



**AMENDMENT NO. 1
TO
CONTRACT NO. MA-042-19010191
FOR
BEHAVIORAL HEALTH OUTPATIENT SERVICES FOR CHILDREN AND YOUTH**

This Amendment ("Amendment No. 1") to Contract No. MA-042-19010191 for Behavioral Health Outpatient Services for Children and Youth is made and entered into on July 1, 2021 ("Effective Date") between Pathways Community Services LLC ("Contractor"), with a place of business at 4281 Katella Avenue, Suite 201, Los Alamitos, CA 90720, and the County of Orange, a political subdivision of the State of California ("County"), through its Health Care Agency, with a place of business at 405 W. 5th Street, Suite 600, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, the Parties executed Contract No. MA-042-19010191 ("Contract") for Behavioral Health Outpatient Services for Children and Youth, effective July 1, 2018 through June 30, 2021, in an amount not to exceed \$9,180,651, renewable for two additional one-year terms; and

WHEREAS, the Parties now desire to enter into this Amendment No. 1 to amend Paragraph VI., Paragraph XXIX., and Exhibit A of the Contract; to add Paragraph XXXII. and Paragraph XXXIII. to the Contract; and to renew the Contract for one year for County to continue receiving and Contractor to continue providing the services set forth in the Contract.

NOW THEREFORE, Contractor and County agree to amend the Contract as follows:

1. The Contract is renewed for a term of one (1) year, effective July 1, 2021 through June 30, 2022, in an amount not to exceed \$3,328,297 for this renewal term, for a revised cumulative total amount not to exceed \$12,508,948; on the amended terms and conditions.
2. Page 4, Referenced Contract Provisions, Term provision and Maximum Obligation provision, of the Contract are deleted in their entirety and replaced with the following:

"Term: July 1, 2018 through June 30, 2022

Period One means the period from July 1, 2018 through June 30, 2019

Period Two means the period from July 1, 2019 through June 30, 2020

Period Three means the period from July 1, 2020 through June 30, 2021

Period Four means the period from July 1, 2021 through June 30, 2022

Amount Not To Exceed:

Period One Amount Not to Exceed:	\$ 3,060,217
Period Two Amount Not to Exceed:	3,060,217
Period Three Amount Not to Exceed:	3,060,217
Period Four Amount Not to Exceed:	<u>3,328,297</u>
TOTAL AMOUNT NOT TO EXCEED:	\$ 12,508,948”

3. Paragraph VI. Cost Report, subparagraph A. (but not including subparagraphs A.1, A.2 and A.3) of the Contract is deleted in its entirety and replaced with the following:

“A. CONTRACTOR shall submit separate individual and/or consolidated Cost Reports for Period One, Period Two, Period Three and Period Four, or for a portion thereof, to COUNTY no later than sixty (60) calendar days following the period for which they are prepared or termination of this Contract. CONTRACTOR shall prepare the individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple Contracts for mental health services that are administered by HCA, consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR. CONTRACTOR shall submit a consolidated Cost Report to COUNTY no later than five (5) business days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a consolidated Cost Report.”

4. Paragraph XXIX. Termination of the Contract is deleted in its entirety and replaced with the following:

“A. CONTRACTOR shall be responsible for meeting all programmatic and administrative contracted objectives and requirements as indicated in this Contract. CONTRACTOR shall be subject to the issuance of a CAP for the failure to perform to the level of contracted objectives, continuing to not meet goals and expectations, and/or for non-compliance. If CAPs are not completed within timeframe as determined by ADMINISTRATOR notice, payments may be reduced or withheld until CAP is resolved and/or the Contract could be terminated.

B. COUNTY may terminate this Contract immediately, upon written notice, on the occurrence of any of the following events:

1. The loss by CONTRACTOR of legal capacity.
2. Cessation of services.

3. The delegation or assignment of CONTRACTOR's services, operation or administration to another entity without the prior written consent of COUNTY.

