

1 SECOND AMENDMENT TO AGREEMENT FOR PROVISION OF
2 BEHAVIORAL HEALTH OUTPATIENT SERVICES FOR CHILDREN AND YOUTH
3 BETWEEN
4 COUNTY OF ORANGE
5 AND
6 WESTERN YOUTH SERVICES
7 MARCH 1, 2016 THROUGH DECEMBER 31, 2018
8

9 THIS SECOND AMENDMENT TO AGREEMENT entered into this 1st day of July 2018, is by and
10 between the COUNTY OF ORANGE, a political subdivision of State of California (COUNTY), and
11 WESTERN YOUTH SERVICES, a California nonprofit corporation (CONTRACTOR). COUNTY and
12 CONTRACTOR may sometimes be referred to herein individually as "Party" or collectively as
13 "Parties." This Second Amendment, along with the First Amendment and the original Agreement, shall
14 continue to be administered by the County of Orange Health Care Agency (ADMINISTRATOR).
15

16 **W I T N E S S E T H:**
17

18 WHEREAS, on March 1, 2016, the COUNTY authorized the Agreement for the provision of
19 Behavioral Health Outpatient Services for Children and Youth with CONTRACTOR for the period
20 March 1, 2016 through June 30, 2018; and
21

22 WHEREAS, on May 1, 2018, ADMINISTRATOR authorized a Contingency increase of the
23 Agreement amount in the amount of \$397,914 from \$27,662,395 to \$28,060,309; and
24

25 WHEREAS, ADMINISTRATOR desires to extend the provision of Behavioral Health Outpatient
26 Services for Children and Youth with CONTRACTOR for an additional six month period, from July 1,
27 2018 through December 31, 2018, with additional funding of \$1,204,479 for the extension period, for a
28 revised term of March 1, 2016 through December 31, 2018, and a revised maximum obligation of
29 \$29,264,788;
30

31 WHEREAS, CONTRACTOR desires to extend the Agreement and accept the additional funding
32 and agrees to conduct transition of clients of Behavioral Health Outpatient Services in the South County
33 location;
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35 NOW, THEREFORE, in consideration of the mutual covenants, benefits, and promises contained
36 herein, COUNTY and CONTRACTOR do hereby agree as follows:
37 //

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

3
4 “Term: March 1, 2016 through December 31, 2018

5 Period One means the period from March 1, 2016 through June 30, 2016

6 Period Two means the period from July 1, 2016 through June 30, 2017

7 Period Three means the period from July 1, 2017 through June 30, 2018

8 Period Four means the period from July 1, 2018 through December 31, 2018

9
10 **Maximum Obligation:**

11 Period One Maximum Obligation: \$ 3,951,771

12 Period Two Maximum Obligation: \$ 11,855,312

13 Period Three Maximum Obligation: \$ 12,253,226

14 Period Four Maximum Obligation: \$ 1,204,479

15 TOTAL MAXIMUM OBLIGATION: \$ 29,264,788”

16
17 2. Paragraph VI., Cost Report, of the Agreement is amended to read as follows:

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19 **I. COST REPORT**

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

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

37 //

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

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

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

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

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

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

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

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

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

6
7 "I HEREBY CERTIFY that I have executed the accompanying Cost Report and
8 supporting documentation prepared by _____ for the cost report period
9 beginning _____ and ending _____ and that, to the best of my
10 knowledge and belief, costs reimbursed through this Agreement are reasonable and
11 allowable and directly or indirectly related to the services provided and that this Cost
12 Report is a true, correct, and complete statement from the books and records of
13 (provider name) in accordance with applicable instructions, except as noted. I also
14 hereby certify that I have the authority to execute the accompanying Cost Report.

15
16 Signed _____
17 Name _____
18 Title _____
19 Date _____”

