

**AAPS FUNDED PROVIDER
ADDENDUM TO VALUEOPTIONS OF KANSAS
FACILITY AGREEMENT**

SRS has contracted with ValueOptions of Kansas, Inc. (hereinafter referred to as “**ValueOptions**”) to administer contracts for addiction services. This Addendum incorporates SRS requirements for such contracts.

This document contains all requirements imposed on Provider by ValueOptions, whether by statute, regulation or within the contract document itself and are referred to as the Terms and Conditions. The terms of the award may include both standard and special provisions, appearing in each Notice of Award, that are considered necessary to attain the objectives of the contract, facilitate post-award administration of the award, conserve funds or otherwise protect ValueOptions and SRS interests.

In consideration of the mutual promises, covenants, and agreements contained herein, the parties agree that Provider shall furnish and deliver all the supplies, and perform all the services as set forth in this Addendum, for the consideration stated therein. The rights and obligations of the Parties to this contract shall be subject to and governed by this Addendum, the Contractual Provisions Attachment, and other documents or specifications attached hereto or referenced herein.

This Addendum supersedes any and all prior agreements of the parties, whether written or oral, concerning the subject matter hereof.

This Addendum shall not be varied in its terms or conditions by any oral agreement or representation, or otherwise than by an instrument in writing of even or subsequent date thereto, properly executed by both Provider and ValueOptions.

**SECTION I
SPECIFIC TERMS AND CONDITIONS**

1.0 DEFINITIONS

As used throughout this Addendum, the following words and terms are used as defined in this section unless (a) the context in which they are used clearly requires a different meaning or (b) a different definition is prescribed for a particular part or portion of a part.

“**AAPS Funded**” refers to a combination of Federal SAPT block grant funds, State General Funds and State Fee Funds.

“**Abuse**” is defined as provider practices that are inconsistent with sound fiscal, business or medical practices, and result in an unnecessary cost to Health programs, or in reimbursement for services that are not medically necessary or fail to meet professionally recognized standards for health care. It also includes unnecessary costs to the Health program.

“**SAPT interim services**” per the Code of Federal Regulations for Block Grant, CFR 45 96.121, “At a minimum, interim services include counseling and education about HIV and tuberculosis (TB), about the risks of needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken to ensure that HIV and TB transmission does not occur, as well as referral for HIV or TB treatment services if necessary. For pregnant women, interim services also include counseling on the effects of alcohol and drug use on the fetus, as well as referral for prenatal care”. SAPT interim services are provided until an individual is admitted to a substance abuse treatment program.

“**Substance abuse interim services**” providing a lower level of care than that recommended while the member is waiting to be seen in the higher level of care.

"Fraud" is defined as an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to him/herself or some other person. It includes any act that constitutes fraud under applicable federal or state laws.

"Licensed site" shall mean a provider location that has been reviewed and approved for licensure by AAPS staff.

"May" denotes the permissive.

"Provider" shall mean an institution, facility, program, agency, group or individual practitioner who has agreed to a written arrangement of cooperation with ValueOptions as an independent contractor to provide Covered Services to Members. All locations/programs meeting ValueOptions' credentialing requirement and fall under the same tax identification number will be considered a part of the ValueOptions Network. Provider is not an agent of ValueOptions, and shall not hold itself out as an agent of ValueOptions.

"Schedule" denotes this document which sets forth the contract requirements.

"Self refer" shall mean a referral to a program without a RADAC assessment/treatment recommendation.

"Shall" denotes the imperative.

"SRS" shall mean The Kansas Department of Social and Rehabilitation Services, and its employees, agents and representatives.

"ValueOptions" refers to ValueOptions of Kansas, Inc., the Managed Care Organization contracted by SRS to oversee AAPS and Medicaid funded services.

SECTION II SCOPE OF WORK

Provider, as an independent contractor and not as an agent of ValueOptions or SRS, shall, in conformance with the Terms and Conditions set forth herein, provide the necessary personnel and material and do, all things necessary and/or incidental to the furnishing and delivery to ValueOptions of the supplies or services set forth below, Statement of Work, all in accordance with the specifications and other requirements applicable to and referenced therein and as set forth in the schedule.

2.0 SERVICES TO BE PROVIDED

2.1 Eligibility Screening

The Provider shall use the AAPS funding source as the payor of last resort. To this end, Provider shall conduct eligibility screenings for all Members that present to their location to determine the appropriate funding stream for the Member. Eligibility screenings shall include verification of possible funding through the Kansas Medical Assistance Program (KMAP) prior to admission and a minimum of monthly while the Member is in treatment. When appropriate, this shall include the facilitation of Medicaid enrollment activities, up to and including referral of a Member to an SRS Office and/or a Medicaid enrollment entity.

As part of the eligibility determination, Provider shall obtain proper documentation on each Member for whom an eligibility screening is conducted and place it in the Member file. Documentation must confirm that the member's income and residency meet the most recent AAPS (Addiction And Prevention Services) eligibility guidelines. This section of the contract is meant to address deviations from the

standard course of provider practice.

2.2 Screening, Admission and Utilization Management

Assessments conducted by Provider shall be completed by AAPS credentialed counselors and counselor assistants. Social Detox programs must complete the first 3 dimensions of the KCPCSI upon admission or when the client is sufficiently stable to participate in the KCPC assessment process. Complete assessments shall be accomplished upon request for admission for all levels of care. Admission, continued stay, and discharge planning shall be based upon KCPC criteria and subsequent approval by ValueOptions. In the event that the KCPC is being completed at the time of admission, ValueOptions shall be notified by phone and the KCPC forwarded immediately for review.

ValueOptions will permit members to self-refer under the following subset of services: outpatient services and any service for any woman who is pregnant or has dependent children. Provider shall be required to submit social detox authorization requests within 24 hours of a Member presenting for services or when the member is sufficiently stable to participate in the KCPC process. Authorizations for all services, including self referral requests, will be based upon medical necessity criteria. If criteria is not met, denials may be issued.

Pregnant women and women with dependent children shall be given a choice of providers, one of which **must** include the State designated women’s programs. Documentation that a choice of providers was given to the Member, including a designated women’s program, must be included in the KCPC or in the Member’s chart.

2.3 Continuity of Care

Provider shall provide for the uninterrupted treatment of Members through the flexible and seamless transition from program to program to meet treatment goals. Providers are required to conduct an internal KCPC audit of a “no activity report” on a monthly basis. Providers shall close inactive KCPC’s and follow-up with clients who have no showed for appointments.

2.4 Access Standards

With the exception of Designated Women’s Programs, providers shall receive one allocation for all of their facilities. Provider shall manage that allocation at their discretion. Funds should not shift substantially away from rural locations without the express consent of ValueOptions and SRS/AAPS. Foregoing rural services may jeopardize future awards.

