DHHS will enter into a standard provider agreement for child placing agency services by March 1, 2012 at the following rates: Family level \$31/day; Specialized level \$50/day; Enhanced specialized level \$69/day.

All other terms and conditions remain in full force and effect to the extent not in conflict with this amendment, including, but not limited to, the repayment obligation under Article II Section B 8 which expires on June 30, 2012, and any other remedies available to either party.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

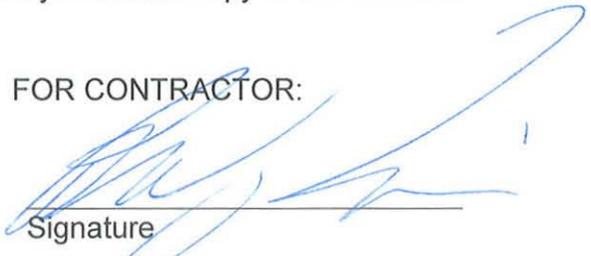
FOR DHHS:

  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

DATE: 3/1/2012

FOR CONTRACTOR:

  
Signature

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

DATE: 2/29/12

**SERVICE DELIVERY, COORDINATION AND CASE MANAGEMENT  
CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT NINE, DECEMBER 2011**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. CONSIDERATION A. is amended to read:

A. DHHS agrees to pay the Contractor the total amount not to exceed \$146,356,594.08 from November 1, 2009 through June 30, 2014, for services and activities specified herein.

Article II. CONSIDERATION B. 13 is added to read:

Prior to the end of December, 2011, and in addition to the consideration set forth in Article II. CONSIDERATION B. 1 through 12, DHHS will pay \$1,188,000.00. This payment is in recognition of physical/medical treatment expenses paid by KVC that were not its responsibility as well as additional expenses incurred since July 1, 2011 by KVC and which will continue to be incurred during the rest of the fiscal year as a result of changes in federal Medicaid reimbursement for residential treatment.

This payment will be applied to KVC Nebraska's accounts payable to subcontractors to bring those accounts as current as possible as evidenced by a reduction in accounts payable in subsequent financial statements.

Nothing in the above language shall be construed to create a third party benefit to KVC's subcontractors.

All other terms and conditions remain in full force and effect, including, but not limited to, the repayment obligation under Article II Section B 8 and any other remedies available to either party.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

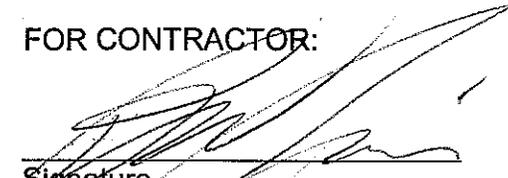
FOR DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

DATE: 12/24/2014

FOR CONTRACTOR:

  
\_\_\_\_\_  
Signature

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

DATE: 12/23/14

**SERVICE DELIVERY, COORDINATION AND CASE MANAGEMENT  
CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT EIGHT, JUNE 2011**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. CONSIDERATION A. is amended to read:

A. DHHS agrees to pay the Contractor the total amount not to exceed \$145,168,594.08 from November 1, 2009 through June 30, 2014, for services and activities specified herein.

Article II. Consideration B. 6 is amended to read:

- 6. DHHS will pay \$1,910,122.65 each month for services provided July 1, 2010 through June 30, 2011, one half payable after the fifteenth of the month, and one half after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month.

DHHS will pay each month for services provided July 1, 2011 through June 30, 2012 as set forth below. The first installment is payable after the fifteenth of the month, and the second installment is payable after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month.

Month	First Installment	Second Installment
July 2011	\$ 2,067,703.21	\$ 1,446,703.21

August 2011	\$ 1,964,203.21	\$ 1,446,703.21
September 2011	\$ 1,860,703.21	\$ 1,446,703.21
October 2011	\$ 1,757,203.21	\$ 1,446,703.21
November 2011	\$ 1,653,703.21	\$ 1,446,703.21
December 2011	\$ 1,550,203.21	\$ 1,446,703.21
January 2012	\$ 1,343,203.21	\$ 1,446,703.21
February 2012	\$ 1,239,703.21	\$ 1,446,703.21
March 2012	\$ 1,136,203.21	\$ 1,446,703.21
April 2012	\$ 1,032,703.21	\$ 1,446,703.21
May 2012	\$ 929,203.21	\$ 1,446,703.21
June 2012	\$ 825,703.21	\$ 1,446,703.21

DHHS will pay \$2,546,830.20 each month for services provided July 1, 2012 through June 30, 2014, one half payable after the fifteenth of the month, and one half after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month.

Beginning January 1, 2011, payments will no longer be made through N-FOCUS, and payments made under Article II. B. 3, 4, 5 and 6 through N-FOCUS will be reconciled to the maximum payment to which contractor would have been entitled from July 1, 2010 through December 31, 2010, which is \$19,101,226.50. To the extent Contractor has been underpaid from July 1 through December 31, 2010, DHHS will initiate processing of payment of the remaining amount due on January 3, 2011. To the extent Contractor has been overpaid from July 1 through December 31, 2010, the next monthly payment under Article II. B. 6 will be adjusted by the amount of the overpayment. Monthly payments under Article II. CONSIDERATION B. 6 are contingent upon full and complete performance of the contract obligations but are not contingent upon the dollar amount of statements for services submitted through N-FOCUS, beginning January 1, 2011. DHHS reserves the right to withhold future payments upon the failure of Contractor to submit statements for all services provided as required under Article III. SCOPE OF SERVICES C. below.

Article II. CONSIDERATION B. 12 is added to read:

Prior to the end of June, 2011, and in addition to the consideration set forth in Article II. CONSIDERATION B. 1 through 11, DHHS will pay \$3,795,000.00.

Article I. TERMINATION B. is deleted in its entirety and replaced with the following:

B. Termination. This contract may be terminated as follows:

1. DHHS and Contractor, by mutual written agreement, may terminate the contract at any time.
2. DHHS, in its sole discretion, may terminate the contract for any reason upon 90 days written notice to Contractor. If DHHS unilaterally terminates the agreement prior to June 30, 2012, other than as set forth in Article I TERMINATION B 1, 4, and 5, the repayment obligation under Article II CONSIDERATION B 8 will not apply.
3. After March 30, 2012, Contractor, in its sole discretion, may terminate the contract for any reason upon 90 days written notice to DHHS.
4. DHHS may terminate the contract immediately for the following reasons:
  - a. If directed to do so by statute;
  - b. Contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
  - c. A trustee or receiver for the contractor or for any substantial part of the contractor's assets has been appointed by a court;
  - d. An involuntary proceeding has been commenced by any party against the contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) days; or (ii) the contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the contractor has been decreed or adjudged a debtor;
  - e. A voluntary petition has been filed by the contractor under any of the chapters of Title 11 of the United States Code;
5. DHHS may terminate the contract in accord with the provisions designated "FUNDING AVAILABILITY", "ASSURANCE", AND "BREACH OF CONTRACT."
6. In the event of termination Contractor shall provide to DHHS all work in progress, work completed, and materials provided to it by DHHS in connection with this contract immediately.

Article III. SCOPE OF SERVICES A. 26 is added to read:

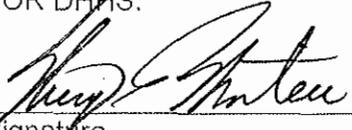
26. Performance Standards and Implementation Schedule: DHHS will develop and submit, no later than fourteen (14) days from the execution of this

amendment, for Contractor review and comment, detailed performance standards and an implementation schedule. The comment period will be fourteen (14) days from the submission of the standards and implementation schedule to Contractor. At the end of the comment period, the performance standards, implementation schedule, and any amendments to the performance standards and implementation schedule agreed to by DHHS will become part of this contract without the need for a contract amendment.

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

DATE: 6/27/11

FOR CONTRACTOR:

  
\_\_\_\_\_  
Signature

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

DATE: 6/27/11

**SERVICE DELIVERY, COORDINATION AND CASE MANAGEMENT  
CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT SEVEN, DECEMBER 2010**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. CONSIDERATION A. is deleted in its entirety and replaced with the following language:

DHHS agrees to pay the Contractor the total amount not to exceed \$137,214,679.44 from November 1, 2009 through June 30, 2014, for services and activities specified herein.

Article II. CONSIDERATION B. 6 is deleted in its entirety and replaced with the following language:

6. DHHS will pay \$1,910,122.65 each month for services provided July 1, 2010 through June 30, 2011, one half payable after the fifteenth of the month, and one half after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month.

DHHS will pay \$2,546,830.20 each month for services provided July 1, 2011 through June 30, 2014, one half payable after the fifteenth of the month, and one half after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month.

Beginning January 1, 2011, payments will no longer be made through N-FOCUS, and payments made under Article II. B. 3, 4, 5 and 6 through N-FOCUS will be reconciled to the maximum payment to which contractor would have been entitled from July 1, 2010 through December 31, 2010, which is \$19,101,226.50. To the extent Contractor has been underpaid from July 1 through December 31, 2010, DHHS will initiate processing of payment of the remaining amount due on January 3, 2010. To the extent Contractor has been overpaid from July 1 through December 31, 2010, the next monthly payment under Article II. B. 6 will be adjusted by the amount of the overpayment. Monthly payments under Article II. CONSIDERATION B. 6 are contingent upon full and complete performance of the contract obligations but are not contingent upon the dollar amount of statements for services submitted through N-FOCUS, beginning January 1, 2011. DHHS reserves the right to withhold future payments upon the failure of Contractor to submit statements for all services provided as required under Article III. SCOPE OF SERVICES C. below.

Article II. CONSIDERATION B. 7 is deleted in its entirety and replaced with the following language:

7. In no event will the aggregate payments made under Article II. CONSIDERATION B. and C. exceed the amount set forth in Article II. CONSIDERATION A.

Article II. CONSIDERATION B. 8 is deleted in its entirety and replaced with the following language:

8. In the event the contract is terminated prior to the end of a calendar month, contractor shall be entitled to payments due under Article II. CONSIDERATION B. 6 on a pro rata basis, provided the contractor is not in default. Further, if the contract is terminated prior to June 30, 2012, contractor will return to DHHS a portion of the compensation paid under Article II. CONSIDERATION B. 11, calculated as follows:

An amount equal to the aggregate compensation under Article II. B. 11 due Contractor through the date of termination minus an amount calculated by multiplying the aggregate compensation under Article II. CONSIDERATION B. 11 due Contractor through the date of termination by a fraction where the numerator is the number of full months the contract is performed from January 1, 2011 through June 30, 2012 and the denominator is 18.

Article II. CONSIDERATION B. 11 is added to read:

11. In addition to the consideration set forth in Article II. CONSIDERATION B. 1 through B. 10, DHHS will pay the Contractor \$1,260,000.00 each month, commencing January 2011, through and including June 2011, upon full and complete performance of this contract, subject to repayment upon early termination as set forth in Article II. CONSIDERATION B. 8. Consideration under this section is payable one half after the fifteenth of the month, and one half after the end of the month. DHHS will initiate processing of payments as soon as practicable after the fifteenth and last days of the month. No pro rata payments will be made under this section.

