



**AMENDMENT NO. 7  
TO  
CONTRACT NO. MA-042-19010240  
FOR  
ADULT RESIDENTIAL DRUG MEDI-CAL SUBSTANCE USE DISORDER TREATMENT  
SERVICES**

This Amendment (“Amendment No. 7”) to Contract No. MA-042-19010240 for Adult Residential Drug Medi-Cal Substance Use Disorder Treatment Services is made and entered into on July 1, 2022 (“Effective Date”) between Phoenix House Orange County, Inc. (“Contractor”), with a place of business at 1160 Eldridge Avenue, Lake View Terrace, California 91342, 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 St., Ste. 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-042-19010240 for Adult Residential Drug Medi-Cal Substance Use Disorder Treatment Services, effective July 1, 2018 through June 30, 2020, in an amount not to exceed \$4,750,000, renewable for three additional one-year periods (“Contract”); and

WHEREAS, the Parties executed Amendment No. 1 to amend the Contract, effective August 21, 2019, to modify Exhibits B, C and D; and

WHEREAS, the Parties executed Amendment No. 2 to amend the Contract, effective October 1, 2019, to modify the rates of reimbursement for services; and

WHEREAS, the Parties executed Amendment No. 3 to renew the Contract for a period of 1 year, effective July 1, 2020 through June 30, 2021, in an amount not to exceed \$2,375,000, for a revised cumulative total amount not to exceed \$7,125,000, and to modify various provisions of the Contract; and

WHEREAS, the Parties executed Amendment No. 4 to amend Paragraph IV. of the Contract, effective September 1, 2020, to modify the Sanction Screening requirement; and

WHEREAS, the Parties executed Amendment No. 5 to amend the Contract, effective March 1, 2021, to exercise the 10% cost contingency to increase the Period Three Maximum Obligation by \$237,500, for a revised cumulative total amount not to exceed \$7,362,500; and

WHEREAS, the Parties executed Amendment No. 6 to renew the Contract for a period of 1 year, effective July 1, 2021 through June 30, 2022, in an amount not to exceed \$4,605,515, for a revised cumulative total amount not to exceed \$11,968,015, and to modify various provisions of the Contract; and

WHEREAS, the Parties now desire to enter into this Amendment No. 7 to amend various provisions of 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, 2022 through June 30, 2023, in an amount not to exceed \$3,000,000 for this renewal term, for a revised cumulative total amount not to exceed \$14,968,015; on the amended terms and conditions.
2. Referenced Contract Provisions, Term provision and Amount Not To Exceed provision, of the Contract are deleted in their entirety and replaced with the following:

**“Term: July 1, 2018 through June 30, 2023**

- 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
- Period Five means the period from July 1, 2022 through June 30, 2023

**Amount Not To Exceed:**

Period One Amount Not To Exceed:	\$	2,375,000
Period Two Amount Not To Exceed:		2,375,000
Period Three Amount Not To Exceed:		2,612,500
Period Four Amount Not To Exceed:		4,605,515
Period Five Amount Not To Exceed:		3,000,000
TOTAL AMOUNT NOT TO EXCEED:	\$	14,968,015”

3. Referenced Contract Provisions, Notices to Contractor provision, of the Contract is deleted in its entirety and replaced with the following:

**“CONTRACTOR:** Alice Gleghorn, Ph.D.  
 Phoenix House Orange County, Inc.  
 11600 Eldridge Ave.  
 Lake View Terrace, CA 91342-6506  
[AGleghorn@phoenixhouseca.org](mailto:AGleghorn@phoenixhouseca.org)”

4. The following table is updated within the Referenced Contract Provisions:

CFDA#	FAIN#	Program/Service Title	Federal Funding Agency	Federal Award Date	Amount	R&D Award (Y/N)
93.959	T110062-20	SABG	Substance Abuse and Mental Health Services Administration (SAMHSA)	7/1/2021 TO 6/30/2024	\$19,276,499 annually	N

5. All references in the Contract to “Maximum Obligation” shall be replaced with “Amount Not To Exceed”.

6. Paragraph IV. Compliance, subparagraph B. (but not including subparagraphs B.1 through B.7) of the Contract is deleted in its entirety and replaced with the following:

“B. SANCTION SCREENING – CONTRACTOR must screen all Covered Individuals employed or retained to provide services related to this Agreement to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement. Screening must be conducted against the Social Security Administration’s Death Master File at the date of employment. Screening must be conducted monthly against the General Services Administration’s Excluded Parties List System or System for Award Management, the Health and Human Services/Office of Inspector General List of Excluded Individuals/Entities, and the California Medi-Cal Suspended and Ineligible Provider List, and/or any other list or system as identified by ADMINISTRATOR.”

7. Paragraph IV. Compliance, subparagraph E.6. of the Contract is deleted in its entirety and replaced with the following:

“6. CONTRACTOR shall meet the HCA Quality Assessment and Performance Improvement Standards established by Authority and Quality Improvement Services (AQIS) and participate in the quality improvement activities developed in the implementation of the DMC-ODS Quality Management Program. CONTRACTOR shall establish an internal Quality Management program and appoint designated Quality Improvement (QI) staff consisting of at least one dedicated QI coordinator/professional to participate in QI activities with ADMINISTRATOR and to ensure service delivery and support program staff implement QI initiatives and requirements appropriately at the program site.”