Provider shall comply with the access timeframes listed below:

Indicator	Referral/Assessment	Treatment (after assessment)	Populations included	Total Time from Initial Contact to Treatment
Emergent	Immediate	Immediate	Clinically triaged	Immediate
Urgent/Pregnant	24 hours	24 hours	Clinically triaged Hospital d/c Involuntary commitments All pregnant women	48 hours
Routine	14 days	14 days	Clinically triaged	28 days
IV Drug Users	no requirement	14 days including assessment	All members who report using IV Drugs within the last 6 months	14 days

Provider shall have a system in place to respond to member phone calls 24 hours a day, 7 days a

week. 24/7 phone capabilities is a standard of care which must be met.

Policies regarding access standards must be in writing and available for on site or desktop review.

2.5 Member Placement

All Providers participating with ValueOptions in the treatment system will give priority to the following populations as determined by AAPS placement and admission criteria. Order of the list below reflects the order of the priority admissions:

Federal Priority Populations

1. Pregnant Women who are IV drug users
2. All other pregnant substance users
3. Intravenous (IV) drug users

State Priority Populations (no order necessary)

4. Women with dependent children
5. Members who are HIV positive
6. Involuntarily committed members
7. SRS Member

Provider shall provide treatment to Pregnant Women who are IV drug users and all other pregnant substance users within 24 hours of assessment. When it is not possible to admit the Member within this time frame, SAPT interim services shall be made available, including referrals to prenatal care. Intravenous (IV) drug users shall be admitted to treatment no later than 14 calendar days after the initial referral/phone call. This time frame will be 120 calendar days after the date of such request if no program has the capacity to admit the individual on the date of such request and SAPT interim services are made available to the individual not later than forty-eight hours after such request. Provider shall have written internal policies that meet the intent of priority admissions status. Policies shall be made available to SRS or ValueOptions' staff for onsite or desktop reviews. Failure to admit Members in accordance with the admission policy may result in sanctions up to and including contract termination.

Provider shall monitor their priority populations wait list weekly and pursuant to Federal regulations to verify that Members on the list are still waiting for treatment. Members no longer waiting for treatment who still appear on the wait list will be removed by the Provider. Provider shall follow up with Members who have no showed for appointments. Provider shall follow the AAPS Admission Policy for the order in which Members are to be admitted. Providers shall have policies, procedures and a mechanism for maintaining contact with Members awaiting admission.

Provider shall also have procedures for outreach efforts including:

- (a) Promoting awareness among injecting drug abusers about the relationship between injecting drug abuse and communicable diseases such as HIV; and
- (b) Recommending steps that can be taken to ensure that HIV transmission does not occur.

Provider shall complete the "blue diamond" portions of the KCPC on **all** Clients regardless of their funding stream.

2.6 Standards for Utilization Management

The medical necessity determination process is driven by the ASAM PPC-2R criteria contained in the KCPC system. Admission, continued stay and discharge planning shall be based upon KCPC criteria. Except for specified services, all authorizations must be submitted to ValueOptions via Citrix prior to services being rendered.

The State of Kansas and ValueOptions have established the following authorization timeframes for each level of care. ValueOptions will review requests for residential levels of care within 24 hours of receipt of the request. All other requests will be reviewed within 72 hours after the request is received. Notification of clinical decisions rendered are sent to Provider via the KCPC. When determinations of no medical necessity are made, the written notification is sent in accordance with the ValueOptions

Administrative or Medical Necessity Denials and Appeals policies.

Provider may not self-authorize treatment for a ValueOptions Member. Any provider who self authorizes care shall be subject to corrective action.

Utilization Management Guidelines

<u>Service</u>	<u>Authorization Method</u>	<u>KCPC Unit</u>	<u>VO Unit</u>	<u>Initial Authorization timeframe</u>
Level IV Hospital Based Detoxification Service & Residential Inpatient Services	Telephonic Review and KCPC Assessment	Day	Day	3 – 7 days
Level III.2-D Social Detox	Review of KCPC Assessment submitted while Member is in Social Detox	Day	Day	5 – 7 days (This is an on demand service with the request submitted to VO with a minimum the first 3 dimensions of the KCPC completed)
Level III.3/III.5 Residential Intermediate Services	Review of KCPC followed by Telephonic Review	Day	Day	7-14 days with CSR based on Medical Necessity up to 14 days
Level III.1 Reintegration Services	Review of KCPC followed by Telephonic Review	Day	Day	14 days with CSR based on Medical Necessity up to 30 days
Level II.1 Intensive Outpatient Services	Review of KCPC	Day	Day	Adults – 30 days authorized for a 10 week period to accommodate delayed start of treatment. Youth – 30 days authorized for a 10 week period to accommodate delayed start of treatment CSR timeframes based on medical necessity
Level I Outpatient Services Includes Individual and Group Sessions	Review of KCPC	Hour	15 minute increments	40 units (hours) to 60 (hours) of treatment, depending on severity, over 16 weeks to accommodate delayed start of treatment Concurrent review timeframes based on medical necessity
Other Services Medicaid Case Management*	KCPC Assessment	Hour	15 minute increments	10 units (hours) for every 12 weeks of treatment

<u>Service</u>	<u>Authorization Method</u>	<u>KCPC Unit</u>	<u>VO Unit</u>	<u>Initial Authorization timeframe</u>
Person Center Case Management*	KCPC Assessment	Hour	15 minute increments	10 units (hours) for every 12 weeks of treatment
Overnight Boarding rate for each child when child is present with Mother who is in level III services	KCPC Assessment	Day	Day	One day for each day in level 3 treatment services when the child is present with mother
Support Services *	KCPC Assessment	Hour	15 minute increments	40 units (hours) for every 12 weeks of treatment
Peer Support Services Includes Group and Individual sessions	KCPC Assessment	Hour	15 minute increments	10 units (hours) for every 12 weeks of treatment
Crisis Intervention	KCPC Assessment	Hour	15 minute increments	Retrospective authorization within 1 day of providing the service

**In regards to the "Other Services" section of the Utilization Management Guidelines, if you are requesting any of these services in addition to a main modality of care (i.e. Reintegration, Outpatient, etc.) the service periods must match and therefore the units authorized may be adjusted to accommodate the primary modality of care. Depending on medical necessity, authorization timeframes may be increased or decreased.*

2.7 Licensing/Program Standards

AAPS funded providers must follow the current State standards which identify expectations and guidelines for the development and operation of substance abuse treatment programs licensed/certified by The State of Kansas, Department of Social and Rehabilitation Services Addiction and Prevention Services as authorized by K.S.A. 39-708c, 65-4016, and 65-4607. The standards cover the following areas: Definitions; Program Management; Clinical Program Staffing; Quality Improvement Systems; Accessibility, Environment and Transportation; General Program standards including member rights, confidentiality, documentation, treatment planning, assessments; standards for each licensed modality including service intensity; and License application and renewal.