Article II. CONSIDERATION C. is transferred to Article III. SCOPE OF SERVICES C., and is amended to read:

- C. Contractor shall submit statements of services provided to children, youth and families through N-FOCUS using a format prescribed by DHHS. The Contractor will submit a schedule of rates for services provided under this contract. DHHS must approve the rates for services prior to contract start date. The Contractor may adjust the rates upon written approval of DHHS, which approval will not be unreasonably withheld. The Contractor shall submit statements for all services provided, except Service Coordination and Case Management activities. The Contractor shall submit statements for direct services at their discretion but no later than 90 days following the end of the month in which the service was provided, except in the instances of payment for treatment services denied by Medicaid/Magellan. The obligation to submit statements of all services provided shall survive the termination of this contract. If DHHS determines that Contractor has not submitted statements for all services provided within ninety days following the end of the month in which the services were provided, payments may be withheld until Contractor submits the statements as required.

Article II. CONSIDERATION S. is deleted in its entirety and replaced with the following language:

- S. The Contractor shall make payment in full to the Sub-Contractor for all goods delivered or services rendered on or before the forty-fifth calendar day after the date of receipt by the Contractor of a bill meeting the Contractor's requirements, as set forth in Contractor's written policy, protocol or contract terms with the Sub-Contractor. This provision shall survive termination of the contract.

Article III. SCOPE OF SERVICES A. 9 is deleted in its entirety and replaced with the following language:

9. Complaints:

- a. The Contractor will maintain a clear written policy of how to lodge complaints. A copy of this policy will be provided to children, youth and families served under this contract.
- b. The Contractor will respond to complaints related to the performance of this contract as directed by DHHS.
- c. If the complaint involves an issue related to a specific case, the Professional Judgment Resolution process as defined in the Manual will be used.
- d. Contractor will maintain a file of all complaints related to the performance of this contract, which shall be available for inspection by DHHS upon request.

Article III. SCOPE OF SERVICES A. 23 is deleted in its entirety and replaced with the following language:

23. Court Attendance and Court Requirements:

- a. The Contractor will comply with all court orders.
- b. The Contractor agrees that appropriate staff will be available to attend court hearings, and be prepared to effectively testify if requested.
- c. The Contractor will ensure that all children and youth attend court, unless otherwise directed by DHHS or the Court.
- d. If the Contractor and DHHS are in disagreement about a recommendation to be made to the court the Professional Judgment Resolution Process shall be followed as set forth in the Manual. If resolution cannot be reached DHHS will determine the recommendation to be presented to the court and will make the court aware of the Contractor's position regarding that recommendation.
- e. The Contractor will work with the court and DHHS regarding court orders that do not meet federal and statutory requirement.

Article III. SCOPE OF SERVICES B. 2 a. is deleted in its entirety and replaced with the following language:

- a. Background checks will include a check of the following:
  1. Sexual Offender Registry
  2. Child and Adult Abuse and Neglect Central Register/try
  3. State repository of driving records
  4. References
  5. Drug Test for staff providing service coordination or case management, and staff providing transportation to children, youth and families under this contract.
  6. Internet search with an appropriate search engine.

Article III. SCOPE OF SERVICES B. 2 e. is deleted in its entirety and replaced with the following language:

2. e. The Contractor will ensure that all subcontractors will complete all background checks on any employee, intern, or volunteer if it is foreseeable that that individual may have direct contact with court and non-court involved children and their families during the course of providing direct services in performance with this Contract. This requirement is not applicable to those subcontractors described in Chapter 10 Section G. 5 c., Personnel File Reviews, of the Operations Manual. Background checks shall be completed before the individual has direct contact with children and their families and every two (2) years thereafter.

Article III. SCOPE OF SERVICES B. 6 is deleted in its entirety and replaced with the following language:

6. Professional Judgment Resolution: In situations when the Contractor and Department are in disagreement, they will follow the Professional Judgment Resolution Process as set forth in the Manual.

Article III. SCOPE OF SERVICES B. 12 is deleted in its entirety and replaced with the following language:

12. Professional Development Training:
  - a. Effective January 1, 2011, the Contractor shall provide Service Coordinator/Case Manager training as approved by DHHS, at no additional cost to DHHS.
  - b. The Contractor agrees to work with DHHS in accessing Title IV-E funding to support the training costs of Contract staff.
  - c. The Contractor shall provide training in the service area on evidence based and promising practice and family driven care concepts. Families and youth will be included in the planning and delivery of this training. The Contractor will coordinate with other Contractors to provide joint training.

The Operations Manual dated January 4, 2011 is attached hereto and incorporated herein, and supersedes all previous versions.

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

FOR CONTRACTOR:

  
\_\_\_\_\_  
Signature

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

DATE: 1/7/2011

DATE: 1/04/2011

**SERVICE DELIVERY, COORDINATION AND CASE MANAGEMENT  
CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT SIX, DECEMBER 2010**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated November 1, 2009 is hereby amended as follows:

Article PURPOSE is amended to read:

To provide an individualized system of care for families and their children and youth who are wards of the State of Nebraska involved in the Child Welfare or Juvenile Services system or who are non-court involved children and families involved in the Child Welfare system. Service, service coordination and case management functions will be provided for families served in the Southeast Service Area.

Article II. CONSIDERATION C. is amended to read:

Payment for direct services provided to children, youth and families will be made through N-FOCUS upon submittal of a billing by the Contractor for services specified herein using a format prescribed by DHHS. The Contractor will submit a schedule of rates for services provided under this contract. DHHS must approve the rates for services prior to contract start date. The Contractor may adjust the rates upon written approval of DHHS. The Contractor agrees to bill for all services provided, except Service Coordination and Case Management activities. The Contractor shall submit bills for direct services no later than 90 days following the end of the month in which the service was provided, except in the instances of payment for treatment services denied by Medicaid/Magellan.

Article III. SCOPE OF SERVICES A.4. is amended to read:

Provide service coordination and case management functions for treatment and non-treatment services for court involved and non-court involved children, youth and families as defined in the Manual.

Article III. SCOPE OF SERVICES A.15.b. is amended to read:  
Contractor may not allow a sub-contractor to further sub-contract for services, other than foster family care, under this contract unless the sub-contractor is also a lead contractor with DHHS for service coordination and case management.

Article III. SCOPE OF SERVICES A.18. is amended to read:

Service Coordination and Case Management:

- a. The Contractor will carry out case management functions except those functions DHHS notifies the Contractor in writing not to perform.
- b. The Contractor will coordinate all non-treatment and treatment services. This includes providing services to children, youth and families as well as coordinating all aspects of care, organization and planning for the children, youth and families.
- c. The Contractor will work collaboratively with the Administrative Services Organization (ASO) provider to coordinate Medicaid treatment services.
- d. The role and function of Service Coordination and Case management and the supervision of Service Coordination and Case Management may not be sub-contracted by the Contractor. Service Coordination and Case Management staff must be direct employees of the Contractor.
- e. In the event the Contractor becomes aware of a conflict of interest, the Contractor must notify DHHS immediately. DHHS will determine how the conflict will be resolved.

Article III, SCOPE OF SERVICES B.3. is amended to read:

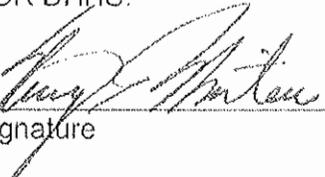
Hiring Standards:

- a. Staff carrying out Service Coordination and Case Management functions and Supervisors of staff carrying out those functions must have a minimum of a Bachelor's Degree.
- b. Verification of the employee's college education must be maintained by the Contractor.
- c. Providers of direct services must meet the minimum education/certification requirements as outlined in implementation of any Evidence Based or Promising Practice.
- d. The Contractor will make all attempts to hire culturally competent staff based on the demographics of the community for which the Service Coordinator/Case Manager is working.

All other terms and conditions remain in full force and effect.

IN WITNESS THEREOF, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Office  
Department of Health and Human Services

DATE: 12/16/2010

FOR CONTRACTOR:

  
\_\_\_\_\_  
Signature

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

DATE: 12/14/10

**SERVICE DELIVERY AND SERVICE COORDINATION CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT FIVE, OCTOBER 2010**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated November 20, 2009 is hereby amended as follows:

Article II. CONSIDERATION A. is amended to read:

DHHS agrees to pay the Contractor the total amount of state and federal dollars not to exceed \$37,968,792.36 from November 01, 2009 through June 30, 2011 for the services and activities specified herein. Financial consideration for each subsequent State's fiscal year beginning July 1, 2011 until June 30, 2014, will be set based upon factors which may include but are not limited to State or Federal appropriation, number of children and families to be served, and/or change in State or Federal requirements.

Article II. CONSIDERATION B. #10. is added to read:

10. Notwithstanding Article II. B, 1 through 9 above. One million eight hundred ninety thousand dollars will be paid as follows: Payments will be made in the following manner: Six hundred thirty thousand dollars will be paid during each of the months of October, November, and December 2010 by the 15th day of each month.

Article III. SCOPE OF SERVICES. C. is added to read:

C. Joint Responsibility - DHHS and the Contractor agree to jointly:

1. Develop specific strategies and targeted improvements no later than October 31, 2010 to obtain timely permanency for children, and decrease the frequency and duration of out of home and congregate placements and increase the utilization of children and families served in the family

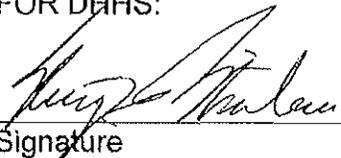
home. When non-medically necessary treatment is ordered by the court, the parties will work together to identify alternatives for the court's consideration.

2. No later than October 31, 2010, and on a quarterly basis thereafter, review and revise program and financial outcomes, objectives and strategies that will fundamentally reform the child welfare/juvenile services system to more quickly achieve enhanced safety, permanency and well being outcomes. Targeted outcomes will be specified for November and December 2010 and then January, February, and March 2011 and then quarterly thereafter.
3. Starting October 12, 2010 and monthly thereafter, identify and explore outcomes, objectives and strategies for mutual efficiency, effectiveness and accountability that will result in financial stability and improved service delivery on both a short and long term basis. The parties will collaborate on ways to maximize federal funding such as IV-E.
4. The parties will endeavor to develop a sustainable reform model in which the contractor is responsible for ongoing case management functions as allowable by statute and defined and agreed upon by both parties to be implemented no later than January 1, 2011.
5. Monitor progress on items 1 through 4 through an oversight committee comprised of DHHS and each of the Lead Contractors. The Committee will assess the impact of the efforts identified in items 1 through 4 on overall progress and identify future needs and strategies for the success of the Reform.