8. Paragraph XIV. Licenses and Laws, subparagraphs B. and C. of the Contract are deleted in their entirety and replaced with the following:

“B. CONTRACTOR shall comply with all applicable governmental laws, regulations, and requirements as they exist now or may be hereafter amended or changed. These laws, regulations, and requirements shall include, but not be limited to, the following:

1. ARRA of 2009.
2. Trafficking Victims Protection Act of 2000.
3. CCC §§56 through 56.37, Confidentiality of Medical Information.
4. CCC §§1798.80 through 1798.84, Customer Records.
5. CCC §1798.85, Confidentiality of Social Security Numbers.
6. CCR, Title 9, Rehabilitative and Developmental Services, Division 4; and Title 22 Social Security.
7. HSC, Divisions 10.5 Alcohol and Drug Programs and 10.6. Drug and Alcohol Abuse Master Plans.
8. HSC, §§123110 through 123149.5, Patient Access to Health Records.
9. Code of Federal Regulations, Title 42, Public Health.
10. 2 CFR 230, Cost Principles for Nonprofit Organizations.
11. 2 CFR 376, Nonprocurement, Debarment and Suspension.
12. 41 CFR 50, Public Contracts and Property Management.
13. 42 CFR Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.
14. 42 CFR 54, Charitable choice regulations applicable to states receiving substance abuse prevention and treatment block grants and/or projects for assistance in transition from homelessness grants.

15. 45 CFR 93, New Restrictions on Lobbying.
16. 45 CFR 96.127, Requirements regarding Tuberculosis.
17. 45 CFR 96.132, Additional Agreements.
18. 45 CFR 96.135, Restrictions on Expenditure of Grant.
19. 45 CFR 160, General Administrative Requirements.
20. 45 CFR 162, Administrative Requirements.
21. 45 CFR 164, Security and Privacy.
22. 48 CFR 9.4, Debarment, Suspension, and Ineligibility.
23. 8 USC §1324 et seq., Immigration Reform and Control Act of 1986.
24. 31 USC §1352, Limitation on Use of Appropriated Funds to Influence Certain Federal Contracting and Financial Transactions.
25. 42 USC §§285n through 285o, National Institute on Alcohol Abuse and Alcoholism.
26. 42 USC §§290aa through 290kk-3, Substance Abuse and Mental Health Services Administration.
27. 42 USC §290dd-2, Confidentiality of Records.
28. 42 USC §1320(a), Uniform reporting systems for health services facilities and organizations.
29. 42 USC §§1320d through 1320d-9, Administrative Simplification.
30. 42 USC §12101 et seq., The Americans with Disabilities Act of 1990 as amended.
31. 42 USC §6101 et seq., Age Discrimination Act of 1975.
32. 42 USC §2000d, Civil Rights Act of 1964.
33. 31 USC 7501 – 7507, as well as its implementing regulations under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
34. U.S. Department of Health and Human Services, National Institutes of Health (NIH), Grants Policy Statement (10/13).
35. Fact Sheet Early and Periodic Screening, Diagnosis and Treatment (EPSDT) for Co-Occurring Disorders, Mental Health Services Oversight and Accountability Commission, 1/17/08.
36. State of California, Department of Health Care Services (DHCS), Alcohol and/or Other Drug Program Certification Standards, December 2020.
37. CCR Title 22, §§70751(c), 71551(c), 73543(a), 74731(d), 75055(a), 75343(a), and 77143(a).
38. State of California, Department of Health Care Services ASRS Manual.
39. State of California, Department of Health Care Services DPFS Manual.
40. HSC §123145.
41. Title 45 CFR, §164.501; §164.524; §164.526; §164.530(c) and (j).
42. 5 USC §7321 – §7326, Political Activities (Hatch Act)
43. DMC Certification Title 22, California Code of Regulations (CCR).
44. DMC Billing Manual April 2019.
45. Federal Medicare Cost reimbursement principles and cost reporting standards.
46. Orange County Drug Medi-Cal Organized Delivery System Managed Care Plan
47. California Bridge to Health Reform DMC-ODS Waiver, Standard Terms and Conditions, August 2015, and subsequent versions.
48. Title 21, CFR Part 1300, et seq., Title 42, CFR, Part 8.
49. California Code of Regulations (CCR), Title 22, Section 51341.1; 51490.1; 51516.1 and the Drug Medi-Cal Certification Standards for Substance Abuse Clinics.
50. Title 22, CCR, Sections 51341.1, 51490.1, and 51516.1.
51. Standards for Drug Treatment Programs (October 21, 1981).

- 52. Title 9, CCR, Division 4, Chapter 5, Subchapter 1, Sections 10000, et seq.
- 53. Title 22, CCR, Division 3, Chapter 3, sections 51000 et. seq.
- 54. Title 9, CCR, Section 1810.435.
- 55. Title 9, CCR, Section 1840.105.
- 56. Title 22, CCR, §51009, Confidentiality of Records.
- 57. California Welfare and Institutions Code, §14100.2, Medicaid Confidentiality.”

9. Paragraph XX. Notification of Death, subparagraph D. is added to the Contract as follows:

“D. All death reports must be verified by the coroner’s office. The information should include date of the death as well as the cause of death.”

10. Paragraph XXXII. Beneficiaries’ Rights, is added to the Contract as follows:

**“XXXII. BENEFICIARIES’ RIGHTS”**

A. CONTRACTOR shall post the current Drug Medi-Cal Organized Delivery System (DMC-ODS) 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 and/or utilization management guidelines and procedures. The beneficiary has the right to utilize either or both grievance process simultaneously in order to resolve their dissatisfaction.

C. The parties agree that Clients have recourse to initiate an expression of dissatisfaction to CONTRACTOR and file a grievance or complaint.”

11. Exhibit B, Section I. Common Terms and Definitions, subsections A.1 through A.30 of the Contract are deleted in their entirety and replaced as follows:

“1. AB109 means services for those Clients deemed eligible by Assembly Bill 109, Public Safety Realignment, under which the Client’s last offense was non-violent, non-sexual, and non-serious.