4. The neglect by any physician or licensed person employed by CONTRACTOR of any duty required pursuant to this Contract.

5. The loss of accreditation or any license required by the Licenses and Laws Paragraph of this Contract.

6. The continued incapacity of any physician or licensed person to perform duties required pursuant to this Contract.

7. Unethical conduct or malpractice by any physician or licensed person providing services pursuant to this Contract; provided, however, COUNTY may waive this option if CONTRACTOR removes such physician or licensed person from serving persons treated or assisted pursuant to this Contract.

C. CONTINGENT FUNDING

1. Any obligation of COUNTY under this Contract is contingent upon the following:

a. The continued availability of federal, state and county funds for reimbursement of COUNTY's expenditures, and

b. Inclusion of sufficient funding for the services hereunder in the applicable budget(s) approved by the Board of Supervisors.

2. In the event such funding is subsequently reduced or terminated, COUNTY may suspend, terminate or renegotiate this Contract upon thirty (30) calendar days' written notice given CONTRACTOR. If COUNTY elects to renegotiate this Contract due to reduced or terminated funding, CONTRACTOR shall not be obligated to accept the renegotiated terms.

D. In the event this Contract is suspended or terminated prior to the completion of the term as specified in the Referenced Contract Provisions of this Contract, ADMINISTRATOR may, at its sole discretion, reduce the Not To Exceed Amount of this Contract to be consistent with the reduced term of the Contract.

E. In the event this Contract is terminated CONTRACTOR shall do the following:

1. Comply with termination instructions provided by ADMINISTRATOR in a manner which is consistent with recognized standards of quality care and prudent business practice.

2. Obtain immediate clarification from ADMINISTRATOR of any unsettled issues of contract performance during the remaining contract term.

3. Until the date of termination, continue to provide the same level of

service required by this Contract.

4. If Clients are to be transferred to another facility for services, furnish ADMINISTRATOR, upon request, all Client information and records deemed necessary by ADMINISTRATOR to effect an orderly transfer.

5. Assist ADMINISTRATOR in effecting the transfer of Clients in a manner consistent with Client's best interests.

6. If records are to be transferred to COUNTY, pack and label such records in accordance with directions provided by ADMINISTRATOR.

7. Return to COUNTY, in the manner indicated by ADMINISTRATOR, any equipment and supplies purchased with funds provided by COUNTY.

8. To the extent services are terminated, cancel outstanding commitments covering the procurement of materials, supplies, equipment, and miscellaneous items, as well as outstanding commitments which relate to personal services. With respect to these canceled commitments, CONTRACTOR shall submit a written plan for settlement of all outstanding liabilities and all claims arising out of such cancellation of commitment which shall be subject to written approval of ADMINISTRATOR.

9. Provide written notice of termination of services to each Client being served under this Contract, within fifteen (15) calendar days of receipt of termination notice. A copy of the notice of termination of services must also be provided to ADMINISTRATOR within the fifteen (15) calendar day period.

F. COUNTY may terminate this Contract, without cause, upon thirty (30) calendar days' written notice. The rights and remedies of COUNTY provided in this Termination Paragraph shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Contract."

5. Paragraph XXXII. Conflict of Interest is added to the Contract as follows:

"CONTRACTOR shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with COUNTY interests. In addition to CONTRACTOR, this obligation shall apply to CONTRACTOR's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. CONTRACTOR's efforts shall include, but not be limited to establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence COUNTY staff or elected officers in the performance of their duties."

6. Paragraph XXXIII. Dispute Resolution is added to the Contract as follows:

"A. The Parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this

Contract is not disposed of in a reasonable period of time by the CONTRACTOR and the ADMINISTRATOR, such matter shall be brought to the attention of the COUNTY Deputy Purchasing Agent by way of the following process:

1. CONTRACTOR shall submit to the COUNTY Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the Parties arising under, related to, or involving this Contract, unless COUNTY, on its own initiative, has already rendered such a final decision.

