

**INTEGRATED CARE COORDINATION UNIT CONTRACT**

**BETWEEN THE**

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

**AND**

**REGION 3**

**AMENDMENT JULY 2009**

This contract is entered into by and between the Nebraska Department of Health and Human Services, Division of Children and Family Services (hereinafter the "Department"), and Region 3 (hereinafter the "Contractor").

The Contract between the parties dated July 1, 2008 is hereby amended as follows:

Article IV. A. Term is amended to read:

A. TERM. This contract is in effect from July 1, 2009 until December 31, 2009.

**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 DEPARTMENT:

  
\_\_\_\_\_  
Signature

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

DATE: 5/5/09

FOR THE CONTRACTOR:

  
\_\_\_\_\_  
Signature

Director  
Region 3

DATE: 5-11-09

**INTEGRATED COORDINATED CARE COORDINATION CONTRACT  
BETWEEN THE**

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

**AND**

**REGION 3 BEHAVIORAL HEALTH SERVICES**

This contract is entered into by and between the Nebraska Department of Health and Human Services Division of Children and Family Services, Child Welfare Section and Office of Juvenile Services (hereinafter the "Department"), and **Region 3 Behavioral Health Services** (hereinafter the "Contractor") located at PO Box 2555, Kearney, NE 68848.

**PURPOSE:** The purpose of this Agreement is to bring together funding agencies, families, service providers, and community representatives to provide an individualized system of care for families and their children who are wards of the State of Nebraska in the in the Central Service Area and who reside in Adams, Blaine, Buffalo, Clay, Custer, Franklin, Garfield, Greeley, Hall, Hamilton, Harlan, Howard, Kearney, Loup, Merrick, Nuckolls, Phelps, Sherman, Valley, Webster and Wheeler Counties, to achieve outcomes of safety, permanency, and well being. The system of care shall include: an assessment of service needs across systems, a review of system-wide service utilization patterns, the promotion of individualized care based on the unique strengths and needs of each child and family; that is family-centered, culturally competent, and that integrates the service delivery system. The published Integrated Care Coordination Operations Manual (hereinafter the Manual) is a supplement to this Agreement. The Manual will be operational during the entire contract period unless otherwise terminated as described in Article I.

**I. TERM AND TERMINATION**

**TERM.** This contract is in effect from July 1, 2008 until June 30, 2009.

**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 30 (Thirty) days prior to the effective date of termination. The Department may also terminate this contract in accord with the provisions designated "AVAILABILITY OF FUNDING" and "BREACH OF CONTRACT." In the event either party terminates this contract, the Contractor shall provide to the Department all work in progress, work completed, and materials provided to it by the Department in connection with this contract immediately.

**II. CONSIDERATION**

- A. The Department agrees to pay the Contractor the total amount not to exceed **\$3,164,810** for the services specified herein.
- B. The Department agrees to pay the Contractor a rate in the amount of **\$1,193** for each month for each assigned state ward under this contract. The case management rate payment begins on the first day of service by the ICCU and will not be paid on the last day of service by the ICCU.
- C. The Department reserves the right to withhold payment until required reports are received.
- D. The Department may request that payment be made electronically instead of by State

- E. warrant.
- F. The Contractor is responsible for any and all costs associated with the production and delivery of reports. No other charges may be submitted under the terms of this Agreement without prior approval and agreement of the Department.
- G. The Contractor must register with the Administrative Service Organization (ASO) in order to receive payment for services.
- H. Payment Errors - Should either the 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.

### **III. SCOPE OF SERVICES**

The Contractor agrees that for valuable consideration provided by the Department, the Contractor will provide an individualized system of care that supports the following concepts:

Children and families deserve continuity of service delivery because they have complex and multiple needs that cut across traditional health and human services areas such as, mental health, substance abuse, child welfare, juvenile justice, and developmental disabilities.

Care Coordination combines an assessment and treatment planning process that utilizes the Family Centered Practice approach. At the center of this program is the Care Coordinator, who works in full partnership with each child and their family.

The program is strength-based, family centered, and acknowledges families as equal partners. It promotes utilization of the least restrictive, least intrusive, developmentally appropriate interventions in accordance with the strengths and needs of the family within the most normalized environment.