2. AB109 Supervision means an offender released from prison to OCPD or sentenced under AB109 and is doing their incarceration in jail instead of prison.

3. ASAM Criteria means a comprehensive set of guidelines for placement, continued stay and transfer/discharge of Clients with addiction and co-occurring conditions.

4. ART Team means a Health Care Agency team that assesses for treatment, authorizes services and refers for treatment.

5. Department of Health Care Services (DHCS) Levels of Care means a designation that is issued by DHCS to a residential program based on the services provided at the facility. For the purposes of this Agreement, CONTRACTOR shall provide services in accordance with one of the following DHCS Levels of Care:

a. 3.1 – Clinically Managed Low-Intensity Residential Services means a twenty-four (24) hour structure with available trained personnel; at least five (5) hours of clinical service/week and preparation for outpatient treatment.

b. 3.3 – Clinically Managed Population-Specific High-Intensity Residential Services means a twenty-four (24) hour structured living environment in combination with high-intensity clinical services for clients with significant cognitive impairment. It will include at least five (5) hours of clinical service/week.

c. 3.5 – Clinically Managed High-Intensity Residential Services means a twenty-four (24) hour residential care for clients who require a twenty-four (24) hour supportive treatment environment in order to develop sufficient recovery skills to avoid relapse or continued AOD use. It will include at least five (5) hours of clinical service/week.

6. Bed Day means one (1) calendar day during which CONTRACTOR provides Residential Treatment Services as described in Exhibit A of the Agreement. If admission and discharge occur on the same day, one (1) Bed Day will be charged.

7. CalOMS means a statewide Client-based data collection and outcomes measurement system as required by the State to effectively manage and improve the provision of alcohol and drug treatment services at the State, COUNTY, and provider levels.

8. Case Management or Care Coordination means services that assist a Client to access needed medical, educational, social, prevocational, vocational, rehabilitative, or other community services.

9. CESI/CEST means self-administered survey instruments designed to assess Clients' motivation for change, engagement in treatment, social and peer support, and other psychosocial indicators of progress in recovery.

10. Client means a person who has a substance use disorder, for whom a COUNTY-approved intake and admission for Residential Treatment Services as appropriate have been completed pursuant to this Agreement.

11. Clinical Component means services designed to improve a Client's ability to structure and organize tasks of daily living and recovery.

12. Completion means the completion of the Residential Treatment Services program whereby the Client has successfully completed goals and objectives documented in the Client's treatment plan and no longer has medical necessity for the Residential Level of Care."

13. Co-Occurring means when a person has at least one substance use disorder and one mental health disorder that can be diagnosed independently of each other.

14. DATAR means the DHCS system used to collect data on SUD treatment capacity and waiting lists.

15. EPSDT means the federally mandated Medicaid benefit that entitles full-scope Medi-Cal-covered beneficiaries less than twenty-one (21) years of age to receive any Medicaid service necessary to correct or help to improve a defect, mental illness, or other condition, such as a substance-related disorder, that is discovered during a health screening.

16. Incidental Medical Services means optional services, approved by DHCS to be provided at a licensed adult alcoholism or drug use residential treatment facility by or under the supervision of a LPHA that addresses medical issues associated with either detoxification or substance use.

17. Intake means the initial face-to-face meeting between a Client and CONTRACTOR staff in which specific information about the Client is gathered including the ability to pay and standard admission forms pursuant to this Agreement.

18. IRIS means a collection of applications and databases that serve the needs of programs within HCA and includes functionality such as registration and scheduling, laboratory information system, invoices and reporting capabilities, compliance with regulatory requirements, electronic medical records and other relevant applications.

19. Linkage means connecting a Client to ancillary services such as outpatient and/or residential treatment and supportive services which may include self-help groups, social

services, rehabilitation services, vocational services, job training services, or other appropriate services.

20. LPHA means any Physician, Nurse Practitioners, Physician Assistants, Registered Nurses, Registered Pharmacists, Licensed Clinical Psychologists, Licensed Clinical Social Worker, Licensed Professional Clinical Counselor, Licensed Marriage and Family Therapists, or Licensed Eligible Practitioners working under the supervision of Licensed Clinicians, working within their scope of practice.

21. MAT Services means the use of Federal Drug Administration-approved medications in combination with behavioral therapies to provide a whole Client approach to treating substance use disorders.

22. Perinatal means the condition of being pregnant or Postpartum. This condition must be documented to apply billing descriptor of perinatal attached to services.

23. Perinatal Residential Treatment Services means AOD treatment services that are provided to a woman, eighteen (18) years and older, who is pregnant and/or has custody of dependent children up to twelve (12) years of age, in her care; who has a primary problem of substance use disorder, and who demonstrates a need for perinatal substance use disorder residential treatment services. Services are provided in a twenty-four (24) hour residential program. These services are provided in a non-medical, residential setting that has been licensed and certified by DHCS to provide perinatal services. These treatment services are provided to both perinatal and parenting women in accordance with the Perinatal Network Service Guidelines.”

24. Postpartum means the 60-day period beginning on the last day of pregnancy, regardless of whether other conditions of eligibility are met. Eligibility shall end on the last day of the calendar month in which the 60th day occurs.

25. Recovery Services means billable services available after the Client has completed a course of treatment. Recovery services emphasize the Client's central role in managing their health, the use of effective self-management support strategies, and the organization of internal and community resources to provide ongoing self-management support to Clients.

26. Residential Treatment Authorization means the approval that is provided by the HCA ART Team for a Client to receive residential services to ensure that the beneficiary meets the requirements for the service. Decisions for service authorization are provided by the ART team for admission with exception determined by CONTRACTOR.