2. CONTRACTOR's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to the Contract, CONTRACTOR shall include with the demand a written statement signed by an authorized representative indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects the Contract adjustment for which CONTRACTOR believes COUNTY is liable.

B. Pending the final resolution of any dispute arising under, related to, or involving this Contract, CONTRACTOR agrees to proceed diligently with the performance of services secured via this Contract, including the delivery of goods and/or provision of services. CONTRACTOR's failure to proceed diligently shall be considered a material breach of this Contract.

C. Any final decision of COUNTY shall be expressly identified as such, shall be in writing, and shall be signed by a COUNTY Deputy Purchasing Agent or designee. If COUNTY fails to render a decision within ninety (90) calendar days after receipt of CONTRACTOR's demand, it shall be deemed a final decision adverse to CONTRACTOR's contentions.

D. This Contract has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the Parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county."

7. Exhibit A, Paragraph II. Budget, subparagraph A. of the Contract is deleted in its entirety and replaced with the following:

"A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in this Exhibit A to the Contract and the following budgets, which are set forth for informational purposes only and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

	<u>PERIOD</u>
	<u>FOUR</u>
ADMINISTRATIVE COST	
Indirect	\$ 434,126
 PROGRAM COST	
Salaries	\$ 1,979,714
Benefits	395,943
Services and Supplies	445,714
Subcontracts	<u>72,800</u>
SUBTOTAL PROGRAM COST	\$ 2,894,171
 TOTAL GROSS COST	 \$ 3,328,297
 REVENUE	
Federal Medi-Cal	\$ 1,664,149
State Medi-Cal Match	1,530,108
MHSA	<u>134,040</u>
TOTAL REVENUE	\$ 3,328,297
 TOTAL AMOUNT NOT TO EXCEED	 \$ 3,328,297”

8. Exhibit A, Paragraph III. Payments, subparagraph A., introductory paragraph of the Contract is deleted in its entirety and replaced with the following:

“A. COUNTY shall pay CONTRACTOR monthly, in arrears, for Period One, Period Two, and Period Three at the provisional amount of \$255,018 per month and for Period Four at the provisional amount of \$277,358 per month. All payments are interim payments only, and subject to final settlement in accordance with the Cost Report Paragraph of the Contract for which CONTRACTOR shall be reimbursed for the actual cost of providing the services, which may include Indirect Administrative Costs, as identified in Subparagraph II.A. of this Exhibit A to the Contract; provided, however, the total of such payments does not exceed the Amount not to Exceed for each period as stated in the Referenced Contract Provisions of the Contract and, provided further, CONTRACTOR’s costs are reimbursable pursuant to COUNTY, state, and/or federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for any month for which the provisional amount specified above has not been fully paid.”

9. Exhibit A, Paragraph V. Services, subparagraph B.5., introductory paragraph of the Contract is deleted in its entirety and replaced with the following:

“5. CONTRACTOR shall offer all Medi-Cal beneficiaries with an initial request for routine outpatient services an appointment within 10 business days. Initial intake services shall be provided during evening hours if necessary in order to accommodate Clients and their parents not able to participate during regular day-time hours. Services

shall include, but may not be limited to:"

- 10. Exhibit A, Paragraph VI. Staffing, subparagraph A. of the Contract is deleted in its entirety and replaced with the following:

"A. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in Full-Time Equivalents (FTEs) continuously throughout the term of the Contract. One (1) FTE shall be equal to an average of forty (40) hours work per week.