Continued deficiencies at the annual licensing site visits conducted by AAPS could result in modifications to Provider's contract in the current fiscal year. Any waiver granted in regard to those requirements must be renewed annually at Provider's specific request.

2.8 Requirements Regarding Tuberculosis

The program shall, directly or through arrangements with other public or nonprofit private entities, routinely make available the following TB services to each Member receiving treatment for substance abuse:

- (a) Counseling the Member with respect to TB;

- (b) Testing to determine whether the Member has been infected with mycobacteria TB to determine the appropriate form of treatment for the Member; and
- (c) Appropriate medical evaluation and treatment for Members infected by mycobacteria TB.

For Members denied admission to the program on the basis of lack of capacity, the program must refer such Members to other providers of TB services. The program must have infection control procedures that are consistent with those established by Kansas Department of Health and Environment (KDHE) to prevent the transmission of TB and that address the following:

- (a) Screening Members and identifying those Members who are at high risk of becoming infected;
- (b) Meeting all State reporting requirements while adhering to Federal and State confidentiality requirements, including 42 CFR part 2; and
- (c) Case management activities to ensure that Members receive such services.

The program must report all Members with active TB to KDHE as required by State law and in accordance with Federal and State confidentiality requirements, including 42 CFR part 2.

2.9 Federal Block Grant Requirements for Special Populations

Provider shall offer SAPT interim services as defined in Section 1 of this Addendum. These services shall be provided by qualified staff and shall be clinically appropriate if treatment services are not immediately available for: (a) pregnant IVDU women, pregnant women, post-partum mothers, and women with children; and (b) IV drug users; and (c) individuals with a positive TB screen or at high risk of tuberculosis; and (d) individuals at high risk to/or afflicted with HIV.

2.10 Charitable Choice

1. If the program is an SAPT Block Grant-funded program that is part of a faith-based organization, the program may:
 - (a) Retain the authority over its internal governance;
 - (b) Retain religious terms in its name;
 - (c) Select board members on a religious basis;
 - (d) Include religious references in the mission statements and other governing documents; and
 - (e) Use space in its facilities to offer Block Grant-funded activities without removing religious art, icons, scriptures, or other symbols.
2. If the program is an SAPT Block Grant-funded program that is part of a faith-based organization, the program cannot use SAPT Block Grant funds for inherently religious activities such as the following:
 - (a) Worship;
 - (b) Religious instruction; and
 - (c) Proselytization.
3. The program may only engage in religious activities listed under 2. above if both of the following conditions are met:
 - (a) The activities are offered separately, in time or location, from Block Grant-funded activities; and
 - (b) Participation in the activities is voluntary.
4. In delivering services, including outreach activities, SAPT Block Grant-funded religious organizations **cannot** discriminate against current or prospective Members based on:

- (a) Religion;
 - (b) Religious belief;
 - (c) Refusal to hold a religious belief; and
 - (d) Refusal to actively participate in a religious practice.
5. If an otherwise eligible member objects to the religious character of the program, the program shall refer the member to an alternative provider within a reasonable period of time of the objection.
6. If the program is a religious organization, the program shall:
- (a) Use generally accepted auditing and accounting principles to account for SAPT Block Grant funds similar to other nongovernmental organizations.
 - (b) Segregate Federal funds from non-Federal funds.
 - (c) Subject Federal funds to audits by the government.
 - (d) Apply Charitable Choice requirements to commingled funds when State/local funds are commingled with Block Grant funds.

Faith based providers shall have Members admitted to their facility sign an agreement stating they understand the above statements. This document shall be placed in the Member's clinical record.

2.11 Involuntarily Committed Members

Provider shall assist ValueOptions and SRS Disability and Behavioral Health Services, AAPS, the RADAC's and the courts in meeting the service needs of court-ordered Members who are in the custody of the courts for treatment of alcohol and other substance abuse. Consistent refusal to accept involuntarily committed Members by Provider may result in termination of Provider's Agreement.

2.12 Dismissal of Non-Compliant Member

Provider shall make reasonable efforts to engage eligible Kansans who require substance abuse treatment to participate in the recommended treatment. Upon admission to the treatment program, the Provider shall provide Members with documentation explaining possible reasons for a non-compliant member discharge. The member shall sign the document identifying the reasons for dismissal and the document must be placed in the Member's clinical record. Prior to Provider's discharge of a person who is non-compliant with the program's recommendations, the program shall make an appropriate referral to another service or back to the referring agency, if applicable, or contact ValueOptions. Provider will provide details of the concerns on the KCPC discharge/transfer screen in order to transfer relevant Member information from one provider to another. Provider is to have specific criteria for discharge, and provide documentation of violation of that criteria.

2.13 Notice of Member Rights

Provider shall give notice of Member rights to all Members of services. Such notice shall include notice of rights regarding access to and continuation in treatment. In the event the Member protests Provider's decision to discharge a Member for failure to work on an appropriate treatment plan or for violation for certain Member responsibilities, Provider's senior executive or designee shall contact ValueOptions immediately giving notice and details of the proposed discharge via the KCPC. Every reasonable effort shall be made to retain the Member in alternate treatment services. In the event that the Member has committed or threatened an act of violence, or committed a crime on the property, it shall be expected that law enforcement officials shall be contacted and said Member will be immediately removed from the facilities of Provider. Notice shall be immediately forwarded in writing via the KCPC to ValueOptions.

3.0 DATA SUBMISSION AND REPORTING

3.1 Member Service Data

Provider shall maintain utilization and billing data in such a way as to make it possible for ValueOptions staff or their designees, as well as auditors, to determine the units of service delivered in any given time frame. Member service data shall be maintained on the SRS Disability and Behavioral Health Services member information system in accordance with software and processes provided by SRS Disability and Behavioral Health Services. Provider shall submit KCPC data for the purpose of collecting data on all Clients regardless of funding. The blue diamond areas shall be completed on Clients funded by other sources. Provider shall complete KCPCs electronically and transfer the KCPC electronically to ValueOptions.

Should Provider repeatedly fail to transfer KCPC data in a timely manner Provider will be given written notice by ValueOptions and required to submit a plan of action to correct the problem. Repeated occurrences of untimely transfers may result in the withholding of funds until the data is submitted.

Claims for service encounters reimbursable for AAPS funded Members will be submitted to ValueOptions through the claims submissions process.

3.2 Claims/Encounter Submissions

Provider agrees to file claims for Covered Services in the form and manner required by ValueOptions as specified in the Provider Handbook (herein referred to as a “**Clean Claim**”) such that they are received no later than the 10th calendar day of the month following the date of the rendering of such services. Provider shall continue to submit claims for AAPS funded Members regardless of capitation status. Failure to submit all claims for AAPS services provided may result in contract termination.

Provider understands that ValueOptions shall not be responsible for payment of claims for Covered Services not received as Clean Claims by the 10th calendar day of the month following the date of the rendering of such services, unless Provider can demonstrate to ValueOptions’ satisfaction that there was a good cause for such delay.