27. RTS means alcohol and other drug treatment services that are provided to Clients at a twenty-four (24) hour residential program. Services are provided in an alcohol and drug free environment and support recovery from alcohol and/or other drug related problems. These services are provided in a non-medical, residential setting that has been licensed and certified by DHCS.

28. Self-Help Meetings means a non-professional, peer participatory meeting formed by people with a common problem or situation offering mutual support to each other towards a goal or healing or recovery.

29. Structured Therapeutic Activities means organized program activities that are designed to meet treatment goals and objectives for increased social responsibility, self-motivation, and integration into the larger community. Such activities would include participation in the social structure of the residential program. It also includes the Client's progression, with increasing levels of responsibility and independence through job and other assignments culminating in employment seeking and employment-initiation activities in the community.

30. SUD means a condition in which the use of one or more substances leads to a clinically significant impairment or distress per the DSM-5.

31. Token means the security device which allows an individual user to access IRIS.

32. Unfunded means individuals that are eligible for Medi-Cal but their benefits may not be current for Orange County.”

12. Exhibit B, Section II. Payments, subsection A. of the Contract is deleted in its entirety and replaced with the following:

“A. BASIS FOR REIMBURSEMENT – As compensation to CONTRACTOR for services provided pursuant to the Agreement, COUNTY shall pay CONTRACTOR monthly in arrears at the following rates of reimbursement; provided, however, the total of all such payments to CONTRACTOR and all other COUNTY contractors for all substance use disorder treatment services for substance users shall not exceed COUNTY’s amount not to exceed as set forth in the Referenced Contract Provisions of the Agreement; and provided further, that CONTRACTOR’s costs are allowable pursuant to applicable COUNTY, federal, and state regulations. Furthermore, if CONTRACTOR is ineligible to provide services due to non-compliance with licensure and/or certification standards of the state, COUNTY or OCPD, ADMINISTRATOR may elect to reduce COUNTY’S amount not to exceed proportionate to the length of time that CONTRACTOR is ineligible to provide services. CONTRACTOR shall ensure compliance with all DMC billing and documentation requirements when entering Units of Service into COUNTY IRIS system. ADMINISTRATOR may reduce, withhold or delay any payment associated with non-compliant billing practices. If CAPs are not completed within timeframes as determined by ADMINISTRATOR, payments may be reduced accordingly.

1. For Medi-Cal services provided pursuant to the Agreement, COUNTY shall claim reimbursement to the State Medi-Cal unit on behalf of CONTRACTOR to the extent these services are eligible.

2. Proper DMC certification and enrollment with the Provider Enrollment Division (PED) of DHCS, through the Provider Application and Validation for Enrollment (PAVE) system is required. CONTRACTOR shall submit proof of enrollment for each new rendering provider as required by regulations. Failure to demonstrate provider enrollment within six months of services being rendered shall result in disallowance of those services by pending providers.

3. CONTRACTOR shall submit appropriate Medi-Cal billing to ADMINISTRATOR on a monthly basis. ADMINISTRATOR shall review billing and remit to Accounting for submission to the State Medi-Cal unit.

4. CONTRACTOR shall assume responsibility for any audit disallowances or penalties imposed on COUNTY by the State related to amounts or services claimed by COUNTY on behalf of CONTRACTOR. CONTRACTOR shall reimburse COUNTY for any such disallowances or penalties within thirty (30) calendar days of written notification by COUNTY.



Modes of Service	Reimbursement Rate					
	Period One	Period Two (7/1/19-9/30/19)	Period Two (10/1/19-6/30/20)	Period Three	Period Four	Period Five
Residential Treatment 3.1 (per bed day)	\$84.67	\$84.67	\$113.76	\$118.93	\$118.93	\$118.93
Residential Treatment 3.3 (per bed day)	N/A	N/A	N/A	N/A	N/A	N/A
Residential Treatment 3.5 (per bed day)	\$102.74	\$102.74	\$129.13	\$130.79	\$130.79	\$130.79
Room and Board 3.1 (per bed day)	\$23.10	\$23.10	\$30.81	\$35.02	Actual Cost	Actual Cost
Room and Board 3.5 (per bed day)	\$23.10	\$23.10	\$30.81	\$35.13	Actual Cost	Actual Cost
Case Management (per 15 minute increment)	\$26.21	26.21	\$26.21	\$26.21	\$26.21	\$34.30
Recovery Services (per 15 minute increment)	\$26.17	26.17	\$26.17	\$26.17	\$26.17	\$34.30
Medication Assisted Treatment (per 15 minute increment)	N/A	N/A	N/A	N/A	N/A	\$38.18

13. Exhibit B, Section III. Records, subsection B.10. of the Contract is replaced with “Intentionally omitted.”

14. Exhibit B, Section IV. Reports, subsection A. of the Contract is deleted in its entirety and replaced with the following:

“A. MONTHLY PROGRAMMATIC

1. CONTRACTOR shall submit a monthly programmatic report to ADMINISTRATOR, including information required and on a form approved or provided by ADMINISTRATOR. These monthly programmatic reports should be submitted to ADMINISTRATOR no later than the tenth (10th) calendar day of the month following the report month.

2. CONTRACTOR shall be responsible for including in the monthly programmatic report any problems in implementing the provisions of this Agreement, pertinent facts or interim findings, staff changes, status of license(s) and/or certification(s), changes in population served, and reasons for any changes. Additionally, a statement that CONTRACTOR is or is not progressing satisfactorily in achieving all the terms of the Agreement shall be included.”