An integrated approach to service delivery can benefit children and families with multiple and complex needs. Care Coordination utilizes specific methods for moving toward an integrated system of care by developing referral sources, collaborative working relationships, and integration and coordination with families, communities, and public and private child serving systems. The mix, intensity, duration, and location of services and supports are individually tailored to meet the unique needs of each youth and their family.

The Care Coordination program is based upon the Family Centered Practice approach to service delivery that is strength-based, needs driven, and outcome focused. Where services and supports to the family are flexible, individualized and unconditional. The Care Coordinator assists the family in building a Family Team that consists of individuals who know the family best and are willing to help the child and family achieve the identified outcomes by developing strategies that are built on individual strengths. The Family Team utilizes the natural support system of family in their neighborhood and community.

The Family Team creates the case plan that includes the permanency objective and outcomes that focus on safety for the child and community. The Family Team supports the implementation of the case plan and inspires unconditional commitment to the child and family. The Team also identifies and implements informal supports that will be important to the success of the family long after formal services are no longer provided. Informal services and supports are utilized to support the child and family in the

community.

A key component of the ICCU is the collaborative effort of the Department, the Contractor and the Family Organization to provide an individualized system of care to children and their families who are involved in the Protection and Safety system. These three entities are responsible to ensure outcomes are achieved through a collaborative partnership focusing on respected and shared decision making that encompasses the principles of Family Centered Practice.

There are components of the system of care that can be utilized to support all children who are wards of the Department, one of those being Quality Assurance and Utilization Management. Through the development of the system of care the Contractor shall assist the Department in the development and implementation of a Utilization Management structure that supports all children who are wards of the Department for consultation and case review as outlined in the Manual

**A. PROGRAM STANDARDS.**

1. Population. The Contractor agrees to accept and serve children that are identified for enrollment into the ICCU. Children who are served by the ICCU will be state wards of the Department and under the jurisdiction of the county or juvenile court in the identified counties within the Service Area.
2. Assignment of Children.
  - a. The Contractor agrees to provide Integrated Care Coordination for a monthly average of **221** identified state ward families not to exceed **2,652** annually.
  - b. State wards being served will meet the enrollment criteria as outlined in the Manual. The Contractor agrees to serve all state wards and their families who are enrolled in the ICCU. This acceptance and continuing commitment to serve and protect is unconditional regardless of a child or family's diagnosis, history, presenting problems or behaviors, unless the child's characteristics do not meet the criteria set forth in the enrollment criteria as outlined in the Manual.
  - c. The Contractor understands and agrees that the maximum number of identified families, to be served under this Agreement, may be increased from time-to-time, provided that both the Department and the Contractor consent to the increase by written amendment to this Agreement.
3. The Contractor agrees to:
  - a. Abide by all policy requirements of Nebraska Administrative Code 390, 474 and 479 and related policy guidebooks; applicable state and federal statutes; applicable written policy directives and interpretations from the Director of the Department or his/her designee, the Service Area Administrator, Protection and Safety Administrator of the Service Area in which the ICCU is located, and Administrators from the Department's Central Office.
  - b. Provide care coordination and services for state wards and their families as defined in the Manual.
  - c. Abide by all provisions and updates of the Manual.
  - d. Exclusively use the Computer Information Systems utilized by the Department for case recording and documentation.
  - e. Allow the Department access to data on all state wards and their families served by the ICCU, which is either collected by the Contractor or any entity that the Contractor contracts with to collect data.
  - f. Guardianship Authority: Notwithstanding any other provision of this Agreement,

the parties hereby agree and acknowledge that the Department has legal guardianship of state wards served under the terms of this Agreement and, further, that such guardianship authority cannot be delegated to other parties. Therefore, the Department reserves the right to make all final determinations with regard to any and all service, placement and treatment decisions for state wards served under the terms of this Agreement. The Department and the Contractor further agree and acknowledge that all services provided hereunder will be in accordance with any court orders that provide any specific conditions or requirements pertaining to placement, treatment, visitation or other case specific matters.

- g. Safety Standards: The Department may remove a child from the ICCU immediately upon written notice for: alleged child abuse and neglect, or other causes determined by the Department to be in the best interest of the child. The Contractor shall report any suspected abuse or neglect concerns to the Department's Hotline, 1-800-652-1999.
- h. Transportation Standards: The Contractor agrees to provide and use safety belts and child safety restraints for all passengers in accordance with Nebraska State Statutes.

