

FIRST AMENDMENT
TO AGREEMENT FOR PROVISION OF
BEHAVIORAL HEALTH OUTPATIENT SERVICES
FOR CHILDREN AND YOUTH
BETWEEN
COUNTY OF ORANGE
AND
PATHWAYS COMMUNITY SERVICES, LLC
MARCH 1, 2016 THROUGH DECEMBER 31, 2018

THIS FIRST AMENDMENT TO AGREEMENT entered into this 1st day of July 2018, is by and between the COUNTY OF ORANGE (COUNTY) and PATHWAYS COMMUNITY SERVICES, LLC, a Delaware limited liability company (CONTRACTOR). COUNTY and CONTRACTOR may sometimes be referred to herein individually as "Party" or collectively as "Parties." This First Amendment and the original Agreement shall continue to be administered by the County of Orange Health Care Agency (ADMINISTRATOR).

WITNESSETH:

WHEREAS, on March 1, 2016, the COUNTY authorized the Agreement for the provision of Behavioral Health Outpatient Services for Children and Youth with CONTRACTOR for the period March 1, 2016 through June 30, 2018; and

WHEREAS, ADMINISTRATOR desires to extend the provision of Behavioral Health Outpatient Services for Children and Youth with CONTRACTOR for an additional six month period, from July 1, 2018 through December 31, 2018, with additional funding of 1,842,966 for the extension period, for a revised term of March 1, 2016 through December 31, 2018, and a revised maximum obligation of \$17,305,210;

WHEREAS, CONTRACTOR desires to extend the Agreement and accept the additional funding and agrees to conduct transition of clients of Behavioral Health Outpatient Services in the East and Central County locations;

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NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. Page 4, Referenced Contract Provisions, lines 3 through 12 of the Agreement is amended to read as follows:

- “Term: March 1, 2016 through December 31, 2018
- Period One means the period from March 1, 2016 through June 30, 2016
- Period Two means the period from July 1, 2016 through June 30, 2017
- Period Three means the period from July 1, 2017 through June 30, 2018
- Period Four means the period from July 1, 2018 through December 31, 2018

Maximum Obligation:

Period One Maximum Obligation:	\$ 2,208,892
Period Two Maximum Obligation:	\$ 6,626,676
Period Three Maximum Obligation:	\$ 6,626,676
Period Four Maximum Obligation:	\$ <u>1,842,966</u>
TOTAL MAXIMUM OBLIGATION:	\$17,305,210”

2. Paragraph VI., Cost Report, of the Agreement is amended to read as follows:

“I. COST REPORT

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 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 a consolidated Cost Report to COUNTY no later than five (5) business days following approval by ADMINSTRATOR of all individual Cost Reports to be incorporated into a consolidated Cost Report.

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1 1. If CONTRACTOR fails to submit an accurate and complete individual and/or consolidated
2 Cost Report within the time period specified above, ADMINISTRATOR shall have sole discretion to
3 impose one or both of the following:

4 a. CONTRACTOR may be assessed a late penalty of five hundred dollars (\$500) for each
5 business day after the above specified due date that the accurate and complete individual and/or
6 consolidated Cost Report is not submitted. Imposition of the late penalty shall be at the sole discretion
7 of the ADMINISTRATOR. The late penalty shall be assessed separately on each outstanding individual
8 and/or consolidated Cost Report due COUNTY by CONTRACTOR.

9 b. ADMINISTRATOR may withhold or delay any or all payments due CONTRACTOR
10 pursuant to any or all agreements between COUNTY and CONTRACTOR until such time that the
11 accurate and complete individual and/or consolidated Cost Report is delivered to ADMINISTRATOR.

12 2. CONTRACTOR may request, in advance and in writing, an extension of the due date of the
13 individual and/or consolidated Cost Report setting forth good cause for justification of the request.
14 Approval of such requests shall be at the sole discretion of ADMINISTRATOR and shall not be
15 unreasonably denied.

16 3. In the event that CONTRACTOR does not submit an accurate and complete individual
17 and/or consolidated Cost Report within one hundred and eighty (180) calendar days following the
18 termination of this Agreement, and CONTRACTOR has not entered into a subsequent or new
19 agreement for any other services with COUNTY, then all amounts paid to CONTRACTOR by
20 COUNTY during the term of the Agreement shall be immediately reimbursed to COUNTY.