Provider agrees to cooperate with ValueOptions in providing any information reasonably requested in connection with claims and in obtaining necessary information relating to coordination of benefits, subrogation, verification of coverage, and health status.

Reimbursement is based upon: 1) obtaining Certification for services; and 2) Member’s eligibility at the time of service.

Provider will receive an opportunity to explain/appeal exceptional circumstances impacting service delivery and claims.

Provider shall be given an annual allocation however, Provider shall have the responsibility to manage assigned AAPS funds and continue to treat AAPS funded Members throughout the contract year. Provider shall admit pregnant women and IV drug users in a timely manner regardless of allocation utilization.

3.3 Computer Specifications

Provider shall meet the hardware and software requirements including a restorable back-up system which they must be able to access for 7-10 days, an up-to-date firewall, the proper version of Microsoft Windows (as identified by AAPS), and up-to-date virus protection that includes updated virus definitions

and EAS and other security forms. If Provider cannot restore or protect the data, which results in data loss or the data becomes corrupted, Provider shall be held responsible to correct the deficiencies.

Specifically, Provider is responsible for: 1) technical support for the recovery of KCPC or billing data from a current back-up, 2) the protection against and removal of viruses, worms or trojans, 3) technical support for new installs of the KCPC or billing software, 4) support for networks, and 5) provide adequate staff training.

Failure by Provider to restore or protect the data may be seen as non-compliance. This non-compliance could result in the termination of this Addendum. Provider must contact PERT to request technical assistance for KCPC data and ValueOptions for billing data. Provider staff must demonstrate competence in regards to computer technology or contract for computer support from a local vendor to assist with technical issues. Provider shall have a policy on how to restore and protect their data.

SRS is not responsible for technical issues resulting from the user's:

- Local software/Hardware configuration;
- Internet service provider;
- Unapproved uses of SRS software;
- Unapproved installation configurations of our software;
- Unsupported browsers - Internet Explorer is the only browser approved for use with SRS systems;
- Data corruption as a result of non SRS software or hardware;
- Use of macros, third party software or other means of artificially manipulating data or user interfaces;
- Any use of SRS software outside of the terms of the users agreement; or
- Any use of SRS software that SRS determines is outside of the normal use for daily business function.

If SRS determines that a user's technical issues are not directly related to the approved installation and use of SRS provided software, it will be the Provider/user responsibility to provide technical resolution of the issue.

Upon SRS request, users will disclose any third party access to SRS software/data during the course of provider technical support/maintenance of users systems.

Providers/users are responsible for the security and user access of data residing on their local systems.

Any duplication and/or modification of SRS software without SRS approval is strictly prohibited and will result in the termination of this Addendum.

SRS reserves the right to modify these conditions at any time as advances in technology require.

3.4 Critical Incident/Adverse Incidents

Provider shall report all incidents (as defined on the ValueOptions website) within the required time frame. Provider shall also continue to report the identified incidents to AAPS according to the Standards.

3.5 Notification of Program Changes

Provider shall notify ValueOptions and AAPS of program changes to include changes in key personnel, the addition or subtraction of treatment modalities, location changes, and program closures.

If program or modality closures occur, Provider shall make appropriate referrals for Members still in

their care and forward the list of these Members to ValueOptions and AAPS upon request. Provider shall notify ValueOptions a minimum of 30 days prior to program or modality closure.

4.0 PERFORMANCE MEASURES

Provider's performance will be evaluated by ValueOptions based on Provider's contributions to the achievement of outcomes that are consistent with those expected of Provider and ultimately of ValueOptions in servicing Members.

This performance review will include the timeliness and quality of reports submitted monthly and quarterly as established in *Data Submission and Reporting*, Section 3.0 of this Addendum. Provider will receive an annual Report Card denoting their performance.

Provider is encouraged to attend the Quarterly AAPS provider's meetings **and** the ValueOptions Regional Quality Improvement Committee meetings. This will allow information dissemination needed for continued program improvement.

5.0 DELIVERABLES

The work required by this Addendum shall be completed in accordance with the respective dates specified in the Addendum, or as requested by ValueOptions. Acceptance of any late deliveries shall not be deemed a waiver of ValueOptions' right to hold Provider liable for any actual loss or damage resulting there from, nor shall it act as a modification of Provider's obligation to make future deliveries.

Provider shall submit any required reports in accordance with the Scope of Work Statement in Section 2.0. Failure to report by the required date could result in the delay and/or loss of funds. All reports shall include information regarding outcome measures and the outcome measures will be compared with the annual targeted goals/objectives identified in the Addendum.

6.0 MONITORING AND AUDIT REQUIREMENTS

Monitoring and audit activities shall include, but may not be limited to:

1. An onsite audit and/or internal monitoring;
2. Meeting with Provider to review compliance with the standards set forth in this Addendum and all applicable outcomes;
3. Periodic review of staff training records;
4. Examination of member charts and other program records;
5. Monitoring of utilization for indications of fraud and abuse;
6. Review of KCPC data; and,
7. Review of monthly financial reports, claims submission and quarterly outcome reports.

All programs will be monitored for compliance with the Federal SAPT Block Grant requirements and compliance with the most recent AAPS eligibility and admission Guidelines. Failure to comply with monitoring may result in corrective action up to and including contract termination. Failure to meet Federal SAPT Block Grant requirements and/or contractual requirements may result in corrective action up to and including contract termination.

All programs will be monitored for indications of potential fraud and abuse. Providers shall cooperate fully with any fraud and abuse investigations conducted by ValueOptions or its designee.

7.0 FINANCIAL REQUIREMENTS

7.1 Payments

Provider will receive payment for covered services for eligible Members on a fee for service basis. The process for receiving payment is defined in *Claims/Encounter Submissions, Section 3.0 DATA SUBMISSION AND REPORTING*.

The term of this Addendum is for a twelve month period from the date of award with an additional one (1) year renewal possible by written agreement by the parties.

7.2 Duplication of Funds

By acceptance of this Addendum, Provider declares and tracks that no costs or expenditures which have been funded by other federal or state Grant funds have been duplicated or otherwise included as part of the funding request in this contract.

7.3 Program Income

Program income means gross income earned by the Provider that is directly generated by a supported activity or earned as a result of the AAPS funds. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under the award, the sale of commodities or items fabricated under the award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of funds is not program income. Program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

Unless otherwise specified in the Addendum, program income received or accrued to the Provider during the period of this award shall be retained and added to the funds committed to this Addendum and used to further the Addendum objectives. Also, unless otherwise specified, Provider shall have no obligation for program income generated and received beyond the period of this award.

7.4 Supplantation of AAPS Funds

The Provider shall not replace or supplant funding of another existing program with funds provided for in this Addendum. Funds contracted under this Addendum may not be used for any purpose other than the one defined in this document.

7.5 Start-Up Costs

There is no advance funding for start-up costs.

