



ARIZONA DEPARTMENT OF EDUCATION

Procurement Section

1535 West Jefferson Street, Bin #37
Phoenix, Arizona 85007-3209

CONTRACT/AGREEMENT AMENDMENT

1. AGREEMENT NO.: 25-02-ED	2. AMENDMENT NO.: 1	3. EFFECTIVE DATE: Upon Execution	4. PROGRAM: ESS
5. CONTRACTOR NAME: Arizona Health Care Cost Containment System (AHCCCS) 801 East Jefferson, MD 4100 Phoenix, AZ 85034 Email: anntonia.cota@azahcccss.gov			
6. AUTHORITY FOR AMENDMENT: Paragraph 7, "Changes"			
7. PURPOSE OF AMENDMENT: Replace Terms and Conditions			
8. DESCRIPTION OF THE SERVICE: Resolution in Residential Treatment Center Placement			

9. THE ABOVE REFERENCED AGREEMENT IS HEREBY AMENDED AS FOLLOWS:

In accordance with the provisions of the agreement, Paragraph 7, "Changes", this amendment is hereby removing all the Terms and Conditions and replacing them with the following:

1. PURPOSE OF AGREEMENT

The Arizona Department of Education (ADE) and the Arizona Health Care Cost Containment System (AHCCCS) make this Interagency Services Agreement (Agreement) for the purpose of establishing a mechanism for resolving disputes over the placement of a student with a disability in a residential treatment center (RTC) when the individualized education program determines a residential special education placement is necessary pursuant to A.R.S. § 15-765(G). With the consensus decision of the individualized education program team as prescribed in section 15-766, a residential special education placement shall be made by the public education agency (PEA) and the appropriate state agency. Pursuant to A.R.S. § 15-765(J), if the student's Public Education Agency and AHCCCS, where applicable, cannot mutually agree on the specific residential placement to be made this agreement would require both parties in taking efforts to come to a decision to ensure a child with a disability receives an appropriate residential special education placement.

2. DEFINITIONS

"Child (student) with a disability" as defined by meaning that the child has been evaluated as having a qualifying disability, and by reason thereof needs special education. [See 34 C.F.R. § 300.8(a)]

"Fund" means the special education fund that consists of legislative appropriations to the account for special education institutional vouchers as stated in A.R.S. § 15- 1202.

"Health Care Decision Maker" means an individual who is authorized to make health care treatment decisions for a person, including the parent of a minor or an individual who is authorized pursuant to A.R.S. Title 14, Chapter 5, Article 2 or 3, or A.R.S. §§ 36-3221, 36-3231.

"Health Plan" is an organization or entity that is contracted with AHCCCS to provide services to members either directly or through subcontracts with providers, in conformance with contractual requirements and Federal and State law, rule, regulations, and policies.

"IEP" means "individualized education program," as that term is defined by 20 U.S.C. § 1401(14) and 34 C.F.R. § 300.320 and A.R.S. § 15-761(11).

"IEP Team" means "individualized education program team" as that term is defined by 20 U.S.C. § 1414, 34 C.F.R. § 300.321, and A.R.S. § 15-761(12).



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"Least Restrictive Environment," as explained in 34 C.F.R § 300.114, means an environment in which a school can ensure that a student with disability is educated in the regular classroom environment to the maximum extent appropriate or, to the extent such placement is not appropriate, in an environment that is least likely to segregate the student from his or her nondisabled peers.

"Medically Necessary" as defined under A.A.C. R9-22-101(B) means a covered service provided by a physician or other licensed practitioner of the health arts within the scope of practice under State law to prevent disease, disability or other adverse conditions or their progression, or prolong life.

"Mental Health Provider" means any physician or provider of mental health or behavioral health services involved in evaluating, caring for, treating, or rehabilitating a patient.

"Parent" for purposes of educational decision-making, has the definition provided by 34 C.F.R. § 300.30, A.R.S. § 15-761(22), and A.R.S. § 15-1181(6). For the purposes of this Agreement, "parent" also includes a surrogate parent, as defined by 34 C.F.R. § 300.519 and A.R.S. § 15-761(37).

"Party" or "Parties" means ADE or AHCCCS, the parties to this Agreement.

"PEA" means "public education agency," as that term is defined by A.R.S. § 15-761(26).

"Placement Determination" means the determination of an IEP Team that a student needs a residential placement, as defined below. The term shall not refer to the determination of the specific facility in which residential placement is to occur.