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

FOR CONTRACTOR:

  
\_\_\_\_\_  
Signature

B. Wayne Sims  
CEO  
KVC Behavioral Health Care  
Nebraska, Inc.

DATE: 10/14/2010

DATE: 10/14/10

AB#  
1881165

41448-04

**SERVICE DELIVERY AND SERVICE COORDINATION CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT FOUR, JULY 2010**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. **CONSIDERATION B.** is amended to read:

B. For the period of November 1, 2009 through June 30, 2011, DHHS will pay the Contractor as follows:

1. **\$689,603.75 (Six hundred eighty nine thousand six hundred three dollars and seventy five cents)** on November 1, 2009 or on the date the contract is signed, whichever is later.
2. On or about the first of the month from December 1, 2009 through June 30, 2010, a total amount **\$689,603.75 (Six hundred eighty nine thousand six hundred three dollars and seventy five cents)** minus any payments made in the prior month for direct services paid through N-FOCUS as described in Article II. Section C.
3. **\$2,546,830.20 (Two million five hundred forty six thousand eight hundred thirty dollars and twenty cents)** on July 1, 2010 or on the date Amendment Three, July 2010 was executed.
4. **\$2,546,830.20 (Two million five hundred forty six thousand eight hundred thirty dollars and twenty cents)** on or about August 1, 2010.
5. **\$2,546,830.20 (Two million five hundred forty six thousand eight hundred thirty dollars and twenty cents)** on or about September 1, 2010.
6. DHHS will pay up to **\$1,910,122.65 (One million nine hundred ten thousand one hundred twenty two dollars and sixty five cents)** each month for services provided July 1, 2010 through June 30, 2011 upon submission of claims in compliance with Article II.

Section C. Any funds under this section for which payment has not been transmitted to the contractor will be available for future payment of claims at any point through June 30, 2011.

7. Payments made under provisions in Article II Sections B. 3. B.4. B.5. and B.6. will be reconciled to the total payment identified in Article II Section A. Payment will be made no later than June 30, 2011 for any remaining amount to equal the payment identified in Article II. Section A.
8. Upon request of the Contractor and approval by DHHS, DHHS will pay the Contractor any amounts accrued and unpaid as described in Article II. Section B.6. Approval will be determined after consideration of the following:
  - i. Timeliness as described in Article II. Section C. and accuracy of contractor billings to DHHS.
  - ii. Timeliness of contractor payments of accounts payable as described in Article II. Section C.
9. Monthly payment amount may be impacted by changes in State or Federal appropriations.

Article II. Consideration C. is amended to read:

Payment for direct services provided to children, youth and families will be made through N-FOCUS upon submittal of a claim by the Contractor for services specified herein using a format prescribed by DHHS. The Contractor will submit a schedule of rates for services provided under this contract. DHHS must approve the rates for services prior to contract start date. The Contractor may adjust the rates upon written approval of DHHS. The Contractor shall submit a claim for all services provided, except Service Coordination activities. The Contractor shall submit a claim for direct services at their discretion but no later than 90 days following the end of the month in which the service was provided, except in the instances of payment for treatment services denied by Medicaid/Magellan.

Article II. Consideration M. is amended to read:

- M. The contract is performance based with incentives and penalties based on identified outcomes. Penalty payments must be paid directly to DHHS within 60 days of the notice of the penalty unless held in abeyance. If penalty payment is not received within 60 days, all future payments to the Contractor will be withheld by DHHS until the penalty payment is received. Incentive payments will be made within 60 days after notice of verification of submitted data.

Article II. Consideration is amended to add:

- S. The Contractor shall make payment in full to the Sub-Contractor for all goods delivered or services rendered on or before the forty-fifth calendar day after the date of receipt by the Contractor of a bill meeting the

Contractor's requirements, as set forth in Contractor's written policy, protocol or contract terms with the Sub-Contractor.

Article II. CONSIDERATION P. is amended to read:

The Contractor is not responsible for payment of the following:

1. Services paid for by Medicaid, private insurance or alternative funding source;
2. Physical health care costs of children, youth and families who are not Medicaid Eligible;
3. Services funded by State Ward Education;
4. Cost of placement in the Youth Rehabilitation and Treatment Center at Kearney and Geneva or the Hastings Regional Center;
5. Cost of placement in a Nebraska Detention facility;
6. Adoption and Guardianship Subsidies
7. Maintenance payments for a wards child
8. State ward independent living maintenance payments
9. State patrol charge(s) for processing required criminal history checks of foster/adoptive parents.

Article III. SCOPE OF SERVICES A. 5. is deleted.

Article III. SCOPE OF SERVICES A. 15. b. is amended to read:

b. Contractor may not allow a sub-contractor to further sub-contract for services, other than foster family care, under this contract unless the subcontractor is also a lead contractor with DHHS for service coordination or upon written approval of the DHHS Service Area Administrator or designee.

Article III. SCOPE OF SERVICES A. 20 is amended to read:

Child Placement Practices:

- a. The Contractor agrees that a child or youth in need of out-of-home care will be placed in an appropriate approved or licensed home or licensed facility upon prior approval from DHHS.
- b. The Contractor agrees that DHHS Service Area Administrator or designee approval is required for placement of any child or youth covered under this contract with an employee of DHHS Division of Children and Family Services, Contractor or a subcontractor.
- c. All placements and the use of respite care must have prior approval by DHHS.

Article III. SCOPE OF SERVICES A. 23. d. is amended to read:

d. When the Contractor is providing testimony regarding children, youth or families under the contract, they are doing so as representatives of DHHS. If the Contractor and DHHS are in disagreement about a recommendation to be made to the court the Issue Resolution Process shall be followed as set forth in the Manual. If resolution cannot be reached DHHS will determine the recommendation to be presented to the court and will make

the court aware of the Contractor's position regarding that recommendation.

Article III. SCOPE OF SERVICES B. 1. f is amended to read:

- f. The Contractor will maintain its existing accreditation relevant to the services provided under the terms of this contract or provide to DHHS, by January 1, 2011, documentation that it is in the process of becoming accredited and shall be fully accredited no later than July 1, 2013.

Article III. SCOPE OF SERVICES B. 2. a. is amended to read:

2. Background Checks: The Contractor will ensure all background checks have been completed on all employees, interns, and volunteers if it is foreseeable that the individual may have contact with children, youth and families in the performance of this contract. This section is not applicable to foster family care. Requirements for foster family care are contained in licensing standards and policy.
  - a. Background checks will include a check of the following:
    1. State-wide criminal history check
    2. Sexual Offender Registry
    3. Child and Adult Abuse and Neglect Central Register/try
    4. State repository of driving records
    5. References
    6. Drug Test for Service Coordinator Supervisor, Service Coordinator and staff providing transportation to children, youth and families under this contract
    7. Google search or other appropriate search engines.

Article III. SCOPE OF SERVICES B. 2. b. is amended to read:

- b. In addition, for all employees, interns, and volunteers who have been employed or resided in Nebraska for less than five (5) years if it is foreseeable that the individual may have contact with children, youth and families in the performance of this Contract, the Contractor will also perform the following checks in the individual's prior states of employment or residence:
  1. Criminal history check for each state in which the individual resided or worked
  2. Sexual Offender Registry
  3. Child and Adult Abuse and Neglect Central Register/try
  4. State repository of driving records

If an individual's prior state of residence does not maintain a Sex Offender Registry, Child Abuse and Neglect Central Register, an Adult Abuse and Neglect Central Registry, or a similar registry, the Contractor shall complete criminal background checks in the cities, counties and states of previous employment or residence.

Article III. SCOPE OF SERVICES B. 17. is deleted.

The Manual as referenced in Article III. SCOPE OF SERVICES, paragraph A. 3. Is amended as attached dated 7/20/2010.

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

FOR CONTRACTOR:

  
Signature

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

DATE: 7/27/2010

DATE: 7/29/2010

AB#  
1881165

41448-04

**SERVICE DELIVERY AND SERVICE COORDINATION CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT THREE, JULY 2010**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. Consideration A. is amended to read:

- A. DHHS agrees to pay the Contractor the total amount of state and federal dollars not to exceed **\$36,078,792.36 (Thirty six million seventy eight thousand seven hundred ninety two dollars and thirty six cents)** from November 1, 2009 through June 30, 2011 for the services and activities specified herein. Financial consideration for each subsequent State's fiscal year beginning July 1, 2011 until June 30, 2014, will be set based upon factors which may include but are not limited to State or Federal appropriation, number of children and families to be served, and/or change in State or Federal requirements.

Article II. Consideration B. is amended to read:

3. On or about the first day of each month from July, 2010 thereafter, a total amount **\$2,546,830.20 (Two million five hundred forty six thousand eight hundred thirty dollars and twenty cents)** minus any payments made in the prior month for direct services paid through N-FOCUS as described in Article II. Section C. Monthly payment amount may be impacted by changes in State or Federal appropriations.

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

Jodd L Reukly for  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

DATE: 06/30/2010

FOR CONTRACTOR:

[Signature]  
Signature

B. Wayne Sims  
President/CEO KVC  
KVC Behavioral HealthCare  
Nebraska, Inc.

DATE: 7/2/10

AB#  
188/165

41448-04

**SERVICE DELIVERY AND SERVICE COORDINATION CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.  
FOR SOUTHEAST SERVICE AREA**

**AMENDMENT TWO, FEBRUARY 2010**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. Consideration P. 2. is amended to read:

2. Physical health care costs of children, youth and families who are not Medicaid Eligible; except as part of the Comprehensive Child and Adolescent Assessment (CCAA)

Article III. Scope of Services A. 15. b. is amended to read:

- b. Unless prior written approval by DHHS, the Contractor may not allow a sub-contractor to further sub-contract for services, other than foster family care, under this contract unless the sub-contractor is also a lead contractor with DHHS for service coordination. Requests for an exception shall be made in writing to the Service Area Contract Liaison along with supporting documentation from the Contractor as to why they believe that such exception is necessary. The Department shall respond to such requests within 10 business days.

The Manual as referenced in Article III. Scope of Services, paragraph A. 3. is amended as attached dated 2/16/10:

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

DATE: 2/26/10

FOR CONTRACTOR:

  
\_\_\_\_\_  
Signature

B. Wayne Sims  
President/CEO KVC  
KVC Behavioral HealthCare  
Nebraska, Inc.

DATE: 3/8/10

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**SERVICE DELIVERY AND SERVICE COORDINATION CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.**

**AMENDMENT ONE, DECEMBER 2009**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

The Contract between the parties dated October 30, 2009 is hereby amended as follows:

Article II. Consideration A. is amended to read:

- A. DHHS agrees to pay the Contractor the total amount of state and federal dollars not to exceed **\$15,732,281.00 (Fifteen million, seven hundred thirty two thousand, two hundred eighty one dollars and no cents)** from November 1, 2009 through June 30, 2011 for the services and activities specified herein. Financial consideration for each subsequent State's fiscal year beginning July 1, 2011 until June 30, 2014, will be set based upon factors which may include but are not limited to State or Federal appropriation, number of children and families to be served, and/or change in State or Federal requirements.

Article II. Consideration B. is amended to read:

- B. For the period of November 1, 2009 through June 30, 2011, DHHS will pay the Contractor as follows:
1. **\$689,603.75 (Six hundred eighty nine thousand, six hundred three dollars and seventy five cents)** on November 1, 2009 or on the date the contract is signed, whichever is later.
  2. On or about the first of the month from December 1, 2009 through June 30, 2010, a total amount **\$689,603.75 (Six hundred eighty nine thousand, six hundred three dollars and seventy five cents)** minus any payments made in the prior month for direct services paid through N-FOCUS as described in Article II. Section C.