15. Exhibit B, Section IV. Reports, subsections F. through I. of the Contract are deleted in their entirety and replaced with the following:

“F. ACCESS LOG – CONTRACTOR shall track and enter information on requests for services into IRIS.

G. LEVEL OF CARE SUMMARIES – CONTRACTOR shall enter ASAM level of care information into IRIS on each ASAM level of care assessment completed.

H. ADDITIONAL REPORTS – CONTRACTOR shall make additional reports as required by ADMINISTRATOR concerning CONTRACTOR’s activities as they affect the services hereunder. ADMINISTRATOR will be specific as to the nature of the information requested and the timeframe the information is needed.

I. CONTRACTOR agrees to enter psychometrics into COUNTY’s EHR system as requested by ADMINISTRATOR. Said psychometrics are for COUNTY’s analytical uses only, and shall not be relied upon by CONTRACTOR to make clinical decisions. CONTRACTOR agrees to hold COUNTY harmless, and indemnify pursuant to Section XII., from any claims that arise from non-COUNTY use of said psychometrics.

J. CONTRACTOR agrees to submit reports as required by ADMINISTRATOR and/or the State.

K. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Reports Paragraph of this Exhibit B to the Agreement.”

16. Exhibit B, Section V. General Requirements, subsections A. and B. of the Contract are deleted in their entirety and replaced with the following:

“A. MEETINGS - CONTRACTOR’s Executive Director or designee shall participate, when requested, in meetings facilitated by ADMINISTRATOR related to the provision of services pursuant to this Agreement.

1. Active participation in regular SUD Quality Improvement (QI) Coordinators’ meetings organized by the Authority and Quality Improvement Services (AQIS) Quality Management program is required for at least one dedicated program QI coordinator/professional.

B. ALCOHOL AND/OR DRUG SCREENING – CONTRACTOR may perform Alcohol and/or Drug Screening.

1. If CONTRACTOR decides to perform Alcohol and/or Drug Screening, CONTRACTOR must:

a. Establish procedures that protect against the falsification and/or contamination of any body specimen sample collected for drug screening; and,

b. Assure that all urine specimen collections are observed by sex congruent or same-sex staff; and,

c. Document results of the drug screening in the Client’s record.

2. In the event CONTRACTOR wishes to utilize a COUNTY-contracted laboratory for drug screening purposes, CONTRACTOR shall collect and label samples from Clients. Such testing shall be provided at COUNTY’s expense. For tests not already covered in the COUNTY-contracted laboratory agreement, CONTRACTOR must receive approval from ADMINISTRATOR prior to using COUNTY-contracted laboratory for drug screenings.

3. In the event that any Client receives a drug test result indicating any substance abuse, CONTRACTOR shall formulate and implement a plan of corrective action which shall be documented in the Client record. CONTRACTOR shall notify ADMINISTRATOR within two (2) business days of receipt of such test results via an incident report indicating the corrective action to be taken by the Client if the Client is allowed to remain in the program.”

17. Exhibit B, Section V. General Requirements, subsections N. and O. of the Contract are deleted in their entirety and replaced with the following:

“N. MEDICATION POLICY – CONTRACTOR shall establish a written Medication Policy, which shall be reviewed and approved by ADMINISTRATOR. The policy shall include but not be limited to the securing, handling, and administering of medication(s) prescribed to the Client. The policy shall address Medications that are prescribed for substance and mental health disorders. Clients shall be allowed to have Medications during their stay with the program, and/or to have the ability to get refill(s).

O. OPIOID OVERDOSE EMERGENCY TREATMENT – CONTRACTOR shall have available at each program site at minimum two (2) unexpired Naloxone doses for the treatment of known or suspected opioid overdose. At least one (1) staff per shift shall be trained in administering the Naloxone. Naloxone is not a substitute for emergency medical care. CONTRACTOR shall always seek emergency medical assistance in the event of a suspected, potentially life-threatening opioid emergency.”

18. Exhibit C, Section I. Adult Residential Treatment Services, subsection B. of the Contract is deleted in its entirety and replaced with the following:

“B. LENGTH OF STAY – Length of stay is based on medical necessity as determined by a Licensed Practitioner of the Healing Arts. The County of Orange is adhering to the state goal of a thirty (30) calendar day average in the residential level of care.

1. At CONTRACTOR’S discretion, CONTRACTOR may hold a Client’s bed during a temporary absence. A temporary absence will be seven (7) calendar days or less during which the Client is absent from the program due to a brief hospitalization for physical or mental health condition including detoxification, family death or emergency, or flash incarceration. A temporary absence bed day hold is not reimbursed by ADMINISTRATOR. Client’s readmission does not count as a new treatment episode and will not necessitate a new treatment authorization or CalOMS admission. Documentation timelines must adhere to original admission date.”

19. Exhibit C, Section I. Adult Residential Treatment Services, subsections C. and D., of the Contract are deleted in their entirety and replaced with the following:

“C. PERSONS TO BE SERVED – In order to receive services through the DMC-ODS, the Client must be enrolled in Medi-Cal or plan to enroll in Medi-Cal, reside in Orange County, and meet medical necessity criteria, as outlined below.