"Related services" has the definition provided by 20 U.S.C. §1401(26), 34 C.F.R. § 300.34 and A.R.S. § 15-761(27).

"Residential placement" has the definition provided by 34 C.F.R. § 300.104.

"Residential special education placement" has the definition provided by A.R.S. § 15-761(28).

"Service Plan" means complete written description of all covered behavioral health services and other informal supports that have been identified through the assessment process that will assist the person to meet his/her specific goals. The Service Plan is documented in the comprehensive clinical record and provided to all agencies involved in providing services identified on the Service Plan.

"State placing agency" has the definition provided by A.R.S. § 15-1181(12). Per AHCCCS Medical Policy Manual (AMPM) Policy 541, AHCCCS has delegated to Health Plans its authority as a State Placing Agency as specified in A.R.S. § 15-1181 for children receiving special education services and includes the authority to place a student at a behavioral health inpatient facility which provides care, safety, and treatment.

"Student" means a "child with a disability" as that term is defined in 34 C.F.R. § 300.8 and A.R.S. § 15-761(2).

"Surrogate parent" has the definition provided by 34 C.F.R. § 300.519, A.R.S. § 15-761(37).

"Written notice" means a writing delivered to the other party by regular mail or electronic mail.

3. GENERAL TERMS AND CONDITIONS

A. This Agreement provides an informal agreed-to process through which the parties will attempt to resolve any disputes between them concerning the placement of a student with a disability in a residential treatment center pursuant to A.R.S. § 15-765(J). This Agreement does not provide any additional rights, causes of action, or participation in the placement process to any students, parents, or interested persons beyond those enumerated in federal or state law. There is no requirement in this Agreement that either Party reimburse the other. Nothing in this Agreement affects



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either Party's statutory financial obligations with respect to the matters addressed herein.

B. This Agreement shall not affect existing procedural safeguards:

1. The procedural safeguards guaranteed by the IDEA and its implementing regulations, 20 U.S.C. § 1415 and 34 C.F.R. §§ 300.500-515, and State statutes and rules, shall be available to the parents of any student with a disability, or any such student with a disability who has reached the age of majority, who disagrees with the student's identification, evaluation, educational placement, or the provision of a free appropriate public education. These procedural safeguards shall not be affected or diminished by the dispute resolution system developed under Paragraph 9 below.
2. The procedural safeguards required by the AHCCCS Policies and Procedures 2.16, A.R.S § 36-1301, § 41-1060 *et seq.*, and the Arizona Administrative Code, Title 9, Chapter 21, Article 1, shall be available to the parents, legal guardians, or the state or a governmental agency that is the legal custodian or has legal authority or jurisdiction for a student under this Agreement.

C. A parent must give written consent to treatment before any PEA and State placing agency may place a Student in a RTC placement. A general description of the placement process is contained in Attachment A.

- a. Consistent with A.R.S. § 15-765, the Health Plan shall make every reasonable effort to obtain parental consent to treat those Students for whom it is responsible. If the parent of a student refuses or revokes a consent to treat because the parent has reconsidered the decision to place the student in residential treatment, the placement process stops. In that case, AHCCCS shall require the Health Plan to ensure that the IEP Team is promptly notified that the parent has revoked his/her consent to treatment. The IEP team, which includes the parents, shall reconvene as soon as reasonably possible if necessary. Additionally, when a parent revokes a consent to treat, the PEA shall notify ADE/ESS (Exceptional Student Services) as soon as possible, but no later than five (5) calendar days after the parent has refused or revoked consent to treat.
 - b. If the parent of a Student refuses placement or revokes a consent to treat at a specific Health Plan-contracted residential facility, the PEA and the AHCCCS, through the Health Plan, shall confer as soon as reasonably possible if necessary, but no later than five calendar days after the date on which the parent so notifies the Health Plan.
1. Once a parent has given written consent to treatment at a specific facility, AHCCCS shall require the Health Plan to work in good faith to ensure that the Student is placed at the specified facility as soon as reasonably possible.

4. TERMINATION

Except as otherwise provided, this Agreement may be terminated by mutual agreement of the Parties at any time.

5. RENEWAL OF AGREEMENT

The "effective date" of this Agreement is the date on which the last party has signed below (Effective Date). This Agreement shall automatically renew for an additional one (1) year period on the anniversary of the Effective Date unless either party to the Agreement provides Written Notice to the other party no less than thirty (30) days before the date on which this Agreement would automatically renew of its desire to terminate this Agreement at the end of the current term or 'wishes to renew the Agreement for an alternate period. If the parties desire to extend the term of this agreement for the alternate period, an Amendment acknowledging the same shall be signed by both parties.

