

**AMENDMENT NO. 5 TO THE AGREEMENT BETWEEN COUNTY OF LAKE AND COMMUNITY BEHAVIORAL HEALTH FOR SPECIALTY MENTAL HEALTH SERVICES FOR FISCAL YEARS 2023-24, 2024-25 and 2025-26**

**This Amendment No. 5 to the Agreement is made and entered into by and between the County of Lake, hereinafter referred to as “County,” and Community Behavioral Health, hereinafter referred to as “Contractor,” collectively referred to as the “parties.”**

**RECITALS**

**WHEREAS**, the County entered into an Agreement with Contractor effective August 1, 2023; and

**WHEREAS**, the parties amended the Agreement the first time on February 29, 2024 to increase the rates for Licensed Professionals of the Healing Arts effective November 1, 2023, and to increase the overall contract maximum to meet service demands and projections for services; and

**WHEREAS**, the Agreement was amended a second time on April 9<sup>th</sup>, 2024, to correct an error in the recitals of the Amendment No. 1 where the increase in contract maximum was noted as \$600,000 when it should have read an increase of \$2,600,000 for a total maximum compensation of \$3,200,000; and

**WHEREAS**, the Agreement was amended a third time on August 5<sup>th</sup>, 2024, to increase the total compensation payable under the Agreement by \$12,400,000.00 for a new contract maximum of \$15,600,000.00 and must amend item three, “Compensation,” to reflect this change.

**WHEREAS**, the Agreement was amended a fourth time on October 23<sup>rd</sup>, 2024, to add the addition of a Licensed Vocational Nurse and a Psychologist, with no change to the contract max, and must amend Exhibit B, “Fiscal Provisions,” to reflect this change.

**WHEREAS**, beginning in FY 2023-24, the Department’s Medi-Cal Specialty Mental Health payment-reform initiative resulted in a material and unprecedented increase to underlying Department of Health Care Services-published rates as compared to FY 2022-23, and the Parties expressly acknowledge this increase in establishing the fee-for-service pass-through set forth in this Amendment; and

**WHEREAS**, the County and Contractor now desire to amend the Agreement a fifth (5th) time to transition the compensation methodology from a flat-rate structure to a **fee-for-service (FFS) reimbursement** model at **fifty-nine percent (59%) of the published Department of Health Care Services (DHCS) Medi-Cal rate** for all eligible service codes effective September 1, 2025; and

**WHEREAS**, the County and Contractor also desire to increase the total compensation payable under the Agreement an additional \$9,000,000.00, for a new total contract maximum of \$24,600,000.00, to reflect current utilization trends and projected service demand; and

**WHEREAS**, the Parties also desire to (1) establish a provisional monthly service ceiling to manage cash flow and prevent unilateral volume spikes, (2) streamline training requirements, (3)

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clarify reimbursement and recoupment procedures, and (4) memorialize that Contractor is the only embedded contracted provider occupying County space and that the County reserves the right to implement a standardized space/license cost-allocation policy for embedded providers.

**NOW THEREFORE**, based on the foregoing recitals, the parties hereto agree as follows:

**1. AMENDMENT TO SECTION 3 – COMPENSATION**

Section 3 of the Agreement is amended to read as follows:

“Contractor has been selected by County to provide the services described hereunder in Exhibit A, titled “Scope of Services.” Compensation to Contractor shall not exceed Twenty-Four Million Six Hundred Thousand Dollars (\$24,600,000.00).”

**2. AMENDMENT TO EXHIBIT A – SCOPE OF SERVICES (TRAINING REQUIREMENTS)**

Section 7.6 of Exhibit A of the Agreement is amended to read as follows:

“Contractor shall ensure that all staff providing services under this Agreement complete only those trainings that are mandatory under federal or state law, regulation, or County policy, including but not limited to compliance, privacy, and clinical documentation requirements. All other trainings offered or recommended by County are optional; however, Contractor is expected to remain informