



**AMENDMENT NO. 6
TO
CONTRACT NO. MA-042-19010240
FOR
ADULT RESIDENTIAL DRUG MEDI-CAL SUBSTANCE USE DISORDER TREATMENT
SERVICES**

This Amendment (“Amendment No. 6”) 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, 2021 (“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, 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 now desire to enter into this Amendment No. 6 to modify Exhibits A-D and Paragraph VI. 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, 2021 through June 30, 2022, in an amount not to exceed \$4,605,515 for this renewal term, for a revised cumulative total amount not to exceed \$11,968,015; on the amended terms and conditions.
2. Page 4, Referenced Contract Provisions, lines 3 through 16, 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:	\$	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
TOTAL AMOUNT NOT TO EXCEED:	\$	11,968,015

Basis for Reimbursement: Negotiated Rate and Actual Cost

Payment Method: Monthly in Arrears

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 an individual and/or consolidated Cost Report for each Period or for a portion thereof to COUNTY no later than forty-five (45) calendar days following the period for which they are prepared or termination of this Agreement. 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 Agreement. 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 Agreements 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 the 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. Exhibit A, Paragraph I., of the Contract is deleted in its entirety and replaced with the following:

“I. SERVICES TO BE PROVIDED

CONTRACTOR agrees to provide the following Adult Residential Drug Medi-Cal Substance

Use Disorder Treatment Services pursuant to the terms and conditions specified in the Agreement for provision of such services by and between COUNTY and CONTRACTOR dated July 1, 2018 as hereinafter indicated. CONTRACTOR and COUNTY may mutually agree, in writing, to add or delete services to be provided by CONTRACTOR.

Exhibit B	Adult Residential Drug Medi-Cal Substance Use Disorder Treatment Services General Requirements	X
Exhibit C	Drug Medi-Cal Adult Substance Use Disorder Treatment Services requirements	X
Exhibit D	Good Neighbor Policy Requirements	X
Exhibit E	Business Associate Contract	X
Exhibit F	Personal Information Privacy and Security Contract	X

5. Exhibit B, Paragraph II. Payments, of the Contract is deleted in its entirety and replaced with the following:

“II. PAYMENTS

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 Total Maximum Obligation 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 maximum obligation 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. 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.

3. 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) 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
Residential Treatment 3.1 (per bed day)	\$84.67	\$84.67	\$113.76	\$118.93	\$118.93
Residential Treatment 3.3 (per bed day)	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
Room and Board 3.1 (per bed day)	\$23.10	\$23.10	\$30.81	\$35.02	Actual Cost
Room and Board 3.5 (per bed day)	\$23.10	\$23.10	\$30.81	\$35.13	Actual Cost
Case Management (per 15 minute increment)	\$26.21	26.21	\$26.21	\$26.21	\$26.21
Recovery Services (per 15 minute increment)	\$26.17	26.17	\$26.17	\$26.17	\$26.17

B. PAYMENT METHOD – COUNTY shall pay CONTRACTOR monthly in arrears provided, however, that the total of such payments shall not exceed the COUNTY’s Maximum Obligation. CONTRACTOR’s invoices shall be on a form approved or provided by ADMINISTRATOR and shall provide such information as is required by ADMINISTRATOR. Invoices are due by the twentieth (20th) calendar day of each month, and payments to CONTRACTOR should be released by COUNTY no later than thirty (30) calendar days after receipt of the correctly completed invoice form.

C. Monthly payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report Paragraph of this Agreement. Invoices received after the due date may not be paid in accordance with Subparagraph II.B of this Exhibit B to the Agreement.

D. All invoices to COUNTY shall be supported, at CONTRACTOR’s facility, by source documentation including, but not limited to, ledgers, books, vouchers, journals, time sheets, payrolls, appointment schedules, schedules for allocating costs, invoices, bank statements, canceled checks, receipts, receiving records, and records of services provided.

E. ADMINISTRATOR may withhold or delay any payment if CONTRACTOR fails to comply with any provision of this Agreement.

F. COUNTY shall not reimburse CONTRACTOR for services provided beyond the expiration and/or termination of this Agreement.

