

**AMENDMENT 2 TO
GRANT AWARD AGREEMENT BETWEEN
CALOPTIMA AND
THE COUNTY OF ORANGE,
THROUGH ITS AGENCY, THE ORANGE COUNTY HEALTH CARE AGENCY**

THIS AMENDMENT 2 (“**Amendment**”) TO THE GRANT AWARD AGREEMENT (“**Agreement**”) is made and entered into as of July 1, 2022, by and between the Orange County Health Authority, a Public Agency, dba CalOptima (“**CalOptima**”), and the County of Orange, through its agency, the Orange County Health Care Agency (“**Grantee**”). CalOptima and Grantee are sometimes referred to herein individually as “Party” and collectively as the “Parties”.

RECITALS

- A. On October 9, 2020, California awarded Grantee more than \$23 million toward two (2) Homekey Program properties in Stanton, California, encompassing 132 units, that will be initially focused on interim housing with the goal to then renovate and convert the properties into permanent supportive housing within three (3) years.
- B. On November 5, 2020, the CalOptima Board of Directors reallocated \$2.5 million in IGT 6 and 7 Funds (“**Advance Funding Amount**”) to reimburse Grantee for the provision of enhanced services consisting of Day Habilitation Services, as defined and described in Attachment A to the Agreement, to CalOptima members residing at the Grantee’s Homekey Program sites in Stanton, California.
- C. CalOptima and Grantee entered into a Agreement, effective December 1, 2020, for Grantee’s provision of Day Habilitation Services to CalOptima Medi-Cal members residing in Grantee’s Homekey Program sites in Stanton, California.
- D. The operator of the Stanton sites ceased operations March 31, 2022, to convert the sites to permanent supportive housing. The Advanced Funding Amount allocated to the Stanton sites was not utilized.
- E. Grantee requested that CalOptima reallocate the existing \$2.5 million, previously awarded to Grantee for the two (2) Stanton sites, for Day Habilitation Services at a proposed Huntington Beach, California site. On December 20, 2021, the CalOptima Board of Directors approved the reallocation of unused funds, contingent on Grantee’s award from the State of California.
- F. On February 15, 2022, California awarded Grantee approximately \$17 million in funding toward one (1) Homekey Program property in Huntington Beach, California, encompassing 62 units, that will be operated initially as interim housing to serve chronically homeless and homeless individuals and later converted to permanent supportive housing for low-income residents.
- G. CalOptima and Grantee now desire to update the Agreement to reflect the reallocation of funds to the Huntington Beach site and to update the term of the Agreement.

NOW, THEREFORE, in recognition of the Recitals above, which are incorporated into the Agreement by this reference, and the mutual covenants, benefits, and promises contained herein, the receipt of which the Parties hereby acknowledge, Grantee and CalOptima do hereby agree as follows:

- 1. Section 1.3 shall be deleted in its entirety and replaced with the following new Section 1.3:

“1.3 Unauthorized Use of Funds. Grantee shall use Grant Award funds awarded by CalOptima to Grantee under this Agreement consistent with the terms of this Agreement

and the Grant Activities approved by the CalOptima Board of Directors on December 20, 2021. CalOptima retains the right to recover any and all Grant Award funds if it (or any of its regulators) determines that any portion of the Grant Award was not expended as provided under the terms of this Agreement or applicable federal and state laws, regulations, guidance and/or funding source requirements.”

2. Section 6.1 shall be deleted in its entirety and replaced with the following:

“6.1. **Term of Agreement.** This Agreement will commence on December 1, 2020, and will remain in effect through November 30, 2025, or upon exhaustion of the Advance Funding Amount, whichever occurs last.”

3. Attachment B “GRANT PAYMENT” shall be deleted in its entirety and replaced with a new Attachment B “GRANT PAYMENT,” which is attached hereto and incorporated into the Agreement by this reference.

4. Attachment C “GRANT QUARTERLY, ANNUAL, AND FINAL PROGRESS REPORT SCHEDULE” shall be deleted in its entirety and replaced with a new Attachment C “GRANT QUARTERLY, ANNUAL, AND FINAL PROGRESS REPORT,” which attached hereto and incorporated into the Agreement by this reference.

5. Except as amended in this Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect. After the effective date of this Amendment, any reference to the Contract shall mean the Contract as amended and supplemented by this Amendment. Notwithstanding anything to the contrary in the Contract, in the event of a conflict between the terms and conditions of this Amendment and those contained within the Contract, the terms and conditions of this Amendment shall prevail.