3. On or about the first day of each month from July, 2010 thereafter, a total amount **\$851,287.58 (Eight hundred fifty one thousand, two hundred eighty seven dollars and fifty eight cents)** minus any payments made in the prior month for direct services paid through N-FOCUS as described in Article II. Section C. Monthly payment amount may be impacted by changes in State or Federal appropriations.

Article II. Consideration D. is amended to read:

- D. DHHS and Contractor agree that the total State contract amount for the period November 1, 2009 through June 30, 2010 represents an agreed upon budget amount for the State fiscal year (July 1, 2009 through June 30, 2010) minus an agreed upon estimated amount of funds necessary for DHHS to pay service claims received between July 1, 2009 and June 30, 2010, for direct services provided outside of this contract. In the event that the amount of claims paid by June 30, 2010 for direct services provided outside of this contract is less than the amount set aside to pay claims as defined above, DHHS will pay the Contractor **9.61%** of the remaining funds. In the event that the amount of claims paid by June 30, 2010 for direct services provided outside of this contract is more than the amount set aside to pay claims as defined above, Contractor will pay to DHHS **9.61%** of the shortfall not to exceed **\$1,141,781.00 (One million, one hundred forty one thousand, seven hundred eighty one dollars and no cents)**. Upon request of the Contractor said amount may be withheld from future payments to the Contractor.

Article II. Consideration E. is deleted:

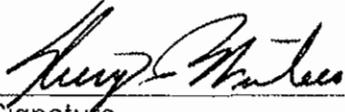
Article III. Scope of Services B.17. A. is amended to add:

7. In the event of contract termination, the Department's financial obligation to the contractor shall be limited to payment for services provided and previously approved by the Department pursuant to a case plan and court report, safety plan, or other written approval from the Department, using the method as described in Article II. B.

All other terms and conditions remain in full force and effect.

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

FOR THE DHHS:

  
\_\_\_\_\_  
Signature

Kerry T. Winterer  
Chief Executive Officer  
Department of Health and Human Services

FOR THE CONTRACTOR:

  
\_\_\_\_\_  
Signature

B. Wayne Sims  
President/CEO KVC  
KVC Behavioral Healthcare Nebraska, INC.

DATE: 1/26/10

DATE: 1/25/10

AB#  
188/165

46742-26  
11468-04

**SERVICE DELIVERY AND SERVICE COORDINATION CONTRACT**

**BETWEEN THE**

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF CHILDREN AND FAMILY SERVICES  
AND**

**KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.**

This contract is entered into by and between the Nebraska Department of Health and Human Services, **DIVISION OF CHILDREN AND FAMILY SERVICES** (hereinafter "DHHS"), and **KVC BEHAVIORAL HEALTHCARE NEBRASKA, INC.** (hereinafter "Contractor").

PURPOSE. To provide an individualized system of care for families and their children and youth who are wards of the State of Nebraska involved in the Child Welfare and Juvenile Services System or are non-court involved children and families involved in the Child Welfare System. Service and service coordination will be provided for families served throughout the **Southeast** Service Area.

**I. TERM AND TERMINATION**

- A. TERM. This contract is in effect from November 1, 2009 until June 30, 2014.
- B. TERMINATION. This contract may be terminated at any time upon mutual written consent or by either party for any reason upon submission of written notice to the other party at least Ninety (90) days prior to the effective date of termination. DHHS may also terminate this contract in accord with the provisions designated "FUNDING AVAILABILITY" and "BREACH OF CONTRACT." In the event either party terminates this contract, the Contractor shall provide to DHHS all work in progress, work completed, and materials provided to it by DHHS in connection with this contract immediately.

**II. CONSIDERATION**

- A. DHHS agrees to pay the Contractor the total amount of state and federal dollars not to exceed **\$14,747,492.82 (Fourteen million seven hundred forty seven thousand four hundred ninety two dollars and 82 cents)** from November 1, 2009 through June 30, 2011 for the services and activities specified herein. Financial consideration for each subsequent State's fiscal year beginning July 1, 2011 until June 30, 2014, will be set based upon factors which may include but are not limited to State or Federal appropriation, number of children and families to be served, and/or change in State or Federal requirements.

- B. For the period November 1, 2009 through June 30, 2011, DHHS will pay the Contractor as follows:
1. **\$546,881.13 (Five hundred forty six thousand eight hundred eighty one dollars and 13 cents)** on November 1, 2009 or on the date the contract is signed, whichever is later.
  2. On or about the first of the month from December 1, 2009 through June 30, 2010, a total amount **\$546,881.13 (Five hundred forty six thousand eight hundred eighty one dollars and 13 cents)** minus any payments made in the prior month for direct services paid through N-FOCUS as described in Article II. Section C.
  3. On or about the first day of each month from July, 2010 thereafter, a total amount **\$864,370.00 (Eight hundred sixty four thousand three hundred seventy dollars and no cents)** minus any payments made in the prior month for direct services paid through N-FOCUS as described in Article II. Section C. Monthly payment amount may be impacted by changes in State or Federal appropriations.
- C. Payment for direct services provided to children, youth and families will be made through N-FOCUS upon submittal of a billing by the Contractor for services specified herein using a format prescribed by DHHS. The Contractor will submit a schedule of rates for services provided under this contract. DHHS must approve the rates for services prior to contract start date. The Contractor may adjust the rates upon written approval of DHHS. The Contractor agrees to bill for all services provided, except Service Coordination activities. The Contractor shall submit bills for direct services no later than 90 days following the end of the month in which the service was provided, except in the instances of payment for treatment services denied by Medicaid/Magellan.
- D. In the event this contract is terminated or upon expiration of this contract, DHHS agrees to pay the Contractor an amount not to exceed **\$864,370.00 (Eight hundred sixty four thousand three hundred seventy dollars and no cents)** for appropriate accrued but unpaid service coordination and direct service costs.
- E. DHHS and Contractor agree that the total State contract amount for the period November 1, 2009 through June 30, 2010 represents an agreed upon budget amount for the State fiscal year (July 1, 2009 through June 30, 2010) minus an agreed upon estimated amount of funds necessary for DHHS to pay service claims received between July 1, 2009 and June 30, 2010, for direct services provided outside of this contract. In the event that the amount of claims paid by June 1, 2010 for direct services provided outside of this contract is less than the amount set aside to pay claims as defined above, DHHS will pay the Contractor **9.61%** of the remaining funds.
- F. The method of payment structure and review for each subsequent State's fiscal year beginning July 1, 2011 until June 30, 2014, will be determined prior to the beginning of each state fiscal year remaining of the contract.

- G. The Contractor agrees that DHHS will maintain responsibility to assure that funds expended within this contract are identified for use as matching funds to secure Federal funding. The Contractor and Department agree that amendments to the Contract may be made to assure availability of funds required as matching funds to access Federal funds.
- H. The Contractor must track and report quarterly and annually its federal and state expenditures, including administrative costs, in a format provided by DHHS.
- I. The Contractor is required to conform to the federal agency codifications of the grants management common rule accessible on the Internet at [http://www.whitehouse.gov/omb/grants\\_default/](http://www.whitehouse.gov/omb/grants_default/) for expenditure of federal funds.
- J. All payment from DHHS to the Contractor will be made electronically.
- K. The Contractor is responsible for any and all costs associated with the production and delivery of reports. No charges for reports may be submitted under the terms of this Contract without prior approval and agreement of DHHS.
- L. Payment Errors - Should either party hereto discover payment errors those errors will be communicated immediately to the other party by written notice. Both parties hereto shall work in good faith to correct all errors by the next billing cycle after receipt of notice.
- M. The contract is performance based with incentives and penalties based on identified outcomes. Penalty payments must be paid directly to DHHS within 60 days of the notice of the penalty. If penalty payment is not received within 60 days, all future payments to the Contractor will be withheld by DHHS until the penalty payment is received. Incentive payments will be made within 60 days after notice of verification of submitted data.
- N. DHHS will pay the state patrol charge(s) for processing required criminal history checks of foster/adoptive parents.
- O. If payment for a mental health or substance abuse treatment service is denied but the service is court ordered, the Contractor will be responsible for payment of the service.
- P. The Contractor is not responsible for payment of the following:
  - 1. Services paid for by Medicaid, private insurance or alternative funding source;
  - 2. Physical health care costs of children, youth and families who are not Medicaid Eligible;
  - 3. Services funded by State Ward Education;
  - 4. Cost of placement in the Youth Rehabilitation and Treatment Center at Kearney and Geneva or the Hastings Regional Center;

5. Cost of placement in a Nebraska Detention facility;
6. Adoption and Guardianship Subsidies
7. State patrol charge(s) for processing required criminal history checks of foster/adoptive parents.

Q. The Contractor agrees to follow all state and locally developed policies and protocols related to the authorization for the purchase of services for children, youth and families being served. This includes, but is not limited to accessing other payment sources prior to utilizing child welfare or juvenile services funds.

R. The Contractor specifically agrees that any bonus, gift, extra benefit, or other payment of funds beyond base pay or salary and the Contractor's normal employee benefit package provided to an employee, prospective employee, contractor or subcontractor to be paid from funds provided under this contract shall be approved by DHHS before the Contractor pays or commits to pay any such amount.

### III. SCOPE OF SERVICES

- A. Program Standards - The Contractor shall do the following :
1. Accept and serve all children, youth and families referred by DHHS. This is a no reject, no eject contract. Children and families who are served through this Contract may be court involved or non-court involved. Children, youth and families will be served unconditionally regardless of a child or family's diagnosis, history, presenting problems, family composition or behaviors.
  2. Abide by all policy requirements of Nebraska Administrative Code 390, 474 and 479; and applicable state and federal statutes and regulations; and any other applicable codes; applicable written policy directives and interpretations from or as directed by the Division of Children and Family Services.
  3. Comply with the published Operations Manual (hereinafter the Manual) which is an attachment to this Contract and incorporated herein. The Manual will describe in detail the parties' required operational duties during the entire contract period.
  4. Provide service coordination for treatment and non-treatment services for court involved and non-court involved children, youth and families as defined in the Manual.
  5. Provide non treatment services.
  6. Allow DHHS access to any and all information and data collected related to the performance of this contract.
  7. Abide by all National Youth in Transition Database (NYTD) requirements as outlined in the Manual incorporated herein.
  8. Guardianship Authority:
    - a. Notwithstanding any other provision of this Contract, the Contractor acknowledges that DHHS has legal guardianship of state wards served

under the terms of this Contract and, further, that such guardianship authority cannot be delegated to other parties.

- b. DHHS reserves the right to make all final determinations with regard to any and all services, placement and treatment decisions for state wards served under the terms of this Contract.
- c. All services in court involved cases will be in accordance with any orders issued by the court.

