



**AMENDMENT NO. 3
TO
CONTRACT NO. MA-042-19010241
FOR
Drug Medi-Cal Narcotic Replacement Therapy Treatment Services**

This Amendment (“Amendment No. 3”) to Contract No. MA-042-19010241 for Drug Medi-Cal Narcotic Replacement Therapy Treatment Services is made and entered into on March 10, 2020 (“Effective Date”) between California Treatment Services Recovery Solutions of Santa Ana (“Contractor”), with a place of business at 6185 Paseo Del Norte, Suite 150, Carlsbad, CA 92011, 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-042-19010241 for Drug Medi-Cal Narcotic Replacement Therapy Treatment Services, effective July 1, 2018 through June 30, 2020, in an amount not to exceed \$5,227,476, renewable for three additional one-year periods (“Contract”); and

WHEREAS, the Parties executed Amendment No. 1 to amend the Contract, effective April 1, 2019 through June 30, 2020, to increase the Period One maximum obligation by \$261,373 from \$2,613,738 to \$2,875,111, with a new not to exceed amount of \$5,488,849; and

WHEREAS, the Parties executed Amendment No. 2 to amend the Contract, effective October 4, 2019, to incorporate the Fiscal Year 2019-20 state-mandated Narcotic Treatment Program Drug Medi-Cal Organized Delivery System rates of reimbursement; and

WHEREAS, the Parties now desire to enter into this Amendment No. 3 to increase the Period Two maximum obligation, to amend specific terms and conditions in the Contract, and to renew the Contract 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 Period Two Maximum Obligation is increased by \$586,262 from \$2,613,738 to \$3,200,000.
2. The Contract is renewed for a period of 1 year, effective July 1, 2020 through June 30, 2020, in an amount not to exceed \$3,300,000 for this renewal period, for a new total contract amount of \$9,375,111; on the amended terms and conditions.
3. Paragraph IV (Compliance), subparagraph B of the Contract is deleted in its entirety and replaced with the following:

“B. SANCTION SCREENING – CONTRACTOR shall screen all Covered Individuals employed or retained to provide services “related to this Agreement monthly to ensure that they are not designated as Ineligible Persons, as pursuant to this Agreement. Screening shall be conducted 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, the Social Security Administration’s Death Master File at date of employment, and/or any other list or system as identified by ADMINISTRATOR.

1. For purposes of this Compliance Paragraph, Covered Individuals includes all employees, interns, volunteers, contractors, subcontractors, agents, and other persons who provide health care items or services or who perform billing or coding functions on behalf of ADMINISTRATOR. CONTRACTOR shall ensure that all Covered Individuals relative to this Agreement are made aware of ADMINISTRATOR’s Compliance Program, Code of Conduct and related policies and procedures (or CONTRACTOR’s own compliance program, code of conduct and related policies and procedures if CONTRACTOR has elected to use its own).

2. An Ineligible Person shall be any individual or entity who:

a. is currently excluded, suspended, debarred or otherwise ineligible to participate in federal and state health care programs; or

b. has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the federal and state health care programs after a period of exclusion, suspension, debarment, or ineligibility.

3. CONTRACTOR shall screen prospective Covered Individuals prior to hire or engagement. CONTRACTOR shall not hire or engage any Ineligible Person to provide services relative to this Agreement.

4. CONTRACTOR shall screen all current Covered Individuals and subcontractors [monthly/semi-annually] to ensure that they have not become Ineligible Persons. CONTRACTOR shall also request that its subcontractors use their best efforts to verify that they are eligible to participate in all federal and State of California health programs and have not been excluded or debarred from participation in any federal or state health care programs, and to further represent to CONTRACTOR that they do not have any Ineligible Person in their employ or under contract.

5. Covered Individuals shall be required to disclose to CONTRACTOR immediately any debarment, exclusion or other event that makes the Covered Individual an Ineligible Person. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual providing services directly relative to this Agreement becomes debarred, excluded or otherwise becomes an Ineligible Person.