**B. ADMINISTRATIVE STANDARDS.**

1. Family Involvement:

- a. The Contractor agrees to collaborate and contract with a minimum of one (1) Family Organization within the Contractor that will provide resources to assist families through individual family advocacy, parent-to-parent support, family support groups, outreach, evaluation, information dissemination, and quality assurance.
- b. The Contractor agrees to have the Family Organization participate in the administrative and management decisions in regards to the ICCU. The Contractor agrees that all subcontracts with Family Organizations shall contain a background check provision, which requires background checks for all employees, interns and volunteers if it is foreseeable that that individual may have contact with state wards and their families. Initial background checks shall be completed before the individual has direct contact with state wards and their families. Background checks shall be completed as described in the Manual.

2. Required Reports:

- a. Quarterly Financial: The Contractor agrees to prepare and submit a quarterly financial report to the Department, in a format approved by the Department. The report shall be submitted to the Service Area Administrator and the ICCU Administrator or Designee. The report shall be submitted to the Department within forty-five (45) calendar days after the end of the State Fiscal Quarter. The State Fiscal Quarters are July through September, October through December, January through March, and April through June. The report shall include a breakdown of all expenses incurred for direct and indirect costs of operation against all payments received.
- b. Annual Report: The Contractor agrees to prepare and submit to the Department an annual report of the previous year, based on the State Fiscal Year. The State Fiscal Year is July 1 through June 30. The report shall include the information that is outlined in the Manual and be submitted in a format approved by the Department. The report shall be submitted to the Department's ICCU Administrator or designee within sixty (60) calendar days after the end of the

State Fiscal Year. Prior to publication of the annual report it shall be reviewed and approved by the Department's ICCU Administrator or designee.

- c. Semi-Annual Report: The Contractor agrees to prepare and submit to the Department a semi-annual report that covers the first six (6) months of the State Fiscal Year. The time period shall be from July 1 through December 31. The report shall include the information that is outlined in the Manual and be submitted in a format approved by the Department. The report shall be submitted to the Department's ICCU Administrator or designee within forty-five (45) calendar days after December 31. Prior to publication of the annual report it shall be reviewed and approved by the Department's ICCU Administrator or designee.
- d. The Contractor agrees to provide any other reports as requested by the Department or as outlined in the Manual.

3. Staffing

- a. The Contractor agrees to employ Supervisors for Care Coordinators and Care Coordinators for the ICCU, and to ensure a ratio of no more than 1 Supervisor to 8 Care Coordinators, as mutually agreed upon by the Department and the Contractor.
- b. The ratio for Supervisors will be no more than eighty (80) percent Contractor employees to no less than twenty (20) percent Department employees. The Supervisor ratio will be mutually agreed up by the Department and the Contractor.
- c. The ratio for Care Coordinators will be no more than eighty (80) percent Contractor employees to no less than twenty (20) percent Department employees. The Care Coordinator ratio will be mutually agreed upon by the Department and the Contractor.
- d. The Contractor agrees to employ at a minimum of one (1) full-time support staff person.
- e. The Department agrees to commit one (1) full-time support staff person.
- f. Any exception to the staffing requirements is outlined in the Manual.

4. Office Space/Equipment

- a. The Department agrees to provide office space for DHHS staff and Contractor staff assigned to DHHS premises, as mutually agreed upon between the Contractor and the Department. Nothing in this provision shall be construed as creating an employer-employee relationship between Department employees and the Contractor, or Contractor employees and the Department.
- b. The Contractor agrees to provide office space for DHHS staff and Contractor staff assigned to the ICCU, as mutually agreed upon between the Contractor and the Department. Nothing in this provision shall be construed as creating an employer-employee relationship between Department employees and the Contractor, or Contractor employees and the Department.
- c. The Contractor and the Department agree to provide all necessary equipment (excluding computer hardware, software and licenses), and supplies for staff assigned to the ICCU, as mutually agreed upon by the Department and the Contractor.
- d. The Contractor agrees to purchase any and all appropriate computer hardware, software, and licenses for Contractor employees in the ICCU. The hardware and software must be compatible with the Department's Information Management System and support ICCU staff in carrying out the daily functions of the work in regards to this Agreement. All necessary upgrades must be made by the Contractor to maintain compatibility with the Department's Information Management System.