9. Complaints:

- a. The Contractor will maintain a clear written policy of how to lodge complaints. A copy of this policy will be provided to children, youth and families served under this contract.
- b. Complaints are an expression of verbal or written dissatisfaction that can include but are not limited to:
  1. Services
  2. Manner of treatment
  3. Outcomes
  4. Experience
- c. Within one business day, the Contractor will notify the Service Area Contract Liaison of any and all complaints received regarding the performance of this contract.
- d. The Contractor will respond to complaints related to the performance of this contract as directed by DHHS.
- e. If the complaint involves an issue related to a specific case, the Issue Resolution process as defined in the Manual will be used.

10. Incident Reports: The Contractor shall immediately report (verbally) to DHHS all significant events which will affect the youth's status (e.g., running away, aggressive behavior, suicidal ideation, minor illness that does not respond to treatment, major illness, accident, change in school status, etc).

- a. Critical Incident Report: The Contractor shall immediately report (verbally) to DHHS any critical incident. The term Critical incident includes, but is not limited to;
  1. Death of a child/youth resulting from abuse or neglect;
  2. Near fatality, life threatening condition or serious injury of a child/youth resulting from abuse or neglect;
  3. Suicide, or attempted suicide of a state ward or child/youth DHHS is involved with;
  4. Death of a state ward or child/youth DHHS is working with by other means, accidental or non-accidental;
  5. Death or non-accidental serious injury of a staff person while on the job;
  6. Allegations or arrests of a state ward or child/youth DHHS is involved with for serious illegal/criminal activity (i.e. homicide; manslaughter; near fatality of another person; sexual assault; assault – first or second degree; aggravated or armed robbery; etc,

7. Any other event that is highly concerning, poses potential liability, or is of emerging public interest;
8. Any other incident designated by the Division Director.
- b. The Contractor shall provide to DHHS a written report of the Critical Incident within 4 hours. The Contractor shall continue to provide information related to the Critical Incident as requested by DHHS.
- c. Other special reports may be requested by DHHS as mutually agreed upon by both parties.

11. Transportation Standards:

- a. The Contractor is responsible for providing all in-state and out-of-state transportation related to the Contractor's primary business of serving the needs of children, youth and families.
- b. The Contractor must follow all Department policies, rules and regulations and provisions contained in the Manual regarding transportation.
- c. The Contractor is responsible for ensuring that it complies with all applicable Public Service Commission regulations and requirements to the extent they apply to the Contractor's activities in the performance of this contract.
- d. The Contractor agrees to utilize an escort for all commercial transportation services utilized for children ages 12 and under or as needed for a youth ages 13 through 18.
- e. The Contractor will make reasonable efforts to maintain consistency in the individual driver(s) providing transportation and/or escort services for the child or youth.
- f. The Contractor is responsible for all secure transportation in compliance with Department requirements.

12. Licensing and Approval Requirements:

- a. All foster homes must be licensed or approved as defined in policy, rules or regulations. DHHS will issue the license and is responsible for all licensing actions.

13. Foster Parent Recruitment:

- a. The Contractor agrees to develop and implement a recruitment plan, and report quarterly on progress related to recruitment, utilization and retention of foster parents. The Contractor agrees to collaborate with DHHS in the development of the state wide recruitment plan.

14. Consent for Treatment:

- a. The Contractor does not have the authority to consent to medical care, mental health or substance abuse treatment. The Contractor will contact DHHS to obtain consent.

15. Sub-contractors:

- a. The Contractor will be held responsible for all acts and omissions related

to service delivery, as well as outcomes and specified terms in this contract.

- b. Contractor may not allow a sub-contractor to further sub-contract for services, other than foster family care, under this contract unless the sub-contractor is also a lead contractor with DHHS for service coordination.
- c. The Contractor will ensure that information retained by any sub-contractor meets State and Federal compliance requirements and will be available to DHHS upon request.
- d. The Contractor will ensure that sub-contractors meet all background check requirements outlined in Article III. Section B. 2. of this contract.

16. Safety Standards:

- a. The Contractor shall immediately report any suspected abuse or neglect concerns to DHHS Hotline (1-800-652-1999), or appropriate law enforcement agency, or 911 if an emergency, in addition to the assigned CFS Specialist or CFS Supervisor.
- b. Upon execution of this Contract, the Contractor will provide documentation of their protocol for reporting suspected abuse and neglect for staff in their employ and with any subcontractors. This documentation will be submitted to the Service Area Contract Liaison.

17. Referral Process:

- a. The Contractor will maintain a contact number to receive referrals 24 hours a day, seven days a week, and 365 days a year.
- b. The Contractor will develop a protocol with the Service Area regarding the referral process.
- c. In the event the Contractor believes there should be a deviation from the protocol, the Contractor will contact the Service Area Contract Liaison for resolution.

18. Service Coordination:

- a. The Contractor will coordinate all non-treatment and treatment services. This includes providing services to children, youth and families as well as coordinating all aspects of care, organization and planning for the children, youth and families.
- b. The Contractor will work collaboratively with the Administrative Service Organization (ASO) provider to coordinate Medicaid treatment services.
- c. The role and function of Service Coordination and the supervision of Service Coordination may not be sub-contracted by the Contractor. Service Coordinators and Supervisors of Service Coordinators must be direct employees of the Contractor.
- d. In the event the Contractor becomes aware of a conflict of interest, the Contractor must notify DHHS immediately. DHHS will determine how the conflict will be resolved.

19. Services:

- a. The Contractor will provide a complete continuum of non-treatment, non-Medicaid funded services, supports and placement resources to meet the needs of children, youth and families.
- b. The Contractor will be responsible to ensure that appropriate and timely mental health, behavioral health and substance abuse treatment services are provided to adult family members, children and youth.
- c. The Contractor agrees to follow all state and locally developed policies and protocols related to the authorization for the purchase of services to children, youth and families being served.

20. Child Placement Practices:

- a. The Contractor agrees that a child or youth in need of out-of-home care will be placed in an appropriate approved or licensed home or licensed facility upon prior approval from DHHS.
- b. The Contractor agrees that Department approval is required for placement of any child or youth covered under this contract with an employee of DHHS Division of Children and Family Services, Contractor or a sub-contractor. All placements and the use of respite care must have prior approval by DHHS.

21. Multi-Ethnic Placement Act, (MEPA):

- a. The Contractor agrees to comply with the MEPA, in making placements, arranging for placements, or doing home studies for foster or adoptive families.
- b. The Contractor further agrees that each staff person responsible for making placements, arranging for placements, or doing home studies for foster or adoptive families, will be trained upon hiring and annually thereafter regarding the requirements of MEPA.
- c. The Contractor agrees to make available to DHHS documentation of this training.
- d. DHHS agrees to provide the Contractor with a training outline to be used in the training. The Contractor is responsible for copies of materials.

22. Indian Child Welfare Act, (ICWA):

- a. The Contractor agrees to comply with the ICWA, in making placements, arranging for placements, or doing home studies for foster or adoptive families.
- b. The Contractor further agrees that each staff person responsible for making placements, arranging for placements, or doing home studies for foster or adoptive families, will be trained upon hiring and annually thereafter regarding the requirements of the ICWA.
- c. The Contractor agrees to make available to DHHS documentation of this training.

- d. DHHS agrees to provide the Contractor with a training outline to be used in the training. The Contractor is responsible for copies of materials.

23. Court Attendance and Court Requirements:

- a. The Contractor will comply with all court orders.
- b. The Contractor agrees that appropriate staff will be available to attend court hearings unless excused, and be prepared to effectively testify if requested.
- c. The Contractor will ensure that all children and youth attend court, unless otherwise directed by DHHS or the Court.
- d. When the Contractor is providing testimony regarding children, youth or families under the contract, they are doing so as representatives of DHHS. If the Contractor and DHHS are in disagreement about a recommendation to be made to the court the Issue Resolution Process shall be followed as set forth in the Manual. If resolution cannot be reached DHHS will determine the recommendation to be presented to the court and will make the court aware of the Contractor's position regarding that recommendation. .

24. Aftercare:

- a. The Contractor shall provide aftercare as defined in the Manual.

25. Independent Living

- a. The Contractor shall provide former wards with ongoing support or access to ongoing support provided by any federal programs designed to serve this population.

B. Administrative Standards - The Contractor shall do the following: .

1. Contract Requirements:

- a. Prior to or during this contract, the Contractor shall complete a Business Associates Agreement with DHHS as requested.
- b. Prior to or during this contract, the Contractor shall complete a Social Security Administration Access Agreement as requested.
- c. Prior to or during this contract, the Contractor shall complete all paperwork to request External Access to DHHS computer system. This includes initial and ongoing requests and documentation for each employee needing access to DHHS computer system.
- d. The Contractor agrees in order for DHHS to be compliant with the Statewide Automated Child Welfare Information System, (SACWIS), it will not operate a separate case management system that collects data regarding children or youth served through this Contract.
- e. The Contractor agrees to use DHHS Computer System (N-FOCUS) as the only authorized case management system to fulfill the terms and conditions of this contract.
- f. The Contractor will maintain its existing accreditation relevant to the services provided under the terms of this contract or provide to DHHS, by

January 1, 2010, documentation that it is in the process of becoming accredited and shall be fully accredited no later than July 1, 2012.

2. Background Checks: The Contractor will ensure a Local Law Enforcement, National Criminal History Check and background checks have been completed on all employees, interns, and volunteers if it is foreseeable that the individual may have contact with children, youth and families in the performance of this contract. This section is not applicable to foster family care. Requirements for foster family care are contained in licensing standards and policy.
  - a. Background checks will include a check of the following:
    1. Sexual Offender Registry
    2. Child and Adult Abuse and Neglect Central Register/try
    3. State repository of driving records
    4. References
    5. Drug Test for Service Coordinator Supervisor, Service Coordinator and staff providing transportation to children, youth and families under this contract
    6. Google search or other appropriate search engines
  - b. The Contractor will perform out-of-state background checks on all employees, interns, and volunteer who have resided in Nebraska for less than five (5) years if it is foreseeable that the individual may have contact with children, youth and families in the performance of this Contract. If an individual's prior state of residence does not maintain a Sex Offender Registry, Child Abuse and Neglect Central Register, an Adult Abuse and Neglect Central Registry, or a similar registry, the Contractor shall complete criminal background checks in the cities, counties and states of previous residence.
  - c. The Contractor will complete the initial background checks before the individual has direct contact with any youth.
    1. If a background check results in a record being identified, the Contractor shall not allow the individual to have direct contact with any youth.
    2. All required background checks must be current within two (2) years for each employee.
    3. All background check documentation shall be maintained in staff personnel records. This includes documentation requested and received from states other than Nebraska.
    4. If a background check results in a record being identified, the Contractor shall develop a process to review and determine if they want to request Department approval to hire an employee. Requests for an exception shall be made in writing to the Service Area Contract Liaison and will include the name and background information, along with supporting documentation from the Contractor as to why they believe that such person does not pose a threat to children or families. The Contractor shall utilize criteria set forth by DHHS. DHHS shall have 10 business days to respond to such a request. All documentation related to the

- process is maintained in the contractor's staff personnel records.
- d. This requirement must be completed on all existing employees within 30 days of the execution of this contract.
  - e. The Contractor will ensure that all subcontractors will complete all background checks on any employee, intern or volunteer if it is foreseeable that that individual may have direct contact with court and non-court involved children and their families during the course of providing direct services in performance with this Contract. Background checks shall be completed before the individual has direct contact with children and their families and every two (2) years thereafter.
  - f. The Contractor must make arrangements with a qualified professional for the purpose of conducting drug tests. The criteria listed below must be applied when drug tests are completed:
    1. The sample will be tested qualitatively for at least the following substances.
      - a. Amphetamines,
      - b. Cocaine metabolite,
      - c. Marijuana,
      - d. Opiates, and
      - e. Phencyclidine PCP.
    2. The contractor will submit to DHHS the agency's policies and procedures regarding the handling of positive initial screening results.
    3. The Contractor must comply with all state and federal laws requiring or allowing reporting of positive test results to professional licensing boards, regulatory bodies, or other appropriate oversight entities.
3. Hiring Standards:
- a. Service Coordinators and Service Coordinator Supervisors must have a minimum of a Bachelor's Degree.
  - b. Verification of the employee's college education must be maintained by the Contractor.
  - c. Providers of direct services must meet the minimum education/certification requirements as outlined in implementation of any Evidence Based or Promising Practice.
  - d. The Contractor will make all attempts to hire culturally competent staff based on the demographics of the community for which the Service Coordinator is working.
4. Laws Violations by Employees
- a. The Contractor is required to report within 24 hours to the Contract Liaison any arrest or convictions of an employee who may have contact with children, youth and families in the performance of this contract.
5. Required Reports: The Contractor agrees to prepare and submit reports as defined in the Manual.

