

AMENDMENT NUMBER: 2017-00
VENDOR NUMBER: «ven»

**RENEWAL NUMBER THREE
AND
AMENDMENT
BETWEEN
SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS
AND
«PROV»
FOR
PERSON-CENTERED SERVICES AND SUPPORTS
FUNDED THROUGH A CAPITATED MODEL**

THIS RENEWAL/AMENDMENT is entered into as of the first day of July 2016 by and between the South Carolina Department of Disabilities and Special Needs, hereinafter referred to as “DDSN”, and «prov», hereafter referred to as the “Provider”.

DDSN and the Provider are mutually desirous of revising and amending the Contract entered into July 1, 2013 (as amended) as follows:

REVISION I

Article I, **Contract Period and Renewal**, is hereby amended to revise the termination date from June 30, 2016 to **June 30, 2017**.

REVISION II

Appendix A, **Approved Budgets for Programs under Contract**, is hereby amended to add Appendix A-3 in order to reflect the inclusion of the fiscal year 2016 - 2017 (July 1, 2016 through June 30, 2017) information. Appendix A-3 is attached hereto and incorporated by reference.

REVISION III

Article II, **Administration of Person-Centered Services, Scope of Services, and Provider’s Responsibility**, Section B, *Individualized Estimated Cost of Services*, is hereby removed from the contract.

REVISION IV

Article III, **Conditions for Reimbursement**, Section C, Sub-section 5 and 6 are amended as follows: (changes are high-lighted)

5. Providers must expend for capitated services a minimum of **ninety percent (90%)** of total revenues received from all sources for services covered by this Contract. DDSN may recoup unexpended funds paid to the Provider if the **ninety percent (90%)** expenditure level is not maintained. This will generally occur at year-end reconciliation. This Contract’s funding is recognized as the last dollars spent.

6. Providers may maintain a maximum total reserve up to three (3) months of operating expenditures. The three (3) months reserve may change at the discretion of DDSN in order to ensure DDSN's financial solvency. For purposes of this provision, operating expenditures include expenditures of all Provider programs and activities related to the DDSN service delivery system. The Provider shall identify and document expenditures for programs and activities not related to the DDSN service delivery system. Provider shall not withhold services in order to generate funds to be carried forward. DDSN may recoup funds paid to the Provider if the total reserve exceeds the three (3) month maximum even if the ninety percent (90%) provision indicated in item 5 above is met. This will generally occur at year-end reconciliation. If DDSN's Medicaid allowable costs, in the aggregate, do not meet the level of certified public expenditures (CPEs) reported to the Department of Health and Human Services, DDSN is allowed to recoup funds necessary to remain in compliance with federal Medicaid CPE rules.

All other terms and conditions as set forth in the July 1, 2013 Contract (as amended) remain the same and in full force and effect.

IN WITNESS WHEREOF, DDSN and the Provider, by their authorized agents, in consideration of the mutual promises, covenants, and stipulations exchanged between them, have executed this Amendment to be effective as of July 1, 2016.

**SOUTH CAROLINA DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS
(DDSN)**

BY:

Tom Waring
Associate State Director
Administration

Witness for DDSN

**«PROV»
(PROVIDER)**

BY:

«dir»
«title»
On behalf of «prov»

Witness for Provider

APPENDIX B

PROVISIONS RELATED TO DISPOSITION OF FACILITIES OWNED BY PROVIDER IF CONTRACT EXPIRES OR IS TERMINATED

This Appendix pertains to a Contract termination or expiration or elimination of a facility from the Contract where the Provider owns the facility or facilities wherein services under this Contract are provided. Should the Provider or Sponsoring Agency cancel this Contract or eliminate any facility(ies) where DDSN funds were utilized to support the costs for such facility(ies) (i.e. purchase, rent, utilities, maintenance, etc.) from the Contract for any reason, the following provisions shall govern the facility(ies):

- A. If the facility(ies) is(are) to be sold, the Provider shall offer to DDSN or another contracted provider selected by DDSN the right of first refusal to purchase the facility(ies) at a price determined by a qualified real estate appraiser unless paid for through a DDSN capital grant. If paid for through a DDSN capital grant, the price shall be determined by the amount of the Grant. If DDSN and/or the contracted provider decide not to purchase the facility(ies), the following provisions shall govern the facility(ies):
1. The Provider shall unconditionally offer to lease to DDSN, or a substitute provider selected by DDSN, all facilities used to provide services under this Contract.
 2. The lease rate shall be equal to the debt service and expense portion of the loan for the facilities or, if greater, at a rate equal to the fair market value of such facilities, with such value to be determined by an agreed upon appraisal process.
 3. DDSN shall have sole discretion as to the followings:
 - whether the lease shall be entered into and/or renewed;
 - whether a substitute provider shall be selected; and
 - whether the facility will continue to be used for DDSN funded services and, if so, what services shall be provided at the leased facilities.
 4. DDSN, at its sole discretion, shall have the right to assign these lease rights to a substitute provider selected by DDSN.
 5. In addition to the provisions listed above, the Provider shall be unconditionally required, on a first priority basis, to offer to sell the facilities used to any such substitute provider selected by DDSN or to DDSN in the event of cancellation of this Contract. The following conditions shall govern this provision:
 - a. DDSN shall choose whether the offer shall be to the substitute provider or to DDSN.
 - b. The sale price shall be the fair market value as determined by an agreed upon appraisal process.
 - c. DDSN will have sole discretion whether to continue services at the facility and whether to support purchase by a substitute provider or to purchase the facility itself.
 - d. The substitute provider, if it purchases the facility, or DDSN, if it purchases the facility, will assume the Provider's obligations.
- B. Where construction or purchase of the facilities was funded by U. S. Department of Housing and Urban Development (HUD) or Farmers Home Administration (FmHA) grants or loans, paragraph A is subject to approval by HUD or FmHA.