7.6 Federal Block Grant Prohibited Expenditure List

AAPS funds received under this award shall not be used:

- 1) to purchase inpatient hospital substance abuse services;
- 2) to purchase or improve land, purchase, construct, or permanently improve a building or other facility, or purchase major medical equipment;
- 3) to satisfy a requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds;
- 4) to provide financial assistance to any entity other than a public or non-profit private entity;

- 5) to make payments to intended recipient of health services;
- 6) to carry out a hypodermic needle or syringe program to injecting drug users;
- 7) to spend funds for lobbying activities; or
- 8) provide treatment services in penal or correctional institutions of the State.

The program cannot use the SAPT Block Grant to pay salaries in excess of Level I of the Federal Senior Executive pay scale.

7.7 Services Rendered

In the event Provider shall provide any services either not covered by this Addendum, not in accordance with the terms and conditions of this Addendum, or to ineligible Members, ValueOptions shall not pay for or be liable for said services. Provider shall be financially liable for such services.

7.8 Third Party Payors

Provider shall bill other health insurance/payor sources. If Provider receives payment from another insurance source for services billed to ValueOptions, Provider shall notify ValueOptions and the monthly billing shall be credited.

7.9 Unearned Funds

ValueOptions reserves the right to reduce the contracted payment amount if Provider does not meet the minimum performance standards and deliverables specified in this addendum; provided, however, that before any reduction in the contracted payment amount, ValueOptions shall have given Provider thirty (30) days notice of the performance deficiencies and an opportunity to cure such deficiencies. In the event the parties disagree about the acceptability of Provider's performance, either party may terminate this Addendum as provided in Section 8.

8.0 CHANGES AND MODIFICATIONS

8.1 Amendments

This Addendum shall be modified only by the written agreement of the parties with the approval of ValueOptions. No alteration or variation of the terms and conditions of the Addendum shall be valid unless made in writing and signed by the parties. Every amendment shall specify the date on which its provisions shall be effective.

8.2 Modifications Subject to Funding Changes

Continuation of the AAPS funded program is subject to continuing funding by SRS of the ValueOptions A-PIHP contract and the continuation of ValueOptions as the agent for SRS.

The State of Kansas' current financial situation does not make it possible for SRS to make firm, unalterable financial commitments. In the event SRS is subject to a formal reduction or allotment of its funds and reduces its contracted payments to ValueOptions, ValueOptions will send a written notice of such alterations or adjustments to Provider to become effective 15 days following the date of such written notice. Should Provider believe there is a need to modify other terms or conditions of this addendum pursuant to such alterations or adjustments, ValueOptions will negotiate with Provider in good faith regarding the terms of this Addendum.

9.0 TERMINATION

Performance: Provider shall perform each and every requirement and condition set forth in the contract. Failure to perform the requirements and conditions set forth in the Addendum shall be considered a material breach of this Addendum.

9.1 Termination for Cause

This Addendum may be terminated immediately by ValueOptions for cause. Cause for immediate termination is limited to the following: Provider's failure to perform the requirements and conditions set forth in this Addendum; Provider's material breach of the terms and conditions of this Addendum; the willful breach, habitual neglect, or other continued failure of Provider to abide by any law, rule procedure, or policy for which Provider has received notice from either ValueOptions, or SRS; or the State of Kansas. In the event that ValueOptions terminates this Addendum for cause, Provider will be provided written notice of the reasons therefore.

9.2 Termination Due to Lack of Funding Appropriation

If sufficient funds are not appropriated to continue the function performed in this addendum and for the payment of the charges hereunder, ValueOptions may terminate this Addendum at the end of its current fiscal year. ValueOptions agrees to give written notice of termination to Provider at least thirty (30) days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this Addendum, except that such notice shall not be required prior to ninety (90) days before the end of such fiscal year. ValueOptions will pay to Provider, all regular payments incurred through the end of such fiscal year, plus charges incidental to the return of any such equipment. The termination of the Addendum pursuant to this paragraph shall not cause any penalty to be charged to the agency or Provider.

9.3 Termination for Convenience

ValueOptions may terminate performance of work under this Addendum in whole or in part whenever, for any reason, ValueOptions, in conjunction with SRS, shall determine that the termination is in the best interest of the State of Kansas. In the event that ValueOptions elects to terminate this Addendum pursuant to this provision, Provider will be provided written notice at least thirty (30) days prior to the termination date. The termination shall be effective as of the date specified in the notice. Provider shall continue to perform any part of the work that may have not been terminated by the notice.

9.4 Rights and Remedies

If this Addendum is terminated, ValueOptions, in addition to any other rights provided for in this Addendum, may require Provider to transfer title and deliver to ValueOptions, in the manner and to the extent directed, any completed materials. ValueOptions and SRS shall be obligated only for those services and materials rendered and accepted prior to the date of termination.

Subject to proof of market price, the measure of damages for non-delivery or repudiation by Provider shall be the difference between the market price at the time when ValueOptions or SRS learned of the breach and the contract price, together with any incidental and consequential damages, less expenses saved in consequence of Provider's breach. Market price shall be determined as of the place for tender or, in cases of rejection after arrival or revocation of acceptance, as of the place of arrival.

If it is determined, after notice of termination for cause, that Provider's failure was due to causes beyond the control of or negligence of Provider, the termination shall be a termination in the best interest of the State.

In the event of termination, Provider shall receive payment pro-rated for that portion of the Addendum period services were provided to and/or goods were accepted by ValueOptions and SRS subject to any offset by SRS for actual damages including loss of federal matching funds.

The rights and remedies of ValueOptions shall not be exclusive and are in addition to any other rights and remedies provided by law.

SECTION III GENERAL PROVISIONS

10.0 CONFIDENTIALITY

Provider shall maintain a standard of confidentiality pertaining to Member activities and records as required in Vol. 52, No. 110, Part II, 070175 (CFR-42, Part 2) and the Kansas standards for Licensure and Certification of Alcohol and Other Drug Abuse Treatment Programs.

The program shall have in effect a system to protect member records from inappropriate disclosure, and the system must:

- (a) Comply with all applicable State and Federal laws and regulations, including 42 C.F.R. Part 2;
- (b) Include provisions for employee education on confidentiality requirements and the fact that disciplinary action may occur upon inappropriate disclosure.

11.0 NONDISCRIMINATION

Provider shall offer equal access to substance abuse treatment for all eligible Members regardless of age, sex, ethnicity, disability, race, color, ancestry, political affiliation, religion, sexual orientation, mental health disability, or national origin. The Provider shall further comply with all provisions and applicable conditions of Title VII of the Civil Rights Act of 1964, as amended; the Age Discrimination and Employment Act of 1967, as amended; the Equal Pay Act of 1963; the Rehabilitation Act of 1973, as amended; the Americans with Disabilities Act of 1990; the Civil Rights Act. Failure to comply with this requirement may result in contract termination.