21 B. The individual and/or consolidated Cost Report prepared for each period shall be the final
22 financial and statistical report submitted by CONTRACTOR to COUNTY, and shall serve as the basis
23 for final settlement to CONTRACTOR for that period. CONTRACTOR shall document that costs are
24 reasonable and allowable and directly or indirectly related to the services to be provided hereunder. The
25 individual and/or consolidated Cost Report shall be the final financial record for subsequent audits, if
26 any.

27 C. Final settlement shall be based upon the actual and reimbursable costs for services hereunder,
28 less applicable revenues and any late penalty, not to exceed COUNTY's Maximum Obligation as set
29 forth in the Referenced Contract Provisions of this Agreement. CONTRACTOR shall not claim
30 expenditures to COUNTY which are not reimbursable pursuant to applicable federal, state and
31 COUNTY laws, regulations and requirements. Any payment made by COUNTY to CONTRACTOR,
32 which is subsequently determined to have been for an unreimbursable expenditure or service, shall be
33 repaid by CONTRACTOR to COUNTY in cash, or other authorized form of payment, within thirty (30)
34 calendar days of submission of the individual and/or consolidated Cost Report or COUNTY may elect
35 to reduce any amount owed CONTRACTOR by an amount not to exceed the reimbursement due
36 COUNTY.

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1 D. Unless approved by ADMINISTRATOR, costs that exceed the Statewide Maximum Allowance
2 (SMA) rates per Medi-Cal Unit of Services, as determined by the DHCS, shall be unreimbursable to
3 CONTRACTOR.

4 E. In the event that CONTRACTOR is authorized to retain unanticipated revenues as described in
5 the Budget Paragraph of Exhibit A to this Agreement, CONTRACTOR shall specify in the individual
6 and/or consolidated Cost Report the services rendered with such revenues.

7 F. All individual and/or consolidated Cost Reports shall contain the following attestation, which
8 may be typed directly on or attached to the Cost Report:

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10 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and
11 supporting documentation prepared by _____ for the cost report period
12 beginning _____ and ending _____ and that, to the best of my
13 knowledge and belief, costs reimbursed through this Agreement are reasonable and
14 allowable and directly or indirectly related to the services provided and that this Cost
15 Report is a true, correct, and complete statement from the books and records of
16 (provider name) in accordance with applicable instructions, except as noted. I also
17 hereby certify that I have the authority to execute the accompanying Cost Report.

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19 Signed _____
20 Name _____
21 Title _____
22 Date _____"

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3. Subparagraph II.A. of Exhibit A to the Agreement is amended to read as follows:

<u>ADMINISTRATIVE COST</u>	<u>PERIOD ONE</u>	<u>PERIOD TWO</u>	<u>PERIOD THREE</u>	<u>PERIOD FOUR</u>	<u>TOTAL</u>
Indirect	\$ 288,116	\$ 864,349	\$ 864,349	\$ 240,387	\$ 2,257,200
PROGRAM COST					
Salaries	\$ 1,273,151	\$ 3,819,453	\$ 3,731,581	\$ 1,036,847	\$ 9,861,032
Benefits	311,412	934,236	824,819	222,697	2,293,164
Services and Supplies	290,713	872,138	1,074,885	299,353	2,537,088
Subcontracts	<u>45,500</u>	<u>136,500</u>	<u>131,043</u>	<u>3,681</u>	<u>356,725</u>
SUBTOTAL PROGRAM COST	\$ 1,920,776	\$ 5,762,327	\$ 5,762,328	\$ 1,602,578	\$ 15,048,010
TOTAL GROSS COST	\$ 2,208,892	\$ 6,626,676	\$ 6,626,676	\$ 1,842,966	\$ 17,305,210
REVENUE					
Federal Medi-Cal	\$ 1,104,446	\$ 3,313,338	\$ 3,313,338	\$ 921,482	\$ 8,652,604
State Medi-Cal Match	994,001	2,982,004	2,982,004	829,334	7,787,344
County Discretionary	<u>110,445</u>	<u>331,334</u>	<u>331,334</u>	<u>92,148</u>	<u>865,260</u>
TOTAL REVENUE	\$ 2,208,892	\$ 6,626,676	\$ 6,626,676	\$ 1,842,966	\$ 17,305,210
TOTAL MAXIMUM OBLIGATION	\$ 2,208,892	\$ 6,626,676	\$ 6,626,676	\$ 1,842,966	\$ 17,305,210

4. Subparagraph III.A. of Exhibit A to the Agreement is amended to read as follows:

“A. COUNTY shall pay CONTRACTOR monthly, in arrears, for Period One, Period Two, and Period Three at the provisional amount of \$552,223 per month, and for Period Four at the provisional amount of \$307,161. All payments are interim payments only, and subject to final settlement in accordance with the Cost Report Paragraph of the Agreement 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 Agreement; provided, however, the total of such payments does not exceed the Maximum Obligation for each period as stated in the Referenced Contract Provisions of the Agreement 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.”