	North Region Anaheim	West Region Garden Grove
PROGRAM	<u>FTE</u>	<u>FTE</u>
Associate Regional Director	0.10	0.10
Program Director	1.00	0.80
Office Manager	1.00	1.00
Office Assistant	2.00	2.00
Billing Administrator	0.11	0.11
QI Administrator	0.11	0.11
Data Analyst	0.50	0.50
Psychiatrist-Medical Director	0.03	0.07
Clinical Supervisor	1.00	1.00
Psychologist	0.50	0.15
Licensed Therapist	1.00	1.00
Pre-Licensed Therapist	1.00	2.00
Pre-Licensed Therapist - Bilingual	7.00	8.00
Nurse Practitioner	0.30	0.50
TBS/IHBS Coach	1.00	0.00
Youth Partner	<u>1.00</u>	<u>0.00</u>
SUBTOTAL PROGRAM FTE	17.65	17.34
SUBCONTRACTS		
Psychiatrist	<u>0.18</u>	<u>0.00</u>
SUBTOTAL SUBCONTRACTOR FTE	0.18	0.00
GRAND TOTAL FTE	17.82	17.34"

- 11. Exhibit A, Paragraph VI. Staffing, subparagraph M.2. and M.4. of the Contract are deleted in their entirety and replaced with the following:

"2. During Period Four of this Contract, CONTRACTOR shall provide a minimum of twenty-eight thousand seven hundred forty (28,740) billable DSH, including medication support services, other mental health services, case management, and/or crisis

intervention or TBS services as identified in the Services Paragraph of this Exhibit A to the Contract.”

“4. CONTRACTOR shall maintain an active and on-going minimum caseload of at least five hundred (500) unduplicated Clients, of which at least five hundred (500) shall be Medi-Cal, throughout Period Four of the Contract, unless otherwise approved by ADMINISTRATOR.”

12. Paragraph VII. Patient’s Rights is added to Exhibit A of the Contract as follows:

“A. CONTRACTOR shall post the current California Department of Mental Health Patients’ Rights poster as well as the Orange County HCA Mental Health Plan Grievance and Appeals poster in locations readily available to Clients and staff and have Grievance and Appeal forms in the threshold languages and envelopes readily accessible to Clients to take without having to request it on the unit.

B. In addition to those processes provided by ADMINISTRATOR, CONTRACTOR shall have an internal grievance processes approved by ADMINISTRATOR, to which the beneficiary shall have access.

1. CONTRACTOR's grievance processes shall incorporate COUNTY's grievance, patients' rights, and/or utilization management guidelines and procedures. The patient has the right to utilize either or both grievance process simultaneously in order to resolve their dissatisfaction.

2. Title IX Rights Advocacy. This process may be initiated by a Client who registers a statutory rights violation or a denial or abuse complaint with the County Patients’ Rights Office. The Patients’ Rights office shall investigate the complaint, and Title IX grievance procedures shall apply, which involve ADMINISTRATOR’S Director of Behavioral Health Care and the State Patients’ Rights Office.

C. The Parties agree that Clients have recourse to initiate an expression of dissatisfaction to CONTRACTOR, appeal to the County Patients’ Rights Office, file a grievance, and file a Title IX complaint. The Patients’ Advocate shall advise and assist the Client, investigate the cause of the grievance, and attempt to resolve the matter.

D. No provision of this Contract shall be construed as to replacing or conflicting with the duties of County Patients’ Rights Office pursuant to Welfare and Institutions Code Section 5500.”

This Amendment No. 1 modifies the Contract only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 1 and the Contract, the terms and conditions of this Amendment No. 1 prevail. In all other respects, the terms and conditions of the Contract, not specifically changed by this Amendment No. 1, remain in full force and effect.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1. If Contractor is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, the President, or any Vice President; 2) the second signature must be that of the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

Contractor: Pathways Community Services LLC

Gioconda Rodriguez, California State Director, Pathways State Director

Print Name	Title
 DocuSigned by: 16739425E06B4BA...	3/17/2021
Signature	Date

County of Orange, a political subdivision of the State of California

Purchasing Agent/Designee Authorized Signature:

Print Name	Title
Signature	Date

APPROVED AS TO FORM

Office of the County Counsel
Orange County, California

Brittany McLean

Deputy County Counsel

Print Name	Title
 DocuSigned by: 9713A4061D4343D...	3/17/2021
Signature	Date