12.0 DATA

ValueOptions warrants that technical data issued to Provider for use in performing professional services under this Addendum shall be current, accurate, complete, and adequate for its intended purpose. Provider shall notify the SRS Technical Representative as soon as possible upon discovering any data deficiency. The SRS Technical Representative shall take prompt and reasonable action to reconcile or remedy the data deficiency(ies).

Provider may have access to private or confidential data maintained by ValueOptions or SRS to the extent necessary to carry out its responsibilities under this Addendum. Provider must comply with all the requirements of the Kansas Open Records Act in providing services under this Addendum. Provider shall accept full responsibility for providing adequate supervision and training to its agents and employees for the purpose of compliance with the Act. No private or confidential data collected, maintained or used in the course of performance of this Addendum shall be disseminated by either party except as authorized by statute, either during the period of the Addendum or thereafter. Provider must agree to return any or all data furnished by ValueOptions or SRS promptly at the request of ValueOptions or SRS in whatever form it is maintained by Provider. On the termination or expiration of this Addendum, Provider will not use any of such data or any material derived from the data for any purpose and, where so instructed by ValueOptions or SRS, will destroy or render it unreadable.

13.0 REMOVAL OF PROVIDER'S PERSONNEL

If ValueOptions deems the work of any of Provider's employees to be substandard or unsatisfactory, ValueOptions will advise Provider in writing stating the reasons for such judgment and allowing reasonable time for correcting the substandard or unsatisfactory performance.

In addition, Provider shall conduct appropriate background checks prior to hire and verify that no employees have been convicted of any Crimes Against Persons, Sex Offenses, Crimes Affecting Family Relationships and Children (Articles 34, 35, and 36 of Chapter 21 of the Kansas Statutes Annotated). If Provider currently employs staff convicted of Crimes Against a Person, Provider shall notify ValueOptions immediately.

14.0 STAFF QUALIFICATIONS AND TRAINING

Provider shall warrant that all persons assigned by it to the performance of this Addendum shall be employees of Provider (or specified subcontractor) and shall be fully qualified to perform the work required. Provider shall have sufficient staff to accomplish continued stay and discharge assessment, treatment planning, and service delivery in accordance with the KCPC. Failure of Provider to provide qualified staffing at the level required by this application shall result in termination of this contract and/or damages.

Clinical staff administering the KCPC must possess a current AAPS credential or those designated as Counselor Assistant. Detox staff may administer the first three dimensions of the KCPC under the oversight of an AAPS Credentialed Counselor.

Provider is required to monitor that clinical staff administering KCPCs are trained using the standardized AAPS training material maintained by ValueOptions, or attend training offered by the RADACs. In the event a new employee is hired, Provider must develop a plan for that employee to complete the AAPS training within six months from the date of hire.

The program must make continuing education in substance abuse treatment available to employees who provide the services.

15.0 PEER ASSISTANCE

Provider shall have personnel policies and procedures for identifying, addressing, evaluating, and referring alcohol and other drug abuse counselors when there is evidence of possible impairment. The procedures must include making available the services of an impaired counselor program to those identified as needing such a program.

16.0 LEGAL MATTERS

1. Provider agrees to provide permanent information as may be required by ValueOptions and to allow criminal justice agencies to perform background checks and investigations on any of its personnel.
2. Provider shall give notice to ValueOptions of any administrative, civil, criminal, regulatory, or injunctive relief action within 5 business days of such action. Notice shall consist of jurisdiction of action, caption parties, and a general description of the nature of the action.

17.0 NO WAIVER OF CONDITIONS

Failure of ValueOptions to insist on strict performance shall not constitute a waiver of any of the

provisions of this Addendum or waiver of any other default of the Provider.

18.0 COMPLIANCE WITH LAWS AND REGULATIONS

Provider agrees that it will comply with all federal, state, and local laws and regulations in effect at any time during the course of this Addendum. Provider shall certify to ValueOptions that it will provide a drug-free workplace and as a condition of the Addendum, Provider will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in conducting any activity with the Addendum.

19.0 FORCE MAJEURE

Provider shall not be liable if the failure to perform this Addendum arises out of causes beyond the control of Provider. Causes may include, but are not limited to, acts of nature, fires, quarantine, strikes other than by Provider's employees, and freight embargoes.

20.0 GENERAL RELATIONSHIP

Provider agrees that in all matters relating to this Addendum it shall be acting as an independent contractor and shall assume and pay all liabilities and perform all obligations imposed with respect to the performance of this Addendum. Provider shall have no right, power, or authority to create any obligation, expressed or implied, on behalf of ValueOptions or SRS and shall have no authority to represent ValueOptions or SRS as an agent.

21.0 GOVERNING LAW; CONSENT TO JURISDICTION

This Addendum, and any act, agreement, contract or transaction to which they shall apply, or which are contemplated hereby or hereunder, shall be governed by, and construed, interpreted and enforced in accordance with, the laws of the State of Kansas and, to the extent applicable, the United States of America.

Any dispute arising out of, or any suit or other proceedings pursuant to or arising out of these Terms and Conditions, or any act, agreement, contract or transaction to which they shall apply or which are contemplated hereby or hereunder, shall be subject to the jurisdiction of a court of competent jurisdiction located in the county of Shawnee, State of Kansas, and Provider shall take any and all necessary or appropriate action to submit to the jurisdiction of such court.

22.0 SEVERABILITY

If any provision of this Addendum is determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this contract shall not be affected, and each provision of this contract shall be enforced to the fullest extent permitted by law.

23.0 REVIEWS AND HEARINGS

Provider agrees to advise ValueOptions of all grievances made known to Provider that are not resolved at the facility level and ValueOptions will refer all appeals or fair hearing requests to the State. ValueOptions and SRS has the discretion to require Provider to participate in any review, appeal, fair hearing or litigation involving issues related to this Addendum.

24.0 NONDISCRIMINATION AND WORKPLACE SAFETY

Provider agrees to abide by all state, federal and local laws, rules and regulations prohibiting

discrimination in employment and controlling workplace safety. Any violation of applicable laws, rules and regulations may result in termination of this Addendum.

25.0 HOLD HARMLESS

Provider shall indemnify ValueOptions against any and all claims for injury to or death of any persons; for loss or damage to any property; and for infringement of any copyright or patent occurring in connection with or in any way incidental to or arising out of the occupancy, use, service, operations or performance of work under this Addendum.

Neither ValueOptions, the State of Kansas nor SRS shall hold harmless or indemnify any Provider beyond that liability incurred under the Kansas Tort Claims Act (K.S.A. 75-6101 et. seq.).

26.0 OWNERSHIP

All data, forms, procedures, software, manuals, system descriptions and work flows developed or accumulated by Provider, under this Addendum shall be owned by SRS. Provider may not release any materials without the written approval of ValueOptions and/or SRS as authorized by ValueOptions.