6. Issue Resolution: In situations when the Contractor and Department are in disagreement, they will follow the Issue Resolution Process as set forth in the Manual.
7. Quality Assurance: The Contractor shall perform Quality Assurance pursuant to this contract. The Contractor shall work in collaboration with DHHS Quality Assurance and Contract Monitoring staff in monitoring and reporting activities. The Contractor will develop, implement and monitor improvement plans based on outcomes of quality assurance and contract monitoring results.
8. Information Systems:
  - a. The Contractor agrees that Department computer system access will only be granted to employees of the Contractor. Department computer system access will not be granted to sub-contractors or employees of sub-contractors.
  - b. The Contractor agrees that all information accessed, stored, or processed in DHHS computer systems N-FOCUS, MMIS, and CHARTS is the sole property of DHHS; Contractor employees are granted access to this information under the terms and conditions of this contract. All information collected and compiled by the contractor on behalf of DHHS under the terms and conditions defined in this contract is the sole property of DHHS and subject to all privacy and security safeguards defined by DHHS.
  - c. The Contractor agrees to access DHHS Computer Systems N-FOCUS, MMIS, and CHARTS data systems only through Department supplied CITRIX access and encryption technology.
  - d. The Contractor agrees that unique access log-on accounts into DHHS Computer Systems N-FOCUS, MMIS, and CHARTS data systems will be assigned to each individual and that the logon account may only be used by the individual to which it is originally assigned.
  - e. The Contractor agrees that they will assign a security administrator for all their sites with the duty and responsibility to immediately:
    1. Notify DHHS Help Desk when a Contract employee is terminated or leaves employment so the Help Desk may terminate the employees Citrix access and the Contractor agrees not to allow any other Contractor employee to use the log-on access of a terminated employee.
    2. Notify DHHS Help Desk when a new employee is hired including compiling and sending all necessary original documentation to DHHS. All documentation and necessary information must be received before the request for a new user log-on access will be accepted.

- f. The Contractor agrees to meet compliance requirements for all applicable State and Federal Physical, Administrative, and Electronic safeguard standards (as per safeguard publication listed below) and abide by Department Information Technology Policies that govern the appropriate use of, disclosure of, privacy of, and security of information provide by Department or complied by the Contractor on behalf of DHHS under the terms and conditions defined in this contract.
- Safeguard Publications
1. Health Insurance Portability Accountability Act of 1996 (HIPAA) Privacy Rule 45 CFR Part 160 and Subparts A and E of Part 164
  2. HIPAA –Security Rule 45 CFR Part 160 and Subparts A and C Part 164
  3. Internal Revenue Service (IRS) - Publication 1075
  4. Social Security Administration (SSA) - Computer Match Agreement
  5. DHHS Information Technology Policies
- g. The Contractor agrees that DHHS or any applicable State or Federal agency with jurisdiction (i.e. OCR, IRS, SSA, DHHS, or State Auditors Office) may conduct unannounced compliance inspections relating to the Physical, Administrative, and Electronic safeguards defined in the publications listed above.
- h. The Contractor understands that it will be held responsible for all criminal and civil penalties for actions of the Contractor or anyone in their employ as defined in the publications listed above.
- i. The Contractor agrees to immediately notify DHHS HIPAA Privacy/Security Office of any suspected loss of, theft of, inappropriate disclosure of, unauthorized access of, or destruction of and/or corruption of Departmental information obtained from Departmental computer systems and agrees to comply with incident reporting criteria as defined in their Business Associates Agreement and the publications listed in Article III. Section B. 6. f. above.
- j. The Contractor agrees to comply with the Financial Data Protection and Consumer Notification of Data Security Breach Act of 2006 §§ 87-801 through 807 any time there is a suspected loss of personal information as defined in the Revised Statute.
- k. The Contractor agrees that only Contractor owned and supported desktop workstations, laptop computers, or mobile wireless devices are permitted to access, process, or store Department information or access Department computer systems as defined under the terms of this contract.
- l. The Contractor agrees that all Department information stored, processed, emailed, or otherwise transmitted on mobile devices including laptop computers, will be encrypted at all times using Department approved technology.
- m. The Contractor agrees to immediately notify DHHS of any lost or stolen computer hardware that may have been used to access, process, or store Department information or Department computer systems.
- n. The Contractor is responsible for all computer hardware support, the movement of all computer equipment, any needed network support, server and LAN printer support and software installation and configuration.

- o. The Contractor will appoint a technology coordinator as the primary contact between the Contractor and DHHS to address IT related issues.
- p. The Contractor agrees it is their responsibility to provide necessary Internet connections to support Contractor employee access to Department computer systems via CITRIX.
- q. The Contractor is responsible for purchasing all hardware and software.
- r. The Contractor is responsible for upgrading equipment and software as necessary to continue to access required Department computer systems.
- s. Citrix: DHHS will provide 64 Citrix licenses for remote access to DHHS computer system.
- t. Database: DHHS will provide access to data contained within the State's information system.
- u. DHHS will receive and route production support calls regarding Department computer systems.
- v. The Contractor understands that remote office and home office work sites are permitted under the terms of this contract provided each location meets the compliance requirements as detailed in publications listed in Article III. Section B. 7. above. Department information may only be accessed from or stored on a Contractor owned and supported computer or electronic device at these locations. The Contractor agrees to ensure all communication transmissions from remote sites, including e-mail, use Department approved encryption technology.
- w. The Contractor agrees to ensure that reasonable and appropriate actions have been taken to ensure remote work sites meet compliance requirement and will perform and document annual physical site reviews for all remote office and home office locations. The site safeguard reviews will include inspection of physical, administrative, and electronic safeguards implemented at each location. Documentation will include any noted deficiencies, recommendations, and actions taken to address noted deficiencies. Site safeguard review documentation will be made available upon request to Department agents or other applicable compliance officers with jurisdiction (see Article III. Section B. 7. above).
- x. The Contractor agrees to insure Contractor employees take all appropriate physical and electronic safeguard precautions when accessing Department information from a remote worksite including home offices, client residences, hotel rooms, or any other public location.
- y. The Contractor understands that wireless laptops are permitted under the terms and conditions of this contract and agrees to implement policies that address the physical security of mobile devices, the risk of using unsecured wireless connections, and rules of behavior that govern the appropriate use and safeguards Contractor employees must take when using mobile devices outside Contractor office locations.

z. The Contractor must utilize either an assigned State of Nebraska domain Outlook email account or the State IronPort SecureMail system when e-mailing communication that may contain HIPPA defined electronic protected health information and/or any other private and confidential information defined by the Agency.

9. Tobacco Smoke Prohibited Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned, or leased, or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable Federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. The Contractor agrees to comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The Contractor agrees to prohibit smoking in any vehicle operated by its employees/staff when transporting children while providing services under this Contract.

10. Insurance

a. **INSURANCE COVERAGE AMOUNTS REQUIRED**

**1. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY**

Coverage A	Statutory
Coverage B	
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

**2. COMMERCIAL GENERAL LIABILITY**

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 any one person
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Fire Damage	\$50,000 any one fire
Medical Payments	\$5,000 any one person

**3. COMMERCIAL AUTOMOBILE LIABILITY**

Bodily Injury/Property Damage	\$1,000,000 combined single limit
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**4. UMBRELLA/EXCESS LIABILITY**

Over Primary Insurance	\$1,000,000 per occurrence
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**b. EVIDENCE OF COVERAGE**

The contractor should furnish DHHS with a certificate of insurance coverage complying with the above requirements. The certificates shall include the name of the company, policy numbers, effective dates, dates of expiration and amounts and types of coverage afforded. If the State is damaged by the failure of the Contractor to maintain such insurance, then the Contractor shall be responsible for all reasonable costs properly attributable thereto.

Notice of cancellation of any required insurance policy must be submitted to DHHS when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

11. Release of Identifying Information.

- a. No photographs or slides or other identifying information regarding a child or youth may be released for use on posters, in presentations, press releases, newsletters etc., without the written consent of DHHS and agreement of the parent, if parental rights are intact.

12. Professional Development/Training:

- a. Effective January 1, 2011, the Contractor shall provide Service Coordinator training as approved by DHHS, at no additional cost to DHHS.
- b. The Contractor agrees to assist DHHS with providing training and complete Train-the-Trainer activities prior to January 1, 2011.
- c. The Contractor agrees to work with DHHS in accessing Title IV-E funding to support the training costs of Contract staff.
- d. The Contractor shall provide training in the service area on evidence based and promising practice and family driven care concepts. Families and youth will be included in the planning and delivery of this training. The Contractor will coordinate with other Contractors to provide joint training.

13. Performance Outcomes and Accountability:

- a. The Contractor will be accountable for the Federal and State outcomes related to safety, permanency and well-being for children, youth and families. The Contractor shall work toward the achievement of the outcomes and service delivery requirements as identified in the Manual.
- b. DHHS will post the Contractor's Performance on DHHS website.

14. Program Improvement Plan:

- a. The Contractor agrees to work collaboratively with DHHS in order to meet the provisions identified in the current Federal Child, and Family Services

Review Program Improvement Plan for Nebraska.

15. Foster Care Review Board (FCRB):

- a. The Contractor agrees they are subject to and will comply with state law regarding the FCRB.

16. Ombudsman:

- a. The Contractor agrees they are subject to and will comply with state law regarding the Office of Public Council (Ombudsman).