- e. The Department agrees to provide all necessary computer hardware, software and licenses for Department employees in the ICCU.
  - f. The Contractor shall be responsible for the proper care and custody of any State-owned property which is furnished, by the Department, for the Contractor's use during the performance of this Agreement. This excludes items purchased by the Contractor. The Contractor shall reimburse the State for any loss or damage of such property, except for normal wear and tear. Upon termination or non-renewal of this Agreement, the Contractor shall return all state-owned property within thirty (30) days of notice of termination or non-renewal.
  - g. The Department shall be responsible for proper care and custody of any Contractor-owned property which is furnished, by the Contractor, for the Department's use during the performance of the Agreement. This excludes items purchased by the Department. The Department shall reimburse the Contractor for any loss or damage of such property, except for normal wear and tear.
5. Staff/Case Ratio
- a. The Contractor agrees to serve the families of the identified state wards at a staff ratio that does not exceed 1 Care Coordinator to 10 families (1:10) throughout the term of this Agreement. The Contractor further understands and agrees that the Care Coordinator-to-Family ratio may extend to 1:12 for each Care Coordinator when the Care Management Team identifies at least two cases that will close within sixty (60) days of assuming the higher 1:12 ratio. Exceptions to the staff/case ratio are outlined in the Manual.
6. Pre-employment Screening
- a. The Contractor agrees to complete the following pre-employment screening for any employee who is working in the ICCU.
    - (1) Nebraska State Patrol Sexual Offender Registry
    - (2) The Nebraska Child Abuse and Neglect Central Register
    - (3) The Nebraska Adult Abuse and Neglect Central Register
    - (4) Department of Motor Vehicles
    - (5) References
    - (6) Justice System
    - (7) Bureau of Prisons
    - (8) Nebraska Department of Corrections
    - (9) Google, only required when hiring for Supervisor positions
    - (10) Local Law Enforcement
    - (11) Nebraska State Patrol Criminal History Check
    - (12) Drug Test, only required when hiring for Supervisor or Care Coordinator positions
    - (13) College Transcripts, only required when hiring for Supervisor or Care Coordinator positions
  - b. The Contractor shall complete the background checks before the individual has direct contact with state wards and their families.
  - c. The Contractor agrees to perform out-of state background checks on all newly hired employees who have resided in Nebraska for less than two (2) years. The Contractor shall complete the initial background checks before the individual has direct contact with state wards and their families. If the individual's prior state of residence does not maintain a: Sexual Offender Registry; Child Abuse and Neglect Central Register; an Adult Abuse and Neglect Central Register, or any such similar registry, the Contractor must complete a state and local criminal background check.

- d. The background checks have been defined in the Manual.
7. Background checks for Interns and Volunteers: The Contractor agrees to complete background checks on any intern or volunteer if it is foreseeable that that individual may have contact with state wards and their families during the course of providing direct services in performance with this Agreement. Background checks shall be completed before the individual has direct contact with state wards and their families. Background checks shall be completed as defined in the Manual.
8. Conflict Resolution: Should the Contractor have any concerns with the provision of care and subsequent reimbursement, the Contractor shall initiate a communication with the Department's ICCU Administrator or designee to assist with resolution.
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 Agreement.
10. Insurance
- a. The Contractor shall maintain the following types of insurance for the duties performed under this Agreement:
- (1) General liability;
  - (2) Workers Compensation, as required by Nebraska law;
  - (3) Automobile, both non-owned and hired car;
  - (4) Professional liability;
  - (5) Errors and omissions;
  - (6) Premises and property; and with prior approval of the Department, the Contractor may satisfy the above requirements by maintaining business owner and commercial automobile policies.
- The Contractor must provide the Department's ICCU Administrator or designee with copies of certificates of insurance for the above mentioned insurance coverage within thirty (30) days of execution of this Agreement. Notice of cancellation of any insurance policies must be submitted immediately to the Department's ICCU Administrator or designee, along with evidence that the Contractor has obtained replacement coverage for the canceled policy(s), to ensure that there is not a break in coverage. The Contractor shall ensure that staff transporting state wards and their families have a current, valid driver's license, and the minimum liability insurance required by law.
11. Release of Identifying Information. No photographs or slides or other identifying

information regarding a child may be released for use on posters, in presentations, press releases, newsletters etc., without the written consent of the Department and agreement of the parent, if parental rights are intact.