In the event that either party wishes to amend this Agreement that party will notify the other party in writing and schedule a meeting at a mutually agreeable time to discuss its proposed amendment(s). Such request must be made no less than



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sixty (60) days before the anniversary of the Effective Date for those revisions to be timely made if agreed upon, to be effective the following year. If any revisions or modifications are agreed to they will be reduced to writing in the form of an amendment to this ISA and signed by all parties.

6. SCOPE OF SERVICES

The parties agree to perform the obligations set forth herein in good faith, including to participate in the dispute resolution process set forth in Paragraph 9 below. ADE and the CONTRACTOR shall perform the obligations agreed to by each as set forth in Attachment "A", Scope of Work attached hereto and incorporated herein by reference.

7. FINANCING

- A. Pursuant to A.R.S. § 15-765(L) AHCCCS, through the Health Plan, is responsible for funding medically necessary behavioral health components of the RTC placement and for the coordination of the funding of the room and board and other components where appropriate under State and Federal law. This provision is not intended to alter or reallocate financial responsibility from any State agency or other person or persons to AHCCCS but is subject to any and all applicable laws and agreements and the limitations therein.
- B. ADE, through the Fund Account, is responsible for funding the educational costs incurred by the placement of a child with a disability in an out-of-home care facility. Additional educational costs beyond the residential voucher are to be paid by the PEA.
- C. AHCCCS shall notify ADE if projections indicate a potential shortage of funds that impact applicable RTC placements.
 - 1. Within thirty (30) days of notification, the Parties shall establish a joint plan of action.
 - 2. In the event that funds are exhausted for services for these students, the Parties and the PEA agree to cooperate in seeking additional funds for the identified residential placements.
- D. If a funding dispute arises, the Parties and the PEA shall notify each other of the existence of a dispute and shall activate the dispute resolution process outlined below in Paragraph 9.

8. MODIFICATIONS

Any modifications within the scope of this Agreement shall be made only as set forth in Paragraph 5. No agent, employee or other representative of either Party is empowered to alter any of the terms of the Agreement unless done in writing and signed by the authorized representative for each of the respective Parties. Neither Party is obligated to fund any changes not properly approved in advance.

Either Party shall give written notice to the other Party of any non-material alteration that affects the provisions of this Agreement. Non-material alterations that do not require a written amendment are as follows:

- 1. Change of telephone number.
- 2. Change of authorized signatory.
- 3. Change in the name and/or address of the person to whom notices are to be sent.

9. DISPUTE RESOLUTION

- A. This dispute resolution process shall be used by the Parties when a dispute arises between an IEP team and a Health Plan as to whether the RTC identified by the Health Plan is capable of implementing the Student's IEP.
- B. If a dispute as defined above in paragraph 9(A) arises, the Parties agree to utilize and follow the dispute resolution process outlined below:
 - 1. The Parties agree to resolve disputes, if possible, informally and at the lowest possible level through



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negotiation or conciliation.

- a. This informal process shall include contact between the PEA and the Health Plan Medical Director or designee.
 - b. The Parties shall provide the following information to each other to help facilitate resolution of the dispute:
 1. The PEA shall provide the following information to the Health Plan Medical Director or designee regarding the Student: the current evaluation, current IEP, any prior written notices relevant to the IEP team's decision to place in an RTC, information about the ability of the proposed facility to implement the IEP, and any other information that PEA believes will be useful in attempting to resolve the dispute.
 2. The Health Plan Medical Director or designee shall provide the following information to the PEA regarding the Student: all relevant psychiatric evaluations, the intake assessment, information about the ability of the proposed facility to meet the identified mental health needs, and any other information that the Health Plan believes will be useful in attempting to resolve the dispute.
 3. Either of the Parties may bring such additional persons to the dispute resolution meeting if it is believed they would be helpful or necessary to resolve the dispute.
 4. Regarding efforts to resolve a dispute under this Agreement, the PEA and the Health Plan shall communicate directly with one another by first attempting to meet in person. If, after a good faith effort to meet in-person has been made by both parties, they are unable to arrange an in-person meeting then the Parties shall meet and confer by videoconference. Only after these good faith efforts have been made shall the parties be permitted to meet via telephone conference.
 - c. If the dispute cannot be resolved between the PEA representative and the Health Plan Medical Director or designee, the dispute may be elevated to the Medical Director of AHCCCS or designee and the Superintendent of Public Instruction or designee for final resolution. The Parties shall ensure that the Medical Director of AHCCCS and the Superintendent receive all the information obtained by and exchanged between the Parties to the dispute as well as a concise statement as to the nature of the dispute and reasons that the Parties have been unable to resolve it informally.
2. If the processes described in paragraph 9(B) above does not resolve the dispute, the Parties agree to utilize mediation services.
 - a. The Parties may select a mediator from a list of mediators with substantial experience in special education matters that is prepared and maintained by ADE.
 - b. Participants in the mediation process must have authority to act on behalf of their respective agency.
 - c. ADE shall fund the cost of mediation, unless the PEA does not follow the placement process for a child with a disability into an RTC as required in state law. In that circumstance, the PEA shall fund the mediation.