D. MEDI-CAL ELIGIBILITY- MEDICAL NECESSITY

1. CONTRACTOR must verify the Medi-Cal eligibility determination of potential Clients.

2. ADMINISTRATOR will reimburse up to 30 days of treatment for unfunded clients with realignment funding while CONTRACTOR assists client in applying for benefits or transferring Medi-Cal benefits to Orange County. Exceptions to the 30-day maximum must be approved by ADMINISTRATOR. The Heath plan in IRIS will be assigned as “Self Pay”. When applying for Medi-Cal, client shall request that Medi-Cal coverage is retroactively applied to date of admission. If current Medi-Cal is assigned to a different county (not Orange County) client must initiate transfer within ten (10) days of admission. If county of responsibility is other than Orange County and county of residence in Medical Eligibility Data System is Orange County and Medi-Cal transfer has been initiated, CONTRACTOR shall

enter Health plan as “Medi-Cal” in IRIS. These claims will be accepted by the State. If both county of responsibility and county of residence are other than Orange County, Contractor shall assign the Health plan as “Self-Pay”. CONTRACTOR shall review Self Pay Health Plan claims from the previous month and recheck eligibility status. If claims dates are covered by Medi-Cal contractor shall update the Health Plan and these claims will be automatically credited and re-dropped by the IRIS system.

3. Medical necessity for an adult [an individual age twenty-one (21) and over] is determined using the following criteria:

a. The individual must have received at least one diagnosis from the DSM for Substance-Related and Addictive Disorders with the exception of Tobacco-Related Disorders and Non-Substance-Related Disorders;

b. The individual must meet the ASAM Criteria definition of medical necessity for services based on the ASAM Criteria.

4. Individuals under age twenty-one (21) are eligible to receive Medicaid services pursuant to the EPSDT mandate. Under the EPSDT mandate, beneficiaries under the age twenty-one (21) are eligible to receive all appropriate and medically necessary services needed to correct and ameliorate health conditions that are coverable under section 1905(a) Medicaid authority. For individuals under 21 years of age, a service is “medically necessary” or a “medical necessity” if the service is necessary to correct or ameliorate screened health conditions. Consistent with federal guidance, services need not be curative or completely restorative to ameliorate a health condition, including substance misuse and SUDs. Services that sustain, support, improve, or make more tolerable substance misuse or a SUD are considered to ameliorate the condition and are thus covered as EPSDT services.

5. Medical necessity for an adolescent individual [an individual under the age of twenty-one (21)] is determined using the following criteria:

a. The adolescent individual must be assessed to be at risk for developing a SUD; and

b. The adolescent individual must meet the ASAM adolescent treatment criteria.”

20. Exhibit C, Section I. Adult Residential Treatment Services, subsections E.2. through E.7. of the Contract are deleted in their entirety and replaced with the following:

“2. CONTRACTOR shall have policies and procedures in place to screen for emergency medical conditions and immediately refer beneficiaries to emergency medical care.

3. CONTRACTOR shall have a policy that requires a Client who shows signs of any communicable disease or through medical disclosure during the intake process admits to a health related problem that would put others at risk, to be cleared medically before services are provided.

4. Admission Policy – CONTRACTOR shall establish and make available to the public a written Admission Policy. ADMINISTRATOR may revise Admission Policy due to funding. Admission Policy shall recognize the following specialty populations:

a. pregnant injection drug users.

b. pregnant substance abusers.

c. injection drug users.

5. CONTRACTOR’s Admission Policy shall reflect all applicable federal, state, and county regulations. CONTRACTOR has the right to refuse admission of a person only in accordance with its written Admission Policy; provided, however, CONTRACTOR complies with the Nondiscrimination provisions of this Agreement.

6. CONTRACTOR shall initiate services within reasonable promptness and shall have a documented system for monitoring and evaluating the quality, appropriateness, and accessibility of care.”

21. Exhibit C, Section I. Adult Residential Treatment Services, subsection F. of the Contract is deleted in its entirety and replaced with the following:

“F. RESIDENTIAL TREATMENT AUTHORIZATION

1. Beneficiaries will be authorized and referred to CONTRACTOR by the ART Team. Beneficiaries who contact CONTRACTOR directly to request services shall be referred by CONTRACTOR to the ART Team. If Beneficiary is pregnant or an intravenous drug user who meets medical necessity for Residential Treatment, CONTRACTOR may admit to treatment bypassing the ART Team if provider has available bed slot. In this instance, CONTRACTOR will complete a SUD assessment and establish medical necessity for residential level of care. Assessment and authorization request must be submitted to the ART team for authorization within seventy-two (72) hours of beneficiary admission. CONTRACTOR shall enter data regarding request for service into IRIS access log established by ADMINISTRATOR for these beneficiaries who access provider directly and bypass the ART team. If it is determined after assessing the beneficiary that the medical necessity criteria, pursuant to DMC-ODS STCs 128 (e), has not been met, then a written Notice of Adverse Benefit Determination shall be issued in accordance with 42 CFR 438.404 and 42 CFR Part 431, subpart E.”

22. Exhibit C, Section I. Adult Residential Treatment Services, subsection I.4. of the Contract is deleted in its entirety and replaced with the following:

“4. Family Therapy: When clinically appropriate, family members can provide social support to the Client, help motivate their loved one to remain in treatment, and receive help and support for their own family recovery as well.”

23. Exhibit C, Section I. Adult Residential Treatment Services, subsection I.12. of the Contract, all references to “Case Management” shall be replaced with “Case Management or Care Coordination.”

24. Exhibit C, Section I. Adult Residential Treatment Services, subsection I.13., is deleted in its entirety and replaced with the following:

“13. Medication Assisted Treatment - MAT services may be provided onsite with approval for Incidental Medical Services from DHCS. Medically necessary MAT services must be provided in accordance with an individualized treatment plan determined by a licensed physician or LPHA working within their scope of practice.

a. MAT services must be provided in compliance with Policy and Procedures submitted to DHCS for IMS designation. CONTRACTOR must ensure ability to continue MAT after discharge through linkage to appropriate prescriber. MAT shall include the assessment, treatment planning, ordering, prescribing, administering, and monitoring of all medications for SUDs.

b. Contractor shall provide administration of buprenorphine, naltrexone (oral and injectable), acamprosate, disulfiram, and vivitrol. Other approved medications in the treatment of SUDs may also be prescribed and administered, as medically necessary.

c. CONTRACTOR must provide care coordination with treatment and ancillary service providers and facilitate transitions between levels of care. Beneficiaries may simultaneously participate in MAT services and other ASAM LOCs.

d. CONTRACTOR must participate in the ADMINISTRATOR'S Medication Monitoring practices process as a quality assurance measure. Medication Monitoring is to assure the appropriateness of medication prescriptions for Mental Health and Recovery (MHRS) clients and to establish practices for monitoring the safety and effectiveness of medication practices in MHRS."