G. In conjunction with Subparagraph II.A above, CONTRACTOR shall not enter Units of Service into the COUNTY IRIS system for services not rendered. If such information has been entered, CONTRACTOR shall make corrections within ten (10) calendar days from notification by ADMINISTRATOR. Additionally, to assist in the protection of data integrity, CONTRACTOR shall create a procedure to ensure separation of duties between the individual performing direct services (LPHA, clinicians, counselors, etc.), and the clerical staff who enter

information into the IRIS system. Clerical staff shall enter data into IRIS using the chart information provided by the direct service staff.

H. CONTRACTOR shall ensure compliance with all DMC billing and documentation requirements when entering Units of Service into COUNTY IRIS system. ADMINISTRATOR shall withhold payment for non-compliant Units of Service, and may reduce, withhold or delay any payment associated with non-compliant billing practices.

I. CONTRACTOR may be required to have an audit conducted in accordance with federal OMB Circular A-133. CONTRACTOR shall be responsible for complying with any federal audit requirements within the reporting period specified by OMB Circular A-133.

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

6. Exhibit B, Paragraph V. General Requirements, subparagraph K, of the Contract is deleted in its entirety and replaced with the following:

“K. GOOD NEIGHBOR POLICY – ADMINISTRATOR has established a Good Neighbor Policy for the purpose of identifying community impacts and measures to mitigate those impacts. The Good Neighbor Policy is a set of principles and activities designed to provide a consistent means of communication between facilities that provide client services and their respective neighbors. The Good Neighbor Policy is applicable for Residential Programs when CONTRACTOR provides service to County residents and the services have a potential impact including but not limited to community safety, cleanliness, and security in the surrounding neighborhood(s).

a. ADMINISTRATOR shall provide CONTRACTOR with a copy of the Good Neighbor Policy, attached hereto as Exhibit D.

b. CONTRACTOR agrees to adhere to the Good Neighbor Policy to the fullest extent possible. In addition, each facility shall develop a written procedure for the handling of neighborhood complaints which shall be approved by ADMINISTRATOR. Approved procedure must be available onsite, readily accessible upon request, and include ADMINISTRATOR’s contact information as provided.

c. Non-compliance with this Paragraph and Exhibit D shall constitute a material breach of this Agreement and constitute cause for immediate termination of this Agreement.”

7. Exhibit C, Paragraph I. Adult Residential Treatment Services, subparagraph A., of the Contract is deleted in its entirety and replaced with the following:

“A. FACILITY – CONTRACTOR shall operate a DHCS licensed substance use disorder residential treatment facility in accordance with the standards established by COUNTY and the State within the specifications stated below, unless otherwise authorized by the ADMINISTRATOR. Program shall have DMC certification and must be designated by DHCS as capable of delivering care consistent with ASAM treatment criteria. Residential services may be provided in facilities with no bed capacity limit. The environment shall be healthy and safe and the facility shall be clean and in good repair. Unless otherwise authorized in writing by ADMINISTRATOR, CONTRACTOR shall maintain regularly scheduled service hours, seven (7) days a week, twenty-four (24) hours per day, three hundred sixty-five (365) days a year. The facility will have, at a minimum: a kitchen, dining room, and laundry facilities, with enough space for leisure time and group activities. Services shall be provided at the following locations, or at any other location approved in advance, in writing, by ADMINISTRATOR:

1207 E. Fruit St.,
Santa Ana, CA 92701”

- 8. Exhibit C, Paragraph II. Staffing, subparagraph M., of the Contract is deleted in its entirety and replaced with the following:

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

1. All personnel shall be trained or shall 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;
- g. Principles of nutrition, food preparation and storage, and menu planning;

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

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

3. In addition to the above, CONTRACTOR shall ensure that all treatment staff complete:

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. Training in the ASAM criteria prior to providing services. All clinical staff are required to take ASAM Multidimensional Assessment (also known as ASAM A or ASAM I) prior to the provision of services. Clinical staff who are conducting assessments are additionally required to take ASAM Assessment to Service Planning and Level of Care (also known as ASAM B or ASAM II) prior to the provision of services;

c. New Provider Training/Annual Provider Training prior to providing services and on an annual basis;

d. DMC documentation training within 90 days of hire is recommended for all clinical staff, all on-site Quality Management staff, and all supervisors;

e. Annual training in the two minimum evidence based practices utilized at the program, one of which shall be Motivational Interviewing;

- f. Naloxone Administration Training; and
- g. CPR / first aid Training.”