**12. Administrative Services Organization:**

- a. The Contractor shall cooperate and collaborate with the Departments Administrative Service Organization (ASO) provider.
- b. The Contractor shall register as a Contract provider with the ASO.
- c. The Contractor shall submit requested data to the ASO provider related to Quality Assurance and Utilization Management.
- d. The Contractor shall work with the Department and the ASO to determine data needs, quality assurance processes and utilization management criteria.

**13. Training**

- a. The Contractor agrees to provide Family Centered Practice training as approved by the Department, for all Care Coordinators and Supervisors of Care Coordinators assigned to the Integrated Care Coordination Units. Any training will involve the Department as outlined in the Manual.
- b. The Department agrees to provide New Worker Protection and Safety training to Care Coordinators who are part of the Integrated Care Coordination Units.
- c. The Contractor agrees to adhere to the ongoing training requirements as outlined in the Manual.

**14. Performance Accountability:** The Contractor agrees be held accountable for the services they provide. The Contractor shall work toward the achievement of the following CFSR Outcomes as well as the employee performance standards outlined in the Manual.

- a. **Outcome: Absence Maltreatment Recurrence**
  - (1) 94.6% or more of all children who were victims of abuse or neglect during the first 6 months of the reporting year, the percent that were *not victims* of another maltreatment within a 6 months period.
- b. **Outcome: Absence of Child Abuse and/or Neglect in Foster Care (12 months)**
  - (1) 99.68% of all children who were in foster care during the reporting year, the percent that were *not victims* of maltreatment by a foster parent or facility staff member.
- c. **Outcome: Timeliness and Permanency of Reunification [national standard 122.6 or higher].**
  - (1) 75.2% of all children discharged from foster care to reunification who had been in foster care for 8 days or longer, the percent that met either of the following criteria: (1) the child was reunified in less than 12 months from the date of the latest removal from the home, or (2) the child was placed in a trial home visit within 11 months of the date of the latest removal and the child's last placement prior to discharge to reunification was the trial home visit.
  - (2) 5.4 months or less is the median length of stay in months from the date of the most recent entry into foster care until either of the following: (1) the date of discharge to reunification; or (2) the date of placement in a trial home visit that exceeded 30 days and was the last placement setting prior to discharge to reunification for of all children discharged from foster care to reunification who had been in foster care for 8 days of longer.
  - (3) 48.4% or more of all children entering foster care in the second 6 months of the year who remained in foster care for 8 days or longer, the percent who met either of the following criteria: (1) the child was reunified in less than 12

months from the date of entry into foster care, or (2) the child was placed in a trial home visit in less than 11 months from the date of entry into foster care and the trial home visit was the last placement setting prior to discharge to reunification

- (4) 9.9% or less of all children discharged from foster care to reunification in the year prior to the reporting year, the percent that re-entered foster care in less than 12 months from discharge from a prior episode.

d. **Outcome: Timeliness of Adoption [national standard: 106.4 or higher].**

- (1) 36.6% or more of all children who were discharged from foster care to a finalized adoption during the year, the percent that were discharged in less than 24 months from the date of the latest removal from the home.
- (2) 27.3 months or less of all children who were discharged from foster care to a finalized adoption, the median length of stay in foster care (in months) from the date of removal from the home to the date of discharge to adoption.
- (3) 22.7% or more of all children in foster care on the first day of the year who were in foster care for 17 continuous months or longer, the percent that was discharged from foster care to a finalized adoption before the end of the fiscal year.
- (4) 10.9% or more of all children in foster care on the first day of the year who were in foster care for 17 continuous months or longer, the percent that became legally free for adoption within 6 months from the beginning of the reporting year.
- (5) 53.7% or more of all children who became legally free for adoption in the prior reporting year, what percent was discharged from foster care to a finalized adoption in less than 12 months.

e. **Outcome: Permanency for Children and Youth in Foster Care for Long Periods of Time [national standard: 121.7 or higher].**