6. Except as otherwise expressly defined in this Amendment, all capitalized terms in this Amendment shall have the same meaning given to them in the Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment, to be effective the date first written above.

FOR GRANTEE

FOR CALOPTIMA:

Signature

DocuSigned by:
Michael Hunn
E0DDDC18C804FB...

Signature

Dr. Clayton Chau

Michael Hunn

Print Name

Print Name

Health Care Agency Director

Chief Executive Officer

Title

Title

Date

7/11/2022

Date

Approved to Form

by County Counsel

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7/11/22

ATTACHMENT B GRANT PAYMENT

CalOptima made a Grant Award to Grantee in the amount of two million five hundred thousand dollars (\$2,500,000.00) of advance funding (“**Advance Funding Amount**”), which was the maximum amount payable for the Grant Project and which was paid following execution of the Agreement in December 2020 in the time and manner set forth below.

Payment: The Advance Funding Amount payment under this Agreement was made in one (1) installment upon execution of this Agreement in December 2020. Grantee may choose to use the Advance Funding Amount for operation and administrative support and other start-up costs, subject to Grantee’s obligation to provide Day Habilitation Services described in Attachment A of this Agreement, to CalOptima Medi-Cal members residing in the Huntington Beach Homekey property location equivalent in value to the Advance Funding Amount commencing immediately once the Homekey Program site is operational.

CalOptima has no obligation to pay for Day Habilitation Services at the Homekey Program site other than the Advanced Funding Amount. Grantee will indemnify, defend, and hold harmless CalOptima against any third-party claim and/or liability that arise out of a regulatory audit or disallowance of the Advance Funding Amount. Grantee shall refund the Advance Funding Amount to CalOptima if the Homekey Program site does not ultimately deliver Day Habilitation Services to CalOptima Medi-Cal members, or the Grantee’s use of the funds is challenged and recovered by any regulatory agency.

CalOptima members who are residents at the Homekey location shall have no obligation to pay for Day Habilitation Services. Grantee agrees to indemnify and hold harmless CalOptima Medi-Cal members who are residents at the Homekey Property location from all efforts to seek compensation and any claims for compensation for the Day Habilitation Services provided under this Grant.

The Advance Funding Amount is subject to the following requirements:

1. Grantee’s completion of CalOptima’s grant application, and subsequent approval of the grant application by CalOptima;
2. Grantee’s acquisition of the one (1) property by May 31, 2022;
3. Grantee must oversee operations, including the provision of Day Habilitation Services at the Homekey Program site;
4. The Homekey Program is to provide the Day Habilitation Services to CalOptima Medi-Cal members at no additional cost to the members for the greater of three (3) years or until the funding amount is exhausted. Grantee shall provide Day Habilitation Services to CalOptima Medi-Cal members to be valued at a per member per month equivalent cost (and charged to the Advance Funding Amount pursuant to this Agreement) for similar services currently provided through other county programs;
5. Advance Funding Amount will not be used for room and board; and,

6. Day Habilitation Services provided to CalOptima members do not include services otherwise required to be provided under the Homekey Program or available to the member enrolled in Whole Person Care, Health Homes Program or any successor program providing similar services.

Debiting Advance Funding Amount: Grantee shall debit from the Advance Funding Amount, Day Habilitation Services at the Homekey Program site provided to CalOptima Medi-Cal members to be valued at a per member per month equivalent cost for similar services currently provided through other Grantee programs, not to exceed two hundred thirty-five dollars (\$235.00) per month. Those Day Habilitation Services debited against the Advanced Payment Amount include only those services that are covered by Attachment A to this Agreement. Grantee shall report to CalOptima on the debit amounts in accordance with Attachment C.

All aspects of property operations, including oversight of security on-site twenty-four hours a day/seven days a week, maintenance of the site, and janitorial and repair services, will be provided by Grantee's operator of the Homekey Program site and shall not be charged against the Advance Payment Amount.

Return Funds: Grantee shall refund to CalOptima any funds that are found by CalOptima, in its sole discretion, to not have been utilized in accordance with the requirements of this Agreement. CalOptima shall have the right to audit, or to have audited by an independent third party, all Grant Project expenses. Grantee shall fully cooperate with CalOptima or its auditor and shall refund to CalOptima (i) any amounts found to have been improperly expended from the Grant Award within thirty (30) days of the notice of such improper expenditures and (ii) any Advance Funding Amount that has not been used to provide Day Habilitation Services prior to the termination of the Agreement.