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1 5. Subparagraph VI.J.1-7 of Exhibit A to the Agreement is amended to read as follows:

2 “J. WORKLOAD STANDARDS – CONTRACTOR understands and agrees that at any given time
3 the standards referenced below are minimum standards, and shall make every effort to exceed these
4 minimums:

5 1. One (1) DSH shall be equal to six (60) minutes of direct Client service.

6 2. For Period One, CONTRACTOR shall provide a minimum of twenty thousand three
7 hundred and ninety (20,390) billable DSH, with a minimum of two hundred and ten (210) hours of
8 medication support services, and twenty thousand one hundred and eighty (20,180) hours of other
9 mental health, case management, and/or crisis intervention or TBS services as identified in the Services
10 Paragraph of this Exhibit A to the Agreement.

11 3. For Periods Two and Three, annually, CONTRACTOR shall provide a minimum of fifty-
12 eight thousand eight hundred thirty-six (58,836) billable DSH, with a minimum of six hundred thirty-six
13 (636) hours of medication support services, and fifty-eight thousand two hundred (58,200) hours of
14 other mental health, case management, and/or crisis intervention or TBS services as identified in the
15 Services Paragraph of this Exhibit A to the Agreement.

16 4. For Period Four, CONTRACTOR shall provide a minimum of sixteen thousand two
17 hundred ninety (12,290) billable DSH, with a minimum of two hundred ten (210) hours of medication
18 support services, and twelve thousand eighty (12,080) hours of other mental health, case management,
19 and/or crisis intervention or TBS services as identified in the Services Paragraph of this Exhibit A to the
20 Agreement.

21 5. CONTRACTOR shall provide a minimum of one hundred (100) billable DHS per month
22 per FTE or one thousand two hundred (1,200) billable DSH per year per contracted FTE clinician of
23 mental health services, unless otherwise approved by ADMINISTRATOR. For the Group Home/Foster
24 Care Program, CONTRACTOR shall maintain an appropriate caseload that will facilitate the provision
25 of the minimum direct service hours identified above.

26 6. For Periods One, Two, and Three, CONTRACTOR shall maintain an active and ongoing
27 minimum caseload of at least one thousand one hundred thirteen (1,113) unduplicated Clients, of which
28 at least one thousand one hundred thirteen (1,113) shall be Medi-Cal, unless otherwise approved by
29 ADMINISTRATOR.

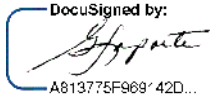
30 7. For Period Four, CONTRACTOR shall address Medi-Cal Client caseloads up through the
31 six-month transition period.

32 8. For Periods One, Two, and Three, CONTRACTOR shall not refuse Client referrals if any
33 of CONTRACTOR’s staff are below workload standards, as defined in Subparagraph VI.J of this
34 Exhibit A to the Agreement, unless otherwise approved by ADMINISTRATOR.”

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36 In all other respects, the terms of the underlying Agreement, not specifically changed by
37 this Amendment, shall remain in full force and are incorporated by reference herein.

1 IN WITNESS WHEREOF, the parties hereto have executed this FIRST AMENDMENT TO
2 AGREEMENT, in the County of Orange, State of California.

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4 PATHWAYS COMMUNITY SERVICES, LLC

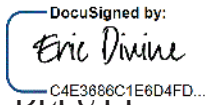
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6 BY:  _____ DATED: 5/18/2018
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10 TITLE: State Director

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15 COUNTY OF ORANGE

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18 BY: _____ DATED: _____
19 HEALTH CARE AGENCY

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24 APPROVED AS TO FORM
25 OFFICE OF THE COUNTY COUNSEL
26 ORANGE COUNTY, CALIFORNIA

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28 BY:  _____ DATED: 5/18/2018
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35 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or
36 any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.
37 If the contract is signed by one (1) authorized individual only, a copy of the corporate resolution or by-laws whereby the board of directors
has empowered said authorized individual to act on its behalf by his or her signature alone is required by ADMINISTRATOR.