10. BREACH

This agreement may be terminated by either party if the other party fails to fulfill its obligations.



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11. GOVERNING LAW

This Agreement shall be governed and interpreted by the laws of the State of Arizona, and to the extent applicable, the Arizona Procurement Code (A.R.S. § 41-2501, *et seq.*) and the administrative rules promulgated thereunder (A.A.C. R2-7-101 *et seq.*).

12. NON-AVAILABILITY OF FUNDS

Payment and service obligations under this Agreement are conditioned upon the availability of funds appropriated or allocated for the payment or support of such obligation. If funds are not allocated and available for the continuance of this Agreement, the Agreement may be terminated consistent with Paragraphs 5 and 6 above. No liability shall accrue to the terminating party in the event this specific provision is exercised, and neither party shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

13. CANCELLATION FOR CONFLICT OF INTEREST

This agreement is subject to cancellation under A.R.S. § 38-511.

14. NON-DISCRIMINATION

Both Parties shall comply with Executive Order 2009-09, which mandates that all persons, regardless of race, color, religion, sex, age, or national origin shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the American with Disabilities Act. Both parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin, or disability.

15. RECORDS

Pursuant to A.R.S. §§ 35-214 and 35-215, both parties shall retain and shall contractually require each of its contractors or subcontractors to retain all data, books and other records ("Records") relating to this Agreement for a period of five years after completion of the Agreement. All Records shall be subject to inspection and audit by the State at reasonable times. Upon request, the parties shall produce the original of any or all such Records.

16. CONFIDENTIALITY

The Parties warrant that each understands that some information that is shared for purposes of this Agreement may be protected as confidential by the federal Family Educational Rights and Privacy Act of 1974 and/or the federal Health Insurance and Portability and Accountability Act of 1996. Each Party warrants that it will comply at all times with these and any other applicable relevant federal and state law protecting the confidentiality of such information. Such information shall be referred to as "Confidential Information." The Parties each warrant that they will, to the greatest extent practicable, limit disclosure of Confidential Information for purposes of this Agreement to each other. Any Confidential Information disclosed to the other Party for purposes of this Agreement shall be marked as "Confidential" and shall only be transmitted by secure means designed to protect the confidentiality of such information. The Parties shall not disclose to unauthorized third parties any Confidential Information of the other Party. The Parties will use such Confidential Information only for the purposes related to this Agreement. Provided that the receiving Party's obligations hereunder shall not apply to information that: A) is already in the receiving Party's possession at the time of disclosure; or, B) is or later becomes party of the public domain through no fault of the receiving Party; or, C) is received from a third party with no duty of confidentiality to the disclosing party; or, D) was developed independently by the receiving party prior to the disclosure; or, E) is required to be disclosed by law or regulation.

17. PROPERTY OF THE STATE

Title and exclusive copyright to all reports, information, data, curricula, materials, and software prepared by Parties in



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performance of this Agreement shall vest in the State of Arizona.

18. PUBLIC RECORD

Both Parties recognize that documents not protected by law as confidential may be public records.