- (1) 29.1% or more of all children in foster care for 24 months or longer on the first day of the reporting year shown, the percent that were discharged to a permanent home prior to their 18th birthday and by the end of the reporting year. A permanent home is defined as having a discharge reason of adoption, guardianship or reunification.
- (2) 98% or more of all children who were discharged from foster care in the year shown, and who were legally free for adoption at time of discharge, (there was a parental rights termination date reported to AFCARS for both mother and father), the percent that were discharged to a permanent home prior to their 18th birthday? A permanent home is defined as having a discharge reason of adoption, guardianship, or reunification.
- (3) 37.5% or less of all children who, during the year shown, either (1) were discharged from foster care prior to age 18 with a discharge reason of emancipation, or (2) reached their 18th birthday while in foster care, the percent that were in foster care for 3 years or longer.

f. **Outcome: Placement Stability [national standard: 101.5 or higher]**

- (1) 86% or more of all children served in foster care during the 12 months target period that were in foster care for at least 8 days but less than 12 months, the percent that had two or fewer placement settings.
- (2) 65.4% or more of all children served in foster care during the 12 month target period that were in foster care for at least 12 months but less than 24 months, the percent that had two or fewer placement settings.
- (3) 41.8% or more of all children served in foster care during the 12 month target period that were in foster care for at least 24 months, the percent that had two

or fewer placement settings.

**C. FISCAL STANDARD.**

1. Risk Pool.
  - a. The Contractor shall maintain the current Risk Pool.
  - b. Funds in the Risk Pool may only be use to pay for services provided to children and families for which approved direct service expenditures to children and families exceed the revenue received from the Department for SFY2008.
  - c. Remaining funds in the Risk Pool will remain in an account and shall not be used for any other purpose until such time the Department approves additional expenditures.
2. Operating Reserve
  - a. The Contractor shall continually maintain an Operating Reserve utilizing unused operations revenue provided under the scope of this contract. The costs to be considered in calculating the average operating costs are:
    - (1) staff costs including salaries, benefits, and employment taxes;
    - (2) travel costs; and
    - (3) capital outlays and any other operating costs associated with the Contractors performance under this Agreement.
  - b. The funds in the Operating Reserve shall only be used to cover:
    - (1) delays in receipt of payment from the Department,
    - (2) any outstanding bills incurred by the Contractor in the performance of its obligations under this Agreement, or
    - (3) to pay any final bills if this Agreement is not renewed or is terminated for any reason.
3. The Department agrees to purchase all necessary direct services for identified state wards including:
  - a. Services to assist a state ward or family in achievement of their case plan;
  - b. Services funded by Medicaid;
  - c. Services funded by State Ward Education;
  - d. Services provided by a Youth Rehabilitation and Treatment Center or a Regional Center; and
  - e. Adoption and Guardianship Subsidies.
4. The Contractor agrees to utilize the State's Child Welfare Computer System (N-FOCUS) to authorize services for state wards from state contracted providers Payment for said services shall comply with the payment structure negotiated between the Department and state contracted providers, including but not limited to, provider rate increases or decreases. State contracted provider means a provider of child welfare and juvenile justice services who has a contract, in effect, with the Department.
5. The Contractor agrees to follow all state and locally developed policies and protocols related to the authorization and purchase of services to children and families being served. This includes, but is not limited to services that do not have a current contract with the Department and accessing other payment sources prior to utilizing child welfare funds.
6. The Contractor agrees to establish and maintain a separate financial account for all business transacted under this Agreement which is separate from all other Contractor accounts and is used solely for the services performed under this Agreement.
7. The Contractor agrees to provide the Department with an independent annual

Financial CPA Audit report (hereinafter Audit Report) that includes the revenue and expenses incurred under this Agreement. The audit will be done annually based on the State Fiscal Year. The Audit Report must be submitted to the ICCU Administrator or designee and Service Area Administrator by March 31<sup>st</sup> of each year following the end of each state fiscal year covered by this Agreement. (i.e., for fiscal year July 1, 2006, through June 30, 2007, the Audit Report will be due by March 31, 2008. For fiscal year July 1, 2007, through June 30, 2008, the Audit report will be due by March 31, 2009). A copy of the independent annual Financial CPA Audit that is required by the Division of Behavioral Health will meet the requirement as outlined above. If a more in-depth financial audit is required, the Department may name an auditor to conduct an additional financial audit of the ICCU accounts at the Contractor's expense.

8. Payment Errors

- a. Should either the 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.