27.0 CARE OF STATE PROPERTY

Provider shall be responsible for the proper care and custody of any state-owned personal tangible property and real property furnished for Provider's use in connection with the performance of this Addendum, and Provider will reimburse ValueOptions for SRS for such property's loss or damage caused by Provider, normal wear and tear.

28.0 CRIMINAL PROVISION

By acceptance of this Addendum, Provider declares that they have not been convicted for any criminal offenses that indicate a lack of integrity or honesty. Crimes indicating a lack of integrity or honesty include but are not limited to the following: any conviction of federal, state or local laws for embezzlement; theft; forgery; bribery; falsification or destruction of records; receiving stolen property; racketeering; and violation of antitrust laws. Any conviction(s) incident to obtaining or attempting to obtain or performing a public or private contract, subcontract, grant or subgrant; or conviction of any other offense which impacts the performance and/or responsibility of a contractor, subcontractor, Provider or sub-Provider are also considered as offenses which lack integrity and honesty. Provider shall verify that any employees hired for this contract are not on any criminal register (i.e., Adult Protective Services Register).

29.0 DEBARMENT

As part of the Code of Federal Regulations (45 C.F.R. Part 76), all governmental entities receiving funding from the Federal Government must participate in a government wide system for non-procurement debarment and suspension. A person or entity who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. Debarment or suspension of a participant in a program by one agency shall have government wide effect. The Secretary of SRS is authorized to impose debarment. Before any person or entity enters into an agreement, grant or contract with SRS, the "Excluded Parties Lists" (located at the web site <http://epls.arnet.gov>) shall be researched for potential debarred persons or entities.

30.0 ACCOUNTING SYSTEM

Provider's accounting system shall meet generally accepted accounting principles.

31.0 MAINTENANCE OF COST RECORDS

Provider shall maintain books, records, and other documents in such a manner so as to readily identify them directly with the delivery of services outlined in the Addendum award.

32.0 RETENTION OF RECORDS AND REPORTS

Unless otherwise specified in the Addendum document, Provider shall preserve and make available all of its books, documents, papers, records and other evidence involving transactions related to this Addendum for a minimum of six (6) State fiscal years from the date of the expiration or termination of this agreement. Matters involving litigation shall be kept for the minimum of the six (6) year period or for one (1) year following the termination of litigation, including all appeals, whichever is longer. Provider shall notify ValueOptions of any circumstances which impair the integrity or security of such materials during the retention period.

Provider agrees that authorized federal and state representatives, including but not limited to, personnel of ValueOptions or SRS; independent auditors acting on behalf of the State; and/or federal agencies shall have access to and the right to examine records during the contract period and during the six (6) year post-contract period. Delivery of and access to the records shall be at no cost to the State. Failure to provide clinical records pursuant to this Addendum may result in recoupment efforts.

33.0 PUBLICITY RELEASES

All publicity releases and materials published in connection with the Addendum shall conspicuously acknowledge support of ValueOptions and the Kansas Department of Social and Rehabilitation Services.

34.0 LOBBYING

No appropriated funds may be expended by the recipient of a contract which includes federal funding to pay any person for influencing or attempting to influence an officer or employee of any agency, a member of the Legislature or an employee of a member of the Legislature in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan; the entering into of any cooperative agreement; and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

35.0 HIPAA

For purposes of this section, the terms "Protected Health Information" and "PHI" mean individually identifiable information in any medium pertaining to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual, that Provider receives from ValueOptions or SRS or that Provider creates or receives on behalf of ValueOptions or SRS. The terms "Protected Health Information" and "PHI" apply to the original data and to any data derived or extracted from the original data that has not been identified. This includes all forms of communication including email and fax.

During the term of this Agreement, the parties shall take such actions and revise this Agreement as necessary or advisable to comply fully with all laws, rules and regulations applicable to the performance and discharge of such services, including without limitation to the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) ("HIPAA") and the rules and regulations promulgated thereunder, as well as guidance issued by the United States Department of Health and Human Services (the "HIPAA Regulations").

It is understood that in the performance of its duties, ValueOptions will obtain information about Provider's members, and that such information may include financial data, member information, including Protected Health Information ("PHI") (that is subject to protection and defined under HIPAA). ValueOptions agrees to maintain in strict confidence, as required by law, all information and data relating to Provider's member.

36.0 CONFLICT OF INTEREST

Provider shall not knowingly employ, during the period of this Addendum or any extensions to it, any professional personnel who are also in the employ of the State and who are providing services involving this Addendum or similar in nature to the scope of this Addendum to the State. Furthermore, Provider shall not knowingly employ, during the period of this Addendum or any extensions to it, any State employee who has participated in the making of this Addendum until at least two years after their termination of employment with the State.

37.0 PROVIDER AUDITS

Provider shall send the required audit to SRS based on the requirements below. ValueOptions may request a copy of the audit and any subsequent documents.

Recipient Monitoring Policy

Original Effective Date: March 22, 2000

Rev. 2003; Approved by Audit Committee on November 12, 2003

Rev. 2007; Approved by Audit Committee on June 22, 2007

Rev. 2009; Approved by Audit Committee on July 9, 2009

Purpose:

This document replaces Secretary's Letter 544 dated May 27, 1999 regarding responsibilities for obtaining independent audits on grants and contracts awarded by SRS. It defines the responsibilities for monitoring recipients of Department funding (direct and pass-through) and expands the monitoring requirements to cover all awards of that funding. (See definition of award below.) **This policy is effective beginning with fiscal years beginning July 1, 2009.**

Background and Definitions:

As defined in the OMB Circulars, **award** means financial assistance and cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities, that provide support or stimulation to accomplish a public purpose, which include grants and other agreements in the form of money or property in lieu of money, by the government to an eligible recipient. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Any audits of such vendors shall be covered by the terms and conditions of the contract.

Regarding the use of grants and cooperative agreements, and contracts, the Federal awarding agency shall decide on the appropriate award instrument (i.e., grant, cooperative agreement, or contract). The Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-08) governs the use of grants, cooperative agreements and contracts. A grant or cooperative agreement shall be used only when the principal purpose of a transaction is to accomplish a public purpose of support or stimulation authorized by Federal statute. The statutory criterion for choosing between grants and cooperative agreements is that for the latter, "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement." Contracts shall be used when the principal purpose is acquisition of property or services for the direct benefit or use of the Federal Government."

For purposes of this document, the term "recipient" refers to those entities receiving funding (direct and

pass-through) through the Department of Social and Rehabilitation Services.

Monitoring Policy Requirements:

I. Non-Federal entities that **expend \$500,000 or more in a year in Federal awards (total of all applicable federal awards)** shall have a **single or program-specific audit** conducted for that year in accordance with the provisions of **OMB Circular A-133**. In addition to the requirements of the A-133 audit, recipients may be asked to conduct a separate limited scope engagement with agreed-upon procedures. These additional procedures will be designated in the terms and conditions of the award.