19. NOTICES

All written communications shall be addressed and mailed or personally served as follows:

To the AHCCCS:

Dr. Theresa Costales
AHCCCS Chief Medical Officer
Arizona Health Care Cost Containment System
801 East Jefferson, MD 4100
Phoenix, AZ 85034
Phone Number: 602-417-4466
Email: theresa.costales@azahcccs.gov

For Legal Notice or Signature:

Toni Cota
AHCCCS Senior Procurement Specialist
801 E. Jefferson, MD5700
Phoenix, AZ 85304
Emails: anntonia.cota@azahcccs.gov;
procurement@azahcccs.gov

To ADE:

Alissa Trollinger
Deputy Associate Superintendent
Exceptional Student Services
Arizona Department of Education
1535 W. Jefferson St., Bin #24
Phoenix, AZ 85007
Phone Number: 602-364-4004
Email: alissa.trollinger@azed.gov



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10. EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT/AGREEMENT NOT HERETOFORE CHANGED AND/OR AMENDED REMAIN UNCHANGED AND IN FULL EFFECT.

IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT.

CONTRACTOR AHCCCS #YH 25-0047 6720D03F007E4A8... M. LaPorte (SIGNATURE OF AUTHORIZED INDIVIDUAL) NAME (Typed/Printed): Meggan LaPorte TITLE: Chief Procurement Officer DATE: 4/23/2025	ARIZONA DEPARTMENT OF EDUCATION (SIGNATURE) NAME: TITLE: Chief Procurement Officer DATE:
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CONTRACT/AGREEMENT AMENDMENT

1. ISA AGREEMENT NO.: 25-02-ED	2. AMENDMENT NO.: 2	3. EFFECTIVE DATE: October 1, 2025	4. PROGRAM: ESS
5. CONTRACTOR NAME: Arizona Health Care Cost Containment System (AHCCCS) 801 East Jefferson, MD 4100 Phoenix, AZ 85034 Email: anntonia.cota@azahcccss.gov			
6. AUTHORITY FOR AMENDMENT Section 4, "Term of Agreement"			
7. PURPOSE OF AMENDMENT: Contract Extension			
8. DESCRIPTION OF THE SERVICE: Resolution in Residential Treatment Center Placement			

9. THE ABOVE REFERENCED AGREEMENT IS HEREBY AMENDED AS FOLLOWS:

In accordance with the provisions of the agreement, Section 4, Term of Agreement, the Contract's term is hereby extended for one (1) year from October 1, 2025 through September 30, 2026.

10. EXCEPT AS PROVIDED FOR HEREIN, ALL TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT/AGREEMENT NOT HERETOFORE CHANGED AND/OR MODIFIED REMAIN UNCHANGED AND IN FULL EFFECT.	
IN WITNESS WHEREOF THE PARTIES HERETO SIGN THEIR NAMES IN AGREEMENT.	
DocuSigned by: 4946B76F5F98482...	CONTRACTOR - AHCCCS YH25-0047
ARIZONA DEPARTMENT OF EDUCATION	
(SIGNATURE OF AUTHORIZED INDIVIDUAL)	(SIGNATURE)
NAME (Typed/Printed): Tracey Thomas	NAME: Braulio Garcia
TITLE: Procurement Manager	TITLE: Chief Procurement Officer
DATE: 10/28/2025	DATE:

Certificate Of Completion

Envelope Id: 5CF53059-E9E9-4958-84BC-E5F7E59470EB

Status: Completed

Subject: Please Docusign This Document YH25-0047 Dispute Resolution in RTC Placement

Source Envelope:

Document Pages: 1

Signatures: 1

Envelope Originator:

Certificate Pages: 1

Initials: 0

anntonia cota

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801 E. Jefferson St.

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Status: Original

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Location: DocuSign

10/22/2025 8:01:21 AM

anntonia.cota@azahcccs.gov

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: Arizona Health Care Cost Containment System

Location: Docusign

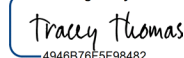
Signer Events

Signature

Timestamp

Tracey Thomas

DocuSigned by:


4946B76F5F98482...

Sent: 10/22/2025 8:03:05 AM

Tracey.Thomas@azahcccs.gov

Resent: 10/28/2025 10:27:00 AM

Procurement Manager

Viewed: 10/28/2025 2:08:07 PM

AHCCCS

Signed: 10/28/2025 2:08:27 PM

Security Level: Email, Account Authentication (None)

Signature Adoption: Pre-selected Style

Using IP Address: 68.230.81.49

Electronic Record and Signature Disclosure:

Not Offered via Docusign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

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Timestamp

Notary Events

Signature

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Envelope Summary Events

Status

Timestamps

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Certified Delivered

Security Checked

10/28/2025 2:08:07 PM

Signing Complete

Security Checked

10/28/2025 2:08:27 PM

Completed

Security Checked

10/28/2025 2:08:27 PM

Payment Events

Status

Timestamps