**IV. DEPARTMENT RESPONSIBILITIES**

All Department responsibilities are described within Article III – Scope of Services.

**V. GENERAL PROVISIONS**

A. ACCESS TO RECORDS AND AUDIT LIABILITY.

1. All Contractor books, records, and documents regardless of physical form, and 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 the Department. These records shall be maintained as follows: all records shall be maintained for five (5) years from the date of final payment and records that fall under the provision of 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 the Department. All records shall be maintained in accordance with generally accepted accounting principles.
2. The Contractor agrees to provide the Department 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 *Communication Internal Control related Matters Identified in an Audit* and SAS 114 *The Auditor's Communication with Those Charged With Governance*. The communications immediately upon receipt or instruct any auditor it employs to deliver copies of such written communications to the Department at the same time copies are delivered to the Contractor, in which case the Contractor agrees to verify that the Department has received a copy.
3. The Contractor agrees to immediately correct any material weakness or condition

reported to the Department in the course of an audit and notify the Department that the corrections have been made.

4. In addition to, and in no way in limitation of any obligation in this contract, the Contractor agrees that it will be held liable for audit exceptions, and shall return to the Department 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 the Department.
- B. AMENDMENT. This Contract may be modified only by written amendment, duly 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 hereto. Every amendment shall specify the date on which its provisions shall be effective.
- C. ASSIGNMENT. The Contractor agrees not to assign or transfer any interest, rights, or duties under this contract to any person, firm, or corporation without prior written consent of the Department. In the absence of such written consent, any assignment or attempt to assign shall constitute a breach of this contract.
- D. AVAILABILITY OF FUNDING. Due to possible future reductions in appropriations, the Department cannot guarantee the continued availability of funding for this contract notwithstanding the consideration stated above. In the event funds to finance this contract become unavailable either in full or in part due to such reductions in appropriations, the Department may terminate this contract or reduce the consideration upon notice in writing to the Contractor. The Department shall be the final authority as to the availability of funds. The effective date of such contract termination or reduction in consideration shall be specified in the notice as the date of service of said notice or the actual effective date of the funding reduction, whichever is later. Provided, that reductions shall not apply to payments made for services satisfactorily completed prior to said effective date. In the event of a reduction in consideration, the Contractor may terminate this contract as of the effective date of the reduction upon the provision of advance written notice to the Department.
- E. BREACH OF CONTRACT.
1. Should the Contractor breach this contract, the Department may, at its discretion, terminate this contract immediately upon written notice to the Contractor or delay, reduce, withhold or require repayment of funds paid to the Contractor and allow the Contractor twenty (20) days in which to cure said breach. The Department shall pay the Contractor only for such performance as has been properly completed and is of use to the Department. This provision shall not preclude the pursuit of other remedies for breach of contract as allowed by law.
  2. The waiver by the Department of a breach of any provision of this contract by Contractor shall not operate or be construed as a waiver of any subsequent breach by Contractor. No waiver shall be valid unless in writing and signed by the party.
- F. CONFIDENTIALITY. The Contractor agrees that any and all information gathered in the performance of this contract, either independently or through the Department, shall be held in the strictest confidence and shall be released to no one other than the Department without the prior written authorization of the Department, 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.

- G. CONFLICTS OF INTEREST. In the performance of this contract, the Contractor agrees to avoid all conflicts of interest and all appearances of conflicts of interest; the Contractor will notify the Department of any such instances encountered in the course of his/her work so that other arrangements can be made to complete the work.
- H. DATA OWNERSHIP AND COPYRIGHT. All data collected as a result of this project shall be the property of the Department. The Contractor may copyright any of the copyrightable material produced in conjunction with the performance required under this contract. The Department 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.
- I. DEBARMENT, SUSPENSION OR DECLARED INELIGIBLE. The Contractor certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- J. 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.
- K. DRUG FREE WORKPLACE. The Contractor hereby assures Department that it will operate a drug-free workplace in accordance with State guidelines and has implemented a drug-free workplace policy, which is available to the Department on request.
- L. FEDERAL FINANCIAL ASSISTANCE. The Contractor agrees that its performance under this contract will comply with all applicable provisions of 45 C.F.R. §§87.1-87.2. The Contractor further agrees that it shall not use direct federal financial assistance to engage in inherently religious activities, such as worship, religious instruction, and /or proselytization.
- M. 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 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.
- N. GOVERNING LAW: This contract shall be subject to, governed by, and construed according to the laws of the State of Nebraska, without regard to principles of conflict of laws.