17. Contingency Plan

In the event of a contract termination, unforeseen events requiring an immediate response or a large scale influx of children, youth and families this contingency plan process will be followed. The matrix below reflects the agreement of the contractors to expand their service delivery. The contractors agree to share equally in the financial and resource requirements of this plan.

Giving consideration to the contractors' priorities set forth in the matrix, DHHS will determine the expansion of contracts under this plan if required.

Upon written notice from DHHS the following contingency plan will be followed:

- A. Contract Termination: In the event a Contractor or DHHS provides notification of contract termination, the following process will occur:
  1. Notification by Contractor and or Department is given.
  2. The remaining Contractor(s), as defined in the Matrix, and DHHS will meet to develop a plan of action within 10 days of notification. This plan will include the distribution of the families being served, future assignment of families to agencies and a timeline. If an agreement is unable to be reached by the Contractors DHHS will have the final decision.
  3. Contractors will ensure that services are not disrupted with a focus on being able to transition human and other resources at the discretion of the expanding contractor(s).
  4. A non-bidding process will be utilized to amend contracts in accordance with this plan.
  5. The expanding Contractors commitment of resources will begin according to the terms of their contract amendment. The contractor that is discontinuing services will be responsible for its obligation under the terms of this contract.
  6. If funds remain from the contract that is being terminated they will be incorporated into the contract amendment(s). A monthly payment will be made upon the date the amended contract(s) is signed and on the first day of each subsequent month throughout the remainder of the contract.

- B. Unforeseen events requiring an immediate response:
1. DHHS will convene a conference call with all contractors as soon as possible to develop a plan of action. If an agreement is unable to be reached by the Contractors DHHS will have the final decision.
  2. Contractors will deploy necessary resources to assist and adhere to the Contractor's approved Disaster Management Plans.
  3. Contractors will ensure that service disruption is minimal.
- C. Large scale influx of children, youth and families
1. DHHS will convene a conference call with all Contractors as soon as possible to develop a plan of action.
  2. If an agreement is unable to be reached by the Contractors DHHS will have the final decision.
  3. Contractors will deploy necessary resources
  4. Contractors will ensure timely initiation of services.
  5. A non-bidding process may be utilized to add or amend contracts in accordance with this plan if needed.

### PLAN FOR EXPANSION AS NEEDED

<b>DHHS Service Area</b>	<b>Contractor</b>	<b>Contractor Willing to Expand WITHIN the Service Area</b>	<b>Contractor Willing to Expand TO This Service Area</b>
<b>Eastern</b>	KVC NFC Visinet	KVC NFC Visinet	Boys & Girls CEDARS
<b>Southeast</b>	CEDARS KVC Visinet	CEDARS KVC Visinet	TBA Boys & Girls NFC
<b>Central</b>	TBA Boys & Girls	TBA Boys & Girls	KVC NFC
<b>Western</b>	Boys & Girls	NA	TBA KVC
<b>Northern</b>	Boys & Girls	NA	KVC NFC Visinet

## IV. GENERAL PROVISIONS

### A. ACCESS TO RECORDS AND AUDIT RESPONSIBILITIES.

1. All Contractor books, records, and documents regardless of physical form, including data maintained in computer files or on magnetic, optical or other media, relating to work performed or monies received under this contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by DHHS. Contractor shall maintain all records for five (5) years from the date of final payment, except that records that fall under the provisions of the Health Insurance Portability and Accountability Act (HIPAA) shall be maintained for six (6) full years from the date of final payment. In addition to the foregoing retention periods, all records shall be maintained until all issues related to an audit, litigation or other action are resolved to the satisfaction of DHHS. All records shall be maintained in accordance with generally accepted business practices.
2. The Contractor shall provide DHHS any and all written communications received by the Contractor from an auditor related to Contractor's internal control over financial reporting requirements and communication with those charged with governance including those in compliance with or related to Statement of Auditing Standards (SAS) 112 *Communicating Internal Control related Matters Identified in an Audit* and SAS 114 *The Auditor's Communication with Those Charged With Governance*. The Contractor agrees to provide DHHS with a copy of all such written communications immediately upon receipt or instruct any auditor it employs to deliver copies of such written communications to DHHS at the same time copies are delivered to the Contractor, in which case the Contractor agrees to verify that DHHS has received a copy.
3. The Contractor shall immediately correct any material weakness or condition reported to DHHS in the course of an audit and notify DHHS that the corrections have been made.
4. In addition to, and in no way in limitation of any obligation in this contract, the Contractor shall be liable for audit exceptions, and shall return to DHHS all payments made under this contract for which an exception has been taken or which has been disallowed because of such an exception, upon demand from DHHS.

B. AMENDMENT. This contract may be modified only by written amendment executed by both parties. No alteration or variation of the terms and conditions of this contract shall be valid unless made in writing and signed by the parties.

C. ANTI-DISCRIMINATION. The Contractor shall comply with all applicable local, state and federal statutes and regulations regarding civil rights and equal opportunity employment, including Title VI of the Civil Rights Act of 1964; the Rehabilitation Act of 1973, Public Law 93-112; the Americans With Disabilities Act of 1990, Public Law 101-

336; and the Nebraska Fair Employment Practice Act, NEB. REV. STAT. §§ 48-1101 to 48-1125. Violation of said statutes and regulations will constitute a material breach of contract. The Contractor shall insert this provision in all subcontracts.

- D. ASSIGNMENT. The Contractor shall not assign or transfer any interest, rights, or duties under this contract to any person, firm, or corporation without prior written consent of DHHS. In the absence of such written consent, any assignment or attempt to assign shall constitute a breach of this contract.
- E. ASSURANCE. If DHHS in good faith, has reason to believe that the Contractor does not intend to, is unable to, or has refused to perform or continues to perform all material obligations under this contract, DHHS may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at DHHS's option, be the basis for terminating this contract.
- F. BREACH OF CONTRACT. DHHS may terminate the contract, in whole or in part, if the Contractor fails to perform its obligations under the contract in a timely and proper manner. DHHS may, by providing a written notice of default to the Contractor, allow the Contractor to cure a failure or breach of contract within a period of thirty (30) days or longer at DHHS's discretion considering the gravity and nature of the default. Said notice shall be delivered by Certified Mail, Return Receipt Requested or in person with proof of delivery. Allowing the Contractor time to cure a failure or breach of contract does not waive DHHS's right to immediately terminate the contract for the same or different contract breach which may occur at a different time. DHHS may, at its discretion, contract for any services required to complete this contract and hold the Contractor liable for any excess cost caused by Contractor's default. This provision shall not preclude the pursuit of other remedies for breach of contract as allowed by law.
- G. CONFIDENTIALITY. Any and all information gathered in the performance of this contract, either independently or through DHHS, shall be held in the strictest confidence and shall be released to no one other than DHHS without the prior written authorization of DHHS, provided, that contrary contract provisions set forth herein shall be deemed to be authorized exceptions to this general confidentiality provision. This provision shall survive termination of this contract.
- H. CONFLICTS OF INTEREST. In the performance of this contract, the Contractor shall avoid all conflicts of interest and all appearances of conflicts of interest. The Contractor shall immediately notify DHHS of any such instances encountered so that other arrangements can be made to complete the work.
- I. COST PRINCIPLES AND AUDIT REQUIREMENTS. The Contractor shall follow the applicable cost principles set forth in OMB Circular A-87 for State, Local and Indian Tribe Governments or A-122 for Non-Profit Organizations. Audit requirements are dependent on the total amount of federal funds received by the Contractor, set in the

table below and Attachment 1, Audit Requirement Certification. Audits must be prepared and issued by an independent certified public accountant licensed to practice. A copy of the annual financial review or audit is to be made electronically available or sent to: Nebraska Department of Health and Human Services, Financial Services, P.O. Box 95026, Lincoln, NE 68509-5026.

Amount of annual federal payments	Audit Type
Less than \$500,000	Audit that meets Government Auditing Standards
500,000 or more in federal payments	A-133 audit

- J. DATA OWNERSHIP AND COPYRIGHT. All data collected as a result of this project shall be the property of DHHS. The Contractor shall not copyright any of the copyrightable material produced in conjunction with the performance required under this contract without written consent from DHHS. DHHS hereby reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the copyrightable material for state government purposes. This provision shall survive termination of this contract.
  
- K. DEBARMENT, SUSPENSION OR DECLARED INELIGIBLE. The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
  
- L. DOCUMENTS INCORPORATED BY REFERENCE. All references in this contract to laws, rules, regulations, guidelines, directives, and attachments which set forth standards and procedures to be followed by the Contractor in discharging its obligations under this contract shall be deemed incorporated by reference and made a part of this contract with the same force and effect as if set forth in full text, herein.
  
- M. DRUG-FREE WORKPLACE. Contractor certifies that it maintains a drug-free workplace environment to ensure worker safety and workplace integrity. Contractor shall provide a copy of its drug-free workplace policy at any time upon request by DHHS.
  
- N. FEDERAL FINANCIAL ASSISTANCE. The Contractor shall comply with all applicable provisions of 45 C.F.R. §§ 87.1-87.2. The Contractor shall not use direct federal financial assistance to engage in inherently religious activities, such as worship, religious instruction, and/or proselytization.
  
- O. FORCE MAJEURE. Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under this contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of this contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. Upon such notice, all obligations of the affected party under this contract which are reasonably related to the Force Majeure Event shall be suspended,

and the affected party shall do everything reasonably necessary to resume performance as soon as possible. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under this contract.

P. FUNDING AVAILABILITY. DHHS may terminate the contract, in whole or in part, in the event funding is no longer available. Should funds not be appropriated, DHHS may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. DHHS shall give the Contractor written notice thirty (30) days prior to the effective date of any termination. The Contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Contractor be paid for a loss of anticipated profit.

Q. GOVERNING LAW. The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against DHHS or the State of Nebraska regarding this contract shall be brought in Nebraska administrative or judicial forums as defined by Nebraska State law. The Contractor shall comply with all Nebraska statutory and regulatory law.

R. HOLD HARMLESS.

1. The Contractor shall defend, indemnify, hold, and save harmless the State of Nebraska and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State of Nebraska, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Contractor, its employees, subcontractors, consultants, representatives, and agents, except to the extent such Contractor liability is attenuated by any action of the State of Nebraska which directly and proximately contributed to the claims.

2. DHHS's liability is limited to the extent provided by the Nebraska Tort Claims Act, the Nebraska Contract Claims Act, the Nebraska Miscellaneous Claims Act, and any other applicable provisions of law. DHHS does not assume liability for the action of its Contractors.

S. INDEPENDENT CONTRACTOR. The Contractor is an Independent Contractor and neither it nor any of its employees shall for any purpose be deemed employees of DHHS. The Contractor shall employ and direct such personnel as it requires to perform its obligations under this contract, exercise full authority over its personnel, and comply with all workers' compensation, employer's liability and other federal, state, county, and municipal laws, ordinances, rules and regulations required of an employer providing services as contemplated by this contract.

T. INVOICES. Invoices for payments submitted by the Contractor shall contain sufficient detail to support payment. Any terms and conditions included in the Contractor's invoice shall be deemed to be solely for the convenience of the parties.