25. Exhibit C, Section I. Adult Residential Treatment Services, subsection I.16. of the Contract is deleted in its entirety and replaced with the following:

"16. Discharge Services: The process to prepare the Client for referral into another level of care, post treatment return or reentry into the community, and/or the linkage of the individual to essential community treatment, housing and human services. CONTRACTOR shall provide or arrange for transportation of Clients to aftercare destination. CONTRACTOR shall begin discharge planning immediately after enrollment.

a. Discharge Plan – CONTRACTOR shall develop a formal discharge plan within fourteen (14) calendar days prior to Client's planned discharge from the program. A discharge plan is to be completed for each Client, except a Client with whom the provider loses contact. The discharge plan shall be completed and signed by the LPHA or counselor and the Client. A copy of the discharge plan shall be provided to the Client and retained in the Client's record. The discharge plan shall include, but not be limited to, all of the following:

- 1) A description of each of the Client's relapse triggers;
- 2) A plan to assist the Client to avoid relapse when confronted with each trigger;
- 3) A support plan;
- 4) Goals identified in the treatment plan; and
- 5) Referrals and linkages to appropriate resources.

b. Discharge Summary – The discharge summary is to be completed by the LPHA or counselor within thirty (30) calendar days of the date of the last face-to-face treatment contact with the Client. The discharge summary shall include all of the following:

- 1) The duration of the Client's treatment as determined by the dates of admission and discharge from treatment;
- 2) The reason for discharge, including whether the discharge was voluntary or involuntary and whether the Client successfully completed the program;
- 3) A narrative summary of the treatment episode;
- 4) The Client's prognosis;
- 5) Current alcohol and/or drug usage;
- 6) Vocational and educational achievements;
- 7) Legal status;
- 8) Linkages and referrals made;
- 9) Client's comments; and
- 10) A description of the Client's goals and achievement towards those goals as described in the Client's treatment plan."

26. Exhibit C, Section I. Adult Residential Treatment Services, subsections K.2.c. and K.2.d. of the Contract are deleted in their entirety and replaced with the following:

“c. Objective 3: CONTRACTOR shall provide linkage to the next level of care for Clients upon discharge. Twenty percent (20%) of Clients who have discharged will be linked with a lower level of care within seven (7) calendar days, as measured by charge data entered into the IRIS. Linkage rates for Clients who discharge will include all CalOMS standard discharge dispositions. All CalOMS administrative discharge dispositions will be excluded.”

27. Exhibit C, Section II. Staffing, subsection B. of the Contract is deleted in its entirety and replaced with the following:

“B. Professional staff shall undergo the HCA credentialing process by the AQIS Managed Care Support Team (MCST) prior to rendering any Medi-Cal covered services.

1. CONTRACTOR shall comply with the requirements of the state’s established uniform credentialing and re-credentialing policy that addresses behavioral and substance use disorders, outlined in DHCS Information Notice 18-019.

2. CONTRACTOR shall follow COUNTY’s process for credentialing and re-credentialing of network providers and shall ensure that all registered, licensed or certified staff who deliver Medi-Cal covered services are properly credentialed by COUNTY before delivering any Medi-Cal covered services.”

28. Exhibit C, Section II. Staffing, subsection H. of the Contract is deleted in its entirety and replaced with the following:

“H. CONTRACTOR must have a Medical Director who, prior to the delivery of services under this Agreement with COUNTY has enrolled with DHCS under applicable state regulations, has been screened in accordance with 42 CFR 455.450(a) as a “limited” categorical risk within a year prior to serving as a Medical Director under this Agreement.

1. The Medical Director’s responsibilities shall, at a minimum include all of the following:

a. Ensure that medical care provided by physicians, registered nurse practitioners, and physician assistants meets the applicable standard of care;

b. Ensure that physicians do not delegate their duties to non-physician personnel;

c. Develop and implement medical policies and standards for the provider;

d. Ensure that physicians, registered nurse practitioners, and physician assistants follow the provider’s medical policies and standards;

e. Ensure that the medical decisions made by physicians are not influenced by fiscal considerations;

f. Ensure that provider’s physicians and LPHAs are adequately trained to perform diagnosis of substance use disorders for beneficiaries, determine the medical necessity of treatment for beneficiaries;

g. Ensure that provider’s physicians are adequately trained to perform other physician duties, as outlined in this section.

h. Ensure the physical examination requirements are met for Clients as follows: if a Client had a physical examination within the twelve (12) month period prior to the Client’s admission to treatment date, the physician or registered nurse practitioner or physician’s assistant (physician extenders) shall review documentation of the Client’s most recent physical examination within thirty (30) calendar days of the Client’s admission to treatment date. As an alternative, the physician or physician extender may perform a physical examination of the Client within thirty (30) calendar days of the Client’s admission to treatment

date. Written roles and responsibilities and a code of conduct for the medical director shall be clearly documented, signed and dated by a provider representative and the physician by way of a subcontractor agreement.