- 9. Exhibit D is deleted in its entirety and replaced with the following:

“EXHIBIT D
TO AGREEMENT FOR PROVISION OF
ADULT RESIDENTIAL DRUG MEDI-CAL
SUBSTANCE USE DISORDER TREATMENT SERVICES
BETWEEN

COUNTY OF ORANGE
AND
PHOENIX HOUSE ORANGE COUNTY, INC.

Preface

The COUNTY, as a political subdivision of the State of California, is mandated by state and federal law to provide certain services to all County residents. In addition, the COUNTY provides certain other non-mandated services to enhance the well-being and quality of life for its residents. The COUNTY is committed to ensuring positive relations through this Good Neighbor Policy in the neighborhoods and communities in which its Residential Program contractors provide services to its residents.

Following effective date of this Agreement, but no later than thirty (30) days after the start of services, CONTRACTOR shall conduct reasonable outreach to cities, neighborhoods and communities that could be affected by services provided by CONTRACTOR.

Good Neighbor Policy

This Policy applies only to the extent CONTRACTOR provides direct services to County clients pursuant to this Agreement. The intent of this Policy is to identify community impacts and measures to mitigate those impacts to be an integral part of the neighborhood and community the COUNTY serves.

CONTRACTOR shall establish a policy that includes all of the following elements:

- Ensure staff and clients conduct themselves in a manner that demonstrates respect for the community and consideration of neighbors when entering/exiting the facility or outdoors.
- Establish and maintain early communication with cities, neighborhoods and communities as a way to identify potential impacts to neighborhoods and mitigate as needed.
- Establish cooperative relationships with cities, neighborhoods and communities where services are being rendered and mitigate impact as needed.
- Collaborate with cities, neighborhoods and communities as a way to promote integration of facilities into the community and determine the effectiveness of established good neighbor practices.
- Develop written procedures to track, respond and mitigate neighborhood complaints. Procedures should include identification of a contact person for complaint resolution and identification of COUNTY contact if complaint is not adequately resolved. The procedures must also identify how these incidents will be reported to the appropriate COUNTY contact in a timely manner.
- Establish generalized good neighbor practices for services and facility(ies) that include:

- Adequate parking
- Adequate waiting and visiting areas
- Adequate restroom facilities
- Property maintenance and appearance
- Community safety
- Congregation guidelines
- Security provisions

CONTRACTOR shall submit its policy to COUNTY for review and approval prior to the commencing of services.”

This Amendment No. 6 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. 6 and the Contract, including all previous amendments, the terms and conditions of this Amendment No. 6 shall prevail. In all other respects, the terms and conditions of the Contract, including all previous amendments, not specifically changed by this Amendment No. 6 remain in full force and effect.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 6. 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.

<p>Sandra Fair</p> <hr/> <p>Print Name</p> <p><small>DocuSigned by:</small></p> <p><i>Sandra Fair</i></p> <hr/> <p>Signature <small>8B459B2619C94F5...</small></p>	<p>Interim President and CEO</p> <hr/> <p>Title</p> <p>3/19/2021</p> <hr/> <p>Date</p>
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County of Orange, a political subdivision of the State of California

Purchasing Agent/Designee Authorized Signature:

<hr/> <p>Print Name</p> <hr/> <p>Signature</p>	<hr/> <p>Title</p> <hr/> <p>Date</p>
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APPROVED AS TO FORM
Office of the County Counsel
Orange County, California

<p>Brittany McLean</p> <hr/> <p>Print Name</p> <p><small>DocuSigned by:</small></p> <p><i>Brittany McLean</i></p> <hr/> <p>Signature <small>9713A4061D4343D...</small></p>	<p>Deputy County Counsel</p> <hr/> <p>Title</p> <p>3/19/2021</p> <hr/> <p>Date</p>
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