U. INTEGRATION. This written contract represents the entire agreement between the parties, and any prior or contemporaneous representations, promises, or statements by the parties, that are not incorporated herein, shall not serve to vary or contradict the terms set forth in this contract.

V. LOBBYING.

1. No Federal appropriated funds shall be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract or (a) the awarding of any Federal agreement; (b) the making of any Federal grant; (c) the entering into of any cooperative agreement; and (d) the extension, continuation, renewal, amendment, or modification of any Federal agreement, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this contract, the Contractor shall complete and submit Federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

W. NEBRASKA NONRESIDENT INCOME TAX WITHHOLDING. Contractor acknowledges that Nebraska law requires DHHS to withhold Nebraska income tax if payments for personal services are made in excess of six hundred dollars (\$600) to any contractor who is not domiciled in Nebraska or has not maintained a permanent place of business or residence in Nebraska for a period of at least six months. This provision applies to individuals, to a corporation if 80% or more of the voting stock of the corporation is held by the shareholders who are performing personal services, and to a partnership or limited liability company if 80% or more of the capital interest or profits interest of the partnership or limited liability company is held by the partners or members who are performing personal services.

The parties agree, when applicable, to properly complete the Nebraska Department of Revenue Nebraska Withholding Certificate for Nonresident Individuals Form W-4NA or its successor. The form is available at:

[http://www.revenue.ne.gov/tax/current/f\\_w-4na.pdf](http://www.revenue.ne.gov/tax/current/f_w-4na.pdf) or  
[http://www.revenue.ne.gov/tax/current/fill-in/f\\_w-4na.pdf](http://www.revenue.ne.gov/tax/current/fill-in/f_w-4na.pdf)

X. NEBRASKA TECHNOLOGY ACCESS STANDARDS.

The Contractor shall review the Nebraska Technology Access Standards, found at <http://www.nitc.state.ne.us/standards/accessibility/tacfinal.html> and ensure that

products and/or services provided under the Contract comply with the applicable standards. In the event such standards change during the Contractor's performance, the State may create an amendment to the Contract to request that Contract comply with the changed standard at a cost mutually acceptable to the parties.

Y. NEW EMPLOYEE WORK ELIGIBILITY STATUS . The Contractor shall use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. § 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at [www.das.state.ne.us](http://www.das.state.ne.us).
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the U.S. Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by NEB. REV. STAT. § 4-108.

Z. PROMPT PAYMENT. Payment shall be made in conjunction with the State of Nebraska Prompt Payment Act, NEB. REV. STAT. §§ 81-2401 through 81-2408. Unless otherwise provided herein, payment shall be made by electronic means.

ACH Enrollment Form Requirements for Payment

"It is the responsibility of the vendor to complete and sign the State of Nebraska ACH Enrollment Form and to obtain the necessary information and signatures from their financial institution. The completed form must be submitted before payments to the vendor can be made."

Download ACH Form:

[http://www.das.state.ne.us/accounting/nis/address\\_book\\_info.htm](http://www.das.state.ne.us/accounting/nis/address_book_info.htm)

AA. PUBLIC BENEFITS ELIGIBILITY STATUS. Pursuant to NEB. REV. STAT. §§ 4-108 through 4-114, DHHS shall obtain attestations and SAVE verifications as necessary

when a public benefit is provided through this contract. The Contractor agrees to cooperate with DHHS as necessary for compliance.

- BB. PUBLIC COUNSEL. In the event Contractor provides health and human services to individuals on behalf of DHHS under the terms of this contract, Contractor shall submit to the jurisdiction of the Public Counsel under NEB. REV. STAT. §§ 81-8,240 through 81-8,254 with respect to the provision of services under this contract. This clause shall not apply to contracts between DHHS and long-term care facilities subject to the jurisdiction of the state long-term care ombudsman pursuant to the Long-Term Care Ombudsman Act.
- CC. RESEARCH. The Contractor shall not engage in research utilizing the information obtained through the performance of this contract without the express written consent of DHHS. The term "research" shall mean the investigation, analysis, or review of information, other than aggregate statistical information, which is used for purposes unconnected with this contract.
- DD. SEVERABILITY. If any term or condition of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this contract did not contain the particular provision held to be invalid.
- EE. SUBCONTRACTORS. The Contractor shall not subcontract any portion of this contract without prior written consent of DHHS. The Contractor shall ensure that all subcontractors comply with all requirements of this contract and applicable federal, state, county and municipal laws, ordinances, rules and regulations.
- FF. TIME IS OF THE ESSENCE. Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by DHHS shall not waive any rights of DHHS nor constitute a waiver of the requirement of timely performance of any obligations on the part of the Contractor remaining to be performed.

NOTICES. Notices shall be in writing and shall be effective upon receipt. Written notices, including all reports and other written communications required by this contract shall be sent to the following addresses:

FOR DHHS:

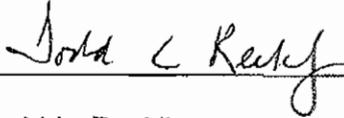
Jeff Schmidt  
Department of Health and Human Services  
1050 N Street, Suite 350  
Gold's Building  
Lincoln, NE 68508  
402-471-5328

FOR CONTRACTOR:

Sandra Gasca-Gonzalez, President  
KVC Behavioral HealthCare Nebraska, Inc.  
21350 West 153<sup>rd</sup> Street  
Olathe, KS 66061  
913-322-4901

**IN WITNESS THEREOF**, the parties have duly executed this contract hereto, and each party acknowledges the receipt of a duly executed copy of this contract with original signatures.

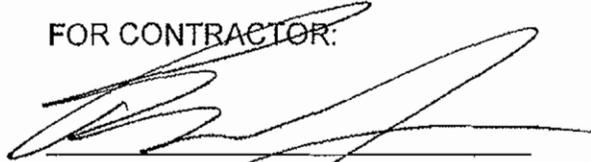
FOR DHHS:

  
\_\_\_\_\_

Todd L. Reckling  
Director  
Department of Health and Human Services  
Division of Children and Family Services

DATE: 10/28/2009

FOR CONTRACTOR:

  
\_\_\_\_\_

B. Wayne Sims  
~~President/CEO~~ Chair/CEO  
~~KVC Behavioral HealthCare, Inc.~~  
KVC Behavioral HealthCare Nebraska, Inc.

DATE: 10/30/09

**NEBRASKA DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
*Foster Care Program under Title IV-E*  
*Promoting Safe and Stable Families*  
*Independent Living Program*  
**AUDIT REQUIREMENT CERTIFICATION**

*Subgrantees and certain contractors receiving funds from the Nebraska Department of Health and Human Services are required to complete this document. Reference to the Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, in this document is "Circular A-133".*

**Grant Name** Foster Care Program under Title IV-E **Grant #** 0901NE1401 **CFDA\*#** 93.658  
**Grant Name** Promoting Safe and Stable Families **Grant #** G-0901NEFPSS **CFDA\*#** 93.556  
**Grant Name** Independent Living Program **Grant #** G-0901NE1420 **CFDA\*#** 93.674

\*(Catalog of Federal Domestic Assistance)

**Contractor's Name** KVC Behavioral HealthCare Nebraska, Inc.

**Address:** 21350 West 153rd Street

**City:** Olathe **State:** KS **Zip Code:** 66061

**Federal Tax Identification Number (FTIN)** 27-0408957

**Contractor's Fiscal Year** July 1, 20 09 **to** June 30 , 20 10

All written communications from the Certified Public Accountant (CPA) engaged under #1 or #2 below, given to the contractor including those in compliance with or related to Statement of Auditing Standards (SAS) 112 *Communicating Internal Control related Matters Identified in an Audit* and SAS 114 *The Auditor's Communication with Those Charged With Governance* must be provided by the contractor to the Nebraska Department of Health and Human Services immediately upon receipt, unless the contractor has directed the CPA to provide the copy directly to the Department and has verified this has occurred.

Check either 1 or 2 and complete the signature block on page 2:

1.  As the contractor named above, we expect to expend less than \$500,000 from all Federal Financial Assistance sources, not just the grant named above, and including commodities in our current fiscal year. Therefore, we are not subject to the audit requirements of Circular A-133.

We are, however, responsible for engaging a licensed Certified Public Accountant (CPA) to conduct and prepare either, a review (expenditures less than \$75,000) or audit report (expenditures \$75,000-\$499,999) of our organization's financial statements and a report issued by the CPA. We acknowledge the audit must be completed no later than nine months after the end of our organization's current fiscal year. A copy of the report must be submitted to the Nebraska Department of Health and Human Services address as shown

below within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period.

2.  As the contractor named above; we expect to expend \$500,000 or more from all Federal Financial Assistance sources, not just the grant named above, and including commodities in our current fiscal year. Therefore we are subject to the single audit requirements of Circular A-133.

We will engage a licensed Certified Public Accountant to conduct and prepare the audit of our organization's financial statements and components of the single audit pertaining to those financial statements. We acknowledge the audit must be completed no later than nine months after the end of our current fiscal year.

We further acknowledge, as the contractor, that a single audit performed in accordance with Circular A-133 must be submitted to the Federal Audit Clearinghouse. The reporting package, as evidence the audit was completed must contain:

- The contractor's financial statements,
- a schedule of Expenditure of Federal Awards,
- a Summary Schedule of Prior Audit Findings (if applicable),
- a corrective action plan (if applicable) and
- the auditor's report(s) which includes an opinion on this contractor's financial statements and Schedule of Expenditures of Federal Awards, a report on this contractor's internal control, a report on this contractor's compliance and a Schedule of Findings and Questioned Costs.

We further acknowledge the auditor and this contractor must complete and submit with the reporting package a *Data Collection Form for Reporting on Audits of States, Local Governments and Non-Profit Organizations* (SF-SAC).

We further acknowledge a copy of this subgrantee's financial statements, auditor's report and SF-SAC must be submitted, at the time these documents are submitted to the Federal Audit Clearinghouse, to the:

Nebraska Department of Health and Human Services  
Financial Services  
Grants and Cost Management  
P.O. Box 95026  
Lincoln, NE 68509-5026

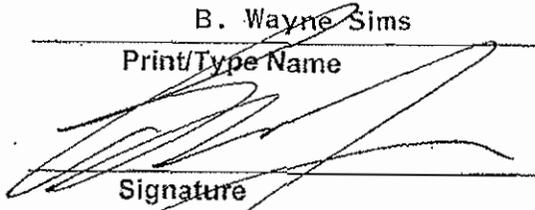
or the Contractor must notify the Department when the reporting package becomes available and provide the Department with access to an electronic version of its annual audit and financial report. Notification of availability will be sent to the Nebraska Department of Health and Human Services, Financial Services, Grant and Cost Management in a format similar to the following:

The Contractor's latest A-133 Audit is now available for your use at:  
<http://www>.

The Contractor's financial report is available at:  
<http://www>

The foregoing submissions or notification and electronic access to the annual audit and financial report must be made within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period.

B. Wayne Sims  
Print/Type Name

  
Signature

October 30, 2009  
Date

Chair/CEO  
Print/Type Title

913-322-4900  
Telephone Number