Limited scope audits with agreed-upon procedures should be conducted in accordance with either the AICPA's generally accepted auditing standards or attestation standards.

The A-133 audit shall be completed and submitted to SRS within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period. Any limited scope audit reports with agreed-upon procedures should be submitted in accordance with the submission date set by program staff.

The cost for the single audit may be charged against the Federal award. Additional requirements imposed by SRS, and the resulting audit work necessary to achieve them, would not be able to be charged against the Federal award but would be able to be charged against the State portion of that award.

II. **Entities that do not fall under the audit requirements found in Section I. (e.g., expend less than \$500,000 in a year in Federal awards or State awards or expend more than \$500,000 in State awards)** shall have a limited scope engagement with agreed-upon procedures or be subject to internal monitoring performed by SRS staff determined at the time of the negotiation of the award.

Limited scope engagements with agreed-upon procedures should be conducted in accordance with either the AICPA's generally accepted auditing standards or attestation standards.

All limited scope engagement reports shall be completed and submitted as specified within the award document. These limited scope engagements **may** include at a minimum:

- A financial audit of the Center conducted in accordance with generally accepted auditing standards. It should assess the extent to which the Center's financial reports fairly reflect the Center's financial condition and include a statement of financial position, statement of activities, and statement of cash flows. There shall also be (1) a schedule of award expenditures for the period covered by the recipient's financial statements, (2) a schedule of findings and questioned costs, and (3) a summary schedule of prior audit findings.
- A report on internal controls and a report on compliance to the award terms and conditions.
- The report on compliance shall address one or more of the following types of compliance requirements: activities allowed or unallowed; allowable costs/cost; eligibility; matching, level of effort, earmarking; and reporting; or whatever compliance requirements are specified in the award document, applicable OMB Circular or applicable OMB Compliance Supplement.
- Any correspondence (e.g., management letters) from the auditor associated with the audit.
- A review of performance measures if the federal or state award document requires these to be audited and reported upon. The recipient of the award will have to report those performance measures either through their independent audit or through another entity designated by SRS.
- A detailed schedule of revenues and expenditures by line item if specified in the award document. This schedule must be prepared with reasonable assurance by the auditor. If line item detail is not required, management should ensure a schedule is prepared listing total revenues and total expenditures (state share and federal share) for each award. If the award covers multiple years, each year should be reported separately on the schedule. Again, the auditor should apply procedures

to this schedule to determine if they can provide reasonable assurance on its contents.

The cost for a limited scope engagement may only be charged against the state award. The limited scope engagement may be conducted by either an independent auditing firm or by the SRS Office of Audit and Consulting Services.

Internal monitoring conducted by SRS may include reviewing reports submitted by the recipient, performing site visits to review financial and programmatic records and observe operations, reviewing the recipient's single audit or program-specific audit results, and evaluating audit findings and the recipient's corrective action plan. Internal monitoring can be done by SRS program staff or could also include audits/monitoring by the SRS Office of Audit and Consulting Services.

Action Needed:

Audits required above shall be completed and submitted to SRS within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period. **If SRS program staff have set a submission date for audit reports that is less than the requirement noted here, audits should be submitted to comply with those instructions.** SRS staff shall be given access, when requested, to all working papers prepared in the independent audit.

Audit reports should be forwarded to: The Department of Social & Rehabilitation Services, Office of Audit and Consulting Services, Docking State Office Building, 8th Fl, 915 S.W. Harrison, Topeka, Kansas 66612. **They may also be sent electronically to OACS@srs.ks.gov.** Questions regarding this policy may be directed to the SRS Office of Audit and Consulting Services, SRS program staff, or the SRS Grants and Contracts Unit. Payments resulting from award closeout activities should be made payable to SRS and sent to the SRS Grants and Contracts Unit, Attn: Grants and Contracts Supervisor, Docking State Office Building, 8th Fl., 915 S.W. Harrison, Topeka, Kansas 66612.

38.0 NOTICES AND CORRESPONDENCE

All notices and correspondence shall be sent by either party to the other in all matters dealing with this Addendum as follows:

From Provider To ValueOptions:

ValueOptions of Kansas
Myron Unruh
100 SE 9th Street
5th Floor, Suite 501
Topeka, KS 66612

From ValueOptions to Provider:

The address for notice given by Provider in the Provider Agreement.

39.0 ENTIRE AGREEMENT/ADDENDUM

This Addendum constitutes the entire understanding and agreement of and between the parties with respect to the subject matter hereof and supersedes all prior representations and agreements, oral or written. It shall not be varied, except by an instrument in writing of subsequent date, duly executed by authorized representatives of both parties. All work performed by Provider, actions taken, and payments made, if any, under any other prior written or oral agreements, with respect to this Addendum, shall be deemed to have been work performed, actions taken, or payments made under this Addendum.

EXHIBIT B
Requirements for Designated Women's Programs (if offered)

The program shall:

- (1) treat the family as a unit and, therefore, admit both women and their children into treatment services, if appropriate.
- (2) provide or arrange for primary medical care for women who are receiving substance abuse services, including prenatal care.
- (3) provide or arrange for child care while the women are receiving services.
- (4) provide or arrange for primary pediatric care for the women's children, including immunizations.
- (5) provide or arrange for gender-specific substance abuse treatment and other therapeutic interventions for women that may address issues of relationships, sexual abuse, physical abuse, and parenting.
- (6) provide or arrange for therapeutic interventions for children in custody of women in treatment which may, among other things, address the children's developmental needs and their issues of sexual abuse, physical abuse, and neglect.
- (7) provide or arrange for sufficient case management and transportation services to assure that the women and their children have access to the services provided by (2.) through (6.) above.
- (8) give preference in admission to pregnant women who seek or are referred for and would benefit from Block Grant-funded treatment services. Further, the program gives preference to Members in the following order:
 - (a) To pregnant injecting drug users first
 - (b) To other pregnant substance abusers second
 - (c) To other injecting drug users third
 - (d) To all others individuals fourth
- (9) refer pregnant women to ValueOptions and/or AAPS when the program has insufficient capacity to provide services to any such pregnant women who seek the services of the program. The program shall make available SAPT interim services as defined in Section 1 of this Addendum within 48 hours to pregnant women who cannot be admitted because of lack of capacity. The purposes of the services are to reduce the adverse health effects of such abuse, promote the health of the individual and reduce the risk of transmission of disease.
- (10) The program provides pregnant women, women with dependent children, and their children, either **directly or through linkages** with community-based organizations, a comprehensive range of services to include:
 - (a) Case management to assist in establishing eligibility for public assistance programs provided by Federal, State, or local governments
 - (b) Employment and training programs
 - (c) Education and special education programs
 - (d) Drug-free housing for women and their children
 - (e) Prenatal care and other health care services
 - (f) Therapeutic day care for children

- (g) Head Start
- (h) Other early childhood programs