6. CONTRACTOR acknowledges that Ineligible Persons are precluded from providing federal and state funded health care services by contract with COUNTY in the event that they are currently sanctioned or excluded by a federal or state law enforcement regulatory or licensing agency. If CONTRACTOR becomes aware that a Covered Individual has become an Ineligible Person, CONTRACTOR shall remove such individual from responsibility for, or involvement with, COUNTY business operations related to this Agreement.

7. CONTRACTOR shall notify ADMINISTRATOR immediately if a Covered Individual or entity is currently excluded, suspended or debarred, or is identified as such after being sanction screened. Such individual or entity shall be immediately removed from participating in any activity associated with this Agreement. ADMINISTRATOR will determine appropriate repayment from, or sanction(s) to CONTRACTOR for services provided by ineligible person or individual. CONTRACTOR shall promptly return any overpayments within forty-five (45) business days after the overpayment is verified by ADMINISTRATOR.”

4. Paragraph XII (Indemnification and Insurance), subparagraph D of the Contract is deleted in its entirety and replaced with the following:

“ D. All SIRs shall be clearly stated on the COI. Any SIR in an amount in excess of fifty thousand dollars (\$50,000) shall specifically be approved by the CEO/Office of Risk Management upon review of CONTRACTOR’s current audited financial report. If CONTRACTOR’s SIR is approved, CONTRACTOR, in addition to, and without limitation of, any other indemnity provision(s) in this Agreement, agrees to all of the following:

1. In addition to the duty to indemnify and hold the COUNTY harmless against any and all liability, claim, demand or suit resulting from CONTRACTOR’s, its agents, employee’s or subcontractor’s performance of this Agreement, CONTRACTOR shall defend the COUNTY at its sole cost and expense with counsel approved by Board of Supervisors against same; and

2. CONTRACTOR’s duty to defend, as stated above, shall be absolute and irrespective of any duty to indemnify or hold harmless; and

3. The provisions of California Civil Code Section 2860 shall apply to any and all actions to which the duty to defend stated above applies, and the CONTRACTOR’s SIR provision shall be interpreted as though the CONTRACTOR was an insurer and the COUNTY was the insured.”

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

“XXXII. CONFLICT OF INTEREST

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 Agreement. 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:

“XXXIII. DISPUTE RESOLUTION

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 Agreement 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 Purchasing Agent by way of the following process:

1. CONTRACTOR shall submit to the County 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 Agreement, 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 Agreement, 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 Agreement adjustment for which CONTRACTOR believes COUNTY is liable.

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

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 Agreement 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 Agreement, 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. Paragraph XXXIV, (Patient's Rights) is inserted to the Contract as follows

“XXXIV. PATIENT’S RIGHTS

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 process approved by ADMINISTRATOR, to which the beneficiary shall have access.

1. CONTRACTOR's grievance process 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 Agreement shall be construed as to replacing or conflicting with the duties of County Patients' Rights Office pursuant to Welfare and Institutions Code Section 5500.”

8. Exhibit A, Paragraph V (Services), subparagraph Q is deleted in its entirety and replaced with the following:

“ Q. CONTRACTOR shall establish a good neighbor policy, which shall be reviewed and approved by ADMINISTRATOR on an annual basis. The policy shall include, but not limited to, staff training to deal with neighbor complaints and staff contact information available to neighboring residents.

R. CONTRACTOR and ADMINISTRATOR may mutually agree, in writing, to modify the Services Paragraph of this Exhibit A to the Agreement.”

9. Contractor shall continue to reference invoices with MA-042-19010241.

This Amendment No. 3 modifies the Contract, Amendment No. 1 and Amendment No. 2, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between

this Amendment No. 3, Amendment No. 1, Amendment No. 2 and the Contract, the terms and conditions of this Amendment No. 3 prevail. In all other respects, the terms and conditions of the Contract, including Amendment No. 1 and Amendment No. 2, not specifically changed by this Amendment No. 3, remain in full force and effect.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 3. If the company is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, 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: California Treatment Services Recovery Solutions of Santa Ana

Brian Lohrding

Group CFO

Print Name

Title

DocuSigned by:
Brian Lohrding
AB11D795242D4D8...

2/4/2020

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:
Brittany McLean
9713A4081D4343D...

2/4/2020

Date