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

| <u>ADMINISTRATIVE COSTS</u> | <u>PERIOD ONE</u> | <u>PERIOD TWO</u> | <u>PERIOD THREE</u> | <u>PERIOD FOUR</u> | <u>TOTAL</u> |
|--------------------------------------|---------------------|----------------------|----------------------|---------------------|----------------------|
| Professional Services | \$ 12,474 | \$ 27,510 | \$ 27,510 | \$ 2,742 | \$ 70,236 |
| Indirect Costs | \$ 467,704 | \$ 1,573,631 | \$ 1,625,533 | \$ 140,506 | \$ 3,807,374 |
| SUBTOTAL ADMINISTRATIVE COSTS | \$ 480,178 | \$ 1,601,141 | \$ 1,653,043 | \$ 143,248 | \$ 3,877,610 |
| PROGRAM COSTS | | | | | |
| Salaries | \$ 2,500,903 | \$ 7,366,598 | \$ 7,648,229 | \$ 742,438 | \$ 18,258,168 |
| Benefits | \$ 450,162 | \$ 1,325,988 | \$ 1,390,369 | \$ 133,639 | \$ 3,300,158 |
| Services and Supplies | \$ 520,528 | \$ 1,561,585 | \$ 1,561,585 | \$ 185,154 | \$ 3,828,852 |
| SUBTOTAL PROGRAM COSTS | \$ 3,471,593 | \$ 10,254,171 | \$ 10,600,183 | \$ 1,061,231 | \$ 25,387,178 |
| REVENUE | | | | | |
| Federal Medi-Cal | \$ 1,892,552 | \$ 5,677,656 | \$ 5,844,780 | \$ 576,840 | \$ 13,991,828 |
| State Medi-Cal Match | \$ 1,703,297 | \$ 5,109,890 | \$ 5,109,890 | \$ 519,156 | \$ 12,442,233 |
| County Discretionary | \$ 189,255 | \$ 567,766 | \$ 567,766 | \$ 57,684 | \$ 1,382,471 |
| MHSA | \$ 166,667 | \$ 500,000 | \$ 500,000 | \$ 50,799 | \$ 1,217,466 |
| EPSDT | \$ 0 | \$ 0 | \$ 230,790 | \$ 0 | \$ 230,790 |
| TOTAL REVENUE | \$ 3,951,771 | \$ 11,855,312 | \$ 12,253,226 | \$ 1,204,479 | \$ 29,264,788 |
| TOTAL MAXIMUM OBLIGATION | \$ 3,951,771 | \$ 11,855,312 | \$ 12,253,226 | \$ 1,204,479 | \$ 29,264,788 |

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 and Period Two at the provisional amount of \$987,943 per month, for Period Three at the provisional amount of \$1,021,102 per month, and for Period Four at the provisional amount of \$200,747. 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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5. Subparagraph VI.J. of Exhibit A to the Agreement is amended to read as follows:

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

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

2. For Period One, CONTRACTOR shall provide a minimum of thirty-three thousand two hundred and forty (33,240) billable DSH, with a minimum of one thousand seven hundred (1,700) hours of medication support services, and thirty-one thousand five hundred and forty (31,540) hours of other mental health, case management, and/or crisis intervention or TBS services as identified in the Services Paragraph of this Exhibit A to the Agreement.

3. For Periods Two and Three, CONTRACTOR shall provide a minimum of ninety-nine thousand seven hundred and twenty (99,720) billable DSH, with a minimum of five thousand one hundred (5,100) hours of medication support services, and ninety-four thousand six hundred and twenty (94,620) hours of other mental health, case management, and/or crisis intervention or TBS services as identified in the Services Paragraph of this Exhibit A to the Agreement.

4. For Period Four, CONTRACTOR shall provide a minimum of sixteen thousand two hundred ninety (9,750) billable DSH, with a minimum of four hundred eighty-eight (488) hours of medication support services, and nine thousand two hundred sixty-two (9,262) hours of other mental health, case management, and/or crisis intervention or TBS services as identified in the Services Paragraph of this Exhibit A to the Agreement.

5. CONTRACTOR shall provide a minimum of one hundred (100) billable DSH per month per FTE or one thousand two hundred (1,200) billable DSH per year per contracted FTE clinician of mental health services, unless otherwise approved by ADMINISTRATOR.

6. For Periods One, Two, and Three, CONTRACTOR shall maintain an active and ongoing minimum caseload of at least one thousand nine hundred and seventy-one (1,971) unduplicated Clients, of which at least one thousand nine hundred and seventy-one (1,971) shall be Medi-Cal, throughout the term of the Agreement, unless otherwise approved by ADMINISTRATOR.

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

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

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

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1 IN WITNESS WHEREOF, the Parties have executed this First Amendment to Agreement, in the
2 County of Orange, State of California.

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4 WESTERN YOUTH SERVICES

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6 DocuSigned by:
7 BY: Lorry Leigh Bellumeur _____ DATED: 5/18/2018
8 5B989BD073C74CF...

9 TITLE: CEO
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14 COUNTY OF ORANGE

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17 BY: _____ DATED: _____

18 HEALTH CARE AGENCY
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23 APPROVED AS TO FORM
24 OFFICE OF THE COUNTY COUNSEL
25 ORANGE COUNTY, CALIFORNIA

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27 DocuSigned by:
28 BY: Eric Divine _____ DATED: 5/18/2018
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DEFUIT

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36 If the contracting party is a corporation, two (2) signatures are required: one (1) signature by the Chairman of the Board, the President or
37 any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer.
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 HCA.