ATTACHMENT C

GRANT QUARTERLY, ANNUAL AND FINAL PROGRESS REPORT SCHEDULE

Purpose of Grant Reports

In an effort to help ensure successful grant outcomes, CalOptima actively monitors and evaluates grant progress and requires that grantees submit quarterly and annual progress reports, as well as a final report. These reports are intended to help both CalOptima and grantees appraise progress toward funding and service objectives.

Grant Report Requirements

Grantee shall complete the Grant Report Form provided through CalOptima's grant management system ("GMS"). Reports that are not submitted via CalOptima's online grant report form will not be accepted.

GMS Report Submission Schedule

Grantee shall submit a minimum of twelve (12) reports over the duration of the Homekey Program (i.e. December 1, 2022 to November 30, 2025) as follows:

- **Quarterly Progress Reports**, submitted via CalOptima's GMS, will be due by Grantee to CalOptima within thirty (30) calendar days after the end of each project quarter.
 - Specific due dates and the reporting periods ("**Reporting Periods**") are as follows:
 - Quarterly Progress Report #1: due by March 30, 2023 for Reporting Period December 1, 2022 to February 28, 2023
 - Quarterly Progress Report #2: due by June 30, 2023 for Reporting Period March 1, 2023 to May 31, 2023
 - Quarterly Progress Report #3: due by September 30, 2023 for Reporting Period June 1, 2023 to August 31, 2023
 - Quarterly Progress Report #4: due by March 30, 2024 for Reporting Period December 1, 2023 to February 28, 2024
 - Quarterly Progress Report #5: due by June 30, 2024 for Reporting Period March 1, 2024 to May 31, 2024
 - Quarterly Progress Report #6: due by September 30, 2024 for Reporting Period June 1, 2024 to August 31, 2024
 - Quarterly Progress Report #7: due by March 30, 2025 for Reporting Period December 1, 2024 to February 28, 2025
 - Quarterly Progress Report #8: due by June 30, 2025 for Reporting Period March 1, 2025 to May 31, 2025
 - Quarterly Progress Report #9: due by September 30, 2025 for Reporting Period June 1, 2025 to August 31, 2025
 - Additional Quarterly Progress Reports may be required until such time as Grantee's service obligations related to the Advance Funding Amount payments are completed.

- **Annual Progress Reports**, submitted by Grantee to CalOptima via CalOptima’s GMS, will be due within thirty (30) calendar days after the end of the Reporting Period.
 - Specific due date and Reporting Period:
 - Annual Progress Report #1: due by December 31, 2023 for Reporting Period December 1, 2022 to November 30, 2023
 - Annual Progress Report #2: due by December 31, 2024 for Reporting Period December 1, 2023 to November 30, 2024
 - Additional Annual Progress Reports may be required until such time as Grantee’s service obligations related to the Advance Funding Amount payment are completed
- **Final Report**, submitted by Grantee to CalOptima via CalOptima’s GMS, will be due within thirty (30) calendar days after the end of this Agreement.
 - Specific due date and Reporting Period:
 - Final Report due by December 31, 2025 for Reporting Period December 1, 2024 to November 30, 2025 or later, as necessary for Grantee’s completion of service obligations related to the Advance Funding Amount payment are completed.

Non-GMS Reporting

Service reconciliation reports will allow CalOptima to measure progress towards delivering Day Habilitation Services to CalOptima members to be credited against the Advance Funding Amount. At a minimum, such reports by Grantee shall:

- Be submitted no less than on a quarterly basis consistent with the above GMS Quarterly Progress Report schedule
- Be sent in Excel format to strategicdevelopment@caloptima.org via encrypted e-mail;
- Include name and contact information for person responsible for preparing and submitting the report
- Include the following member specific detail, such as
 - Name
 - Date of birth
 - CalOptima identification number
 - First date of service of each month during the quarterly reporting period
 - Move-in date and, if applicable, move out date, reason for move and destination
- Include the following summary information
 - Total number of unique members receiving Day Habilitation Services in the applicable month
 - Total number of unique members receiving Day Habilitation Services in the applicable quarter
 - Beginning and ending remaining Advance Payment balance for each quarter
- Include such other information that CalOptima may reasonably require.