2. The substance use disorder medical director may delegate his/her responsibilities to a physician consistent with the provider's medical policies and standards; however, the substance use disorder medical director shall remain responsible for ensuring all delegated duties are properly performed.

3. Written roles and responsibilities and a code of conduct for the Medical Director shall be clearly documented, signed and dated by a provider representative and the physician.”

29. Exhibit C, Section II. Staffing, subsection J. of the Contract is deleted in its entirety and replaced with the following:

“J. VOLUNTEERS/INTERNS – CONTRACTOR may augment the above paid staff with volunteers or part-time student interns. Unless waived by ADMINISTRATOR, prior to providing services pursuant to this Agreement, interns shall be Master's Candidates in Counseling or Social Work or have a Bachelor's Degree in a related field or be participating in any state recognized counselor certification program. Additionally, volunteers or student interns must be AOD registered or certified. CONTRACTOR shall provide supervision of work by interns or consistent with school or licensing Board requirements. CONTRACTOR shall provide supervision to volunteers as specified in the respective job descriptions or work contracts. Volunteer or student intern services may not comprise more than twenty percent (20%) of the services provided, unless approved in advance by ADMINISTRATOR.”

30. Exhibit C, Section II. Staffing, subsections L.1.e. and L.1.f. of the Contract are deleted in their entirety.

31. Exhibit C, Section II. Staffing, subsections M. and N. of the Contract are deleted in their entirety and replaced with the following:

“M. STAFF TRAINING – CONTRACTOR must develop a written plan for staff training. All Staff training shall be documented and maintained as part of the training plan.

1. All personnel must be trained or must have experience which provides knowledge of the skills required in the following areas, as appropriate to the job assigned, and as evidenced by safe and effective job performance:

- a. General knowledge of alcohol and/or drug abuse and alcoholism and the principles of recovery;
- b. Housekeeping and sanitation principles;
- c. Principles of communicable disease prevention and control;
- d. Recognition of early signs of illness and the need for professional assistance;
- e. Availability of community services and resources;
- f. Recognition of individuals under the influence of alcohol and/or drugs; and
- g. Principles of nutrition, food preparation and storage, and menu planning.



2. CONTRACTOR must ensure that within thirty (30) calendar days of hire and on an annual basis, all program staff including administrator, volunteers and interns having direct contact with Clients must have completed:

- a. Annual County Compliance Training; and
- b. A minimum of one (1) hour training in cultural competence annually.

3. In addition to the above, CONTRACTOR must ensure that all treatment staff complete training as follows:

- a. Professional staff (Licensed Professionals of the Healing Arts), including Medical Directors, shall receive a minimum of five (5) hours of continuing education related to addiction medicine annually;

- b. All providers, including volunteers and interns, providing DMC-ODS services are required to be trained and complete at least once prior to providing services, the following two training modules:

- i. American Society of Addiction Medicine (ASAM) Multidimensional Assessment (sometimes referred to as ASAM-A or ASAM I).

- ii. Assessment to Service Planning and Level of Care (sometimes referred to as ASAM-B or ASAM II).

- iii. This requirement applies to all physicians and Medical Directors regardless of their role in the program and may only be waived for physicians/Medical Directors who are Board Certified with an Addiction sub-specialty.

- c. All providers and administrators must receive training on DMC-ODS requirements at least annually. These requirements will be contained in the COUNTY-developed Annual Provider Training;

- d. DMC-ODS/SUD documentation training within ninety (90) calendar days of hire is mandatory for all clinical staff, all on-site Quality Management staff, and all supervisors; however, compliant documentation is required from the onset of services;

- e. Annual training in the two minimum evidence-based practices (EBP) utilized at the program;

- f. Motivational Interviewing must be taken at least once and will count as one EBP for the year; Contractor may choose other EBP courses after taking Motivational Interviewing;

- g. Naloxone Administration Training; and

- h. CPR / first aid Training.

N. PERSONNEL FILES – CONTRACTOR shall maintain personnel files and ensure continued compliance with required credentials and trainings for each staff persons, including management and other administrative positions, subcontractors, and volunteers/interns, both direct and indirect to the Agreement, which shall include, but not be limited to, the following:

1. Application for employment and/or resume;
2. Signed employment confirmation statement/duty statement;
3. Job description;
4. Salary schedule and salary adjustment information;
5. Performance evaluations;
6. Health records/status as required by the provider, AOD Certification or Title 9;
7. Other personnel actions (e.g. commendations, discipline, status change, employment incidents and/or injuries);
8. Training documentation relevant to substance use disorders and treatment;
9. Current registration, certification, intern status, or licensure;

10. Proof of continuing education required by licensing or certifying agency and program; and
11. CONTRACTOR's Code of Conduct and for registered, certified, and licensed staff, a copy of the certifying/licensing body's code of conduct as well.
12. All personnel files shall be complete and made readily accessible to ADMINISTRATOR for purposes of audits and investigations or any other reason deemed necessary by ADMINISTRATOR."

This Amendment No. 7 modifies the Contract, including all previous amendments, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 7 and the Contract, including all previous amendments, the terms and conditions of this Amendment No. 7 shall prevail. In all other respects, the terms and conditions of the Contract, including all previous amendments, not specifically changed by this Amendment No. 7 remain in full force and effect.

**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 7. If Contractor is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be that of either the Chairman of the Board, the President, or any Vice President; 2) the second signature must be that of either 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: Phoenix House Orange County, Inc.**

Alice Gleghorn	President and CEO
_____	_____
Print Name	Title
DocuSigned by: <i>Alice Gleghorn</i>	4/13/2022
_____	_____
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**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: <i>Brittany McLean</i>	4/14/2022
_____	_____
9713A4061D4343D...	Date