O. HOLD HARMLESS.

1. The Contractor agrees to assume all risk of loss and hold the Department, its employees, agents, assignees and legal representatives harmless from all liabilities, demands, claims, suits, losses, damages, causes of action, fines, or judgments and expenses incident thereto, for injuries to persons and for loss of, damages to, or destruction of property arising out of or in connection with either party's performance under this contract and proximately caused by the negligent or intentional acts or omission of the Contractor, its officers, employees, assignees, or agents.
2. The Department's liability is limited to the extent provided by the Nebraska Tort Claims Act, the Nebraska Contract Claims Act, and the Nebraska Miscellaneous Claims Act; and any other applicable provisions of law. The Department does not assume liability for the action of its Contractors.

P. INDEPENDENT CONTRACTOR. The Contractor is an Independent Contractor and neither it nor any of its employees shall for any purpose be deemed employees of the Department. 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.

Q. 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.

R. NEBRASKA TECHNOLOGY ACCESS STANDARDS. The Contractor shall review the Nebraska Access Technology Standards found at <http://www.nitc.state.ne.us/standards/accessibility> 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.

S. LOBBYING

1. If the Contractor receives federal funds through the Department, for full or partial payment under this Contract, then no Federal appropriated funds will 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

- T. NON-DISCRIMINATION: The Contractor agrees to comply fully with Title VI of the Civil Rights Act of 1964, as amended; the Rehabilitation Act of 1973, Public Law 93-112, as amended; the Americans With Disabilities Act of 1990, Public Law 101-336; and the Nebraska Fair Employment Practice Act, as amended, in that there shall be no discrimination against any employee who is employed in the performance of this contract, or against any applicant for such employment, because of age, color, national origin, ancestry, race, religion, creed, disability, sex or marital status. This provision shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor agrees that no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity of the Contractor. The Contractor further agrees to insert similar provisions in all sub-contracts for services allowed under this contract under any program or activity.
- U. PROMPT PAYMENT. Payment will be made in conjunction with the State of Nebraska Prompt Payment Act. The Department may request that payment be made electronically instead of by State warrant.
- V. PUBLIC COUNSEL. In the event the Contractor provides health and human services to individuals on behalf of the Department 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 the Department and long-term care facilities subject to the jurisdiction of the state long-term care ombudsman pursuant to the Long-Term Care Ombudsman Act.
- W. RESEARCH. The Contractor may not engage in research utilizing the information obtained through the performance of this contract without the express written consent of the Department. 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.
- X. 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.
- Y. SUB-CONTRACTOR. The Contractor agrees that before sub-contractors shall be utilized in the performance of this contract, the Department must give written approval. If the Contractor subcontracts a portion of the work involved in this contract, it shall ensure that the subcontractor complies 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.
- Z. NEBRASKA NONRESIDENT INCOME TAX WITHHOLDING. If this contract contemplates personal services by an individual who is not a resident of the state of

Region 3

Nebraska at any time during the taxable year or personal services performed by an individual with control (more than 50% ownership) of a nonresident corporation, Nebraska law requires that payments made under this contract are subject to Nebraska income tax withholding and such withholding may affect the amount of payment under this contract. In such cases, the parties agree 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 2-4na.pdf> or <http://www.revenue.ne.gov/tax/current/fill-in/f 2-4na.pdf>.

**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 THE DEPARTMENT:

Sherri Haber, CQI Administrator  
Children and Family Services Policy Section  
301 Centennial Mall South  
Lincoln, NE 68509  
402-471-7989

FOR THE CONTRACTOR:

Name: Beth Baxter  
Organization: Region 3 Behavioral Health Services  
Address: PO Box 2555  
City, State, Zip: Kearney, NE 68848  
Phone: 308-237-5113, ext 222

**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 DEPARTMENT:

By: Todd A. Landry  
Todd A. Landry, Director  
Division of Children and Family Services  
Department of Health and Human Services  
Date: 6/25/08

FOR THE CONTRACTOR:

BY: Beth Baxter  
Title: Regional Administrator  
Name Printed: Beth Baxter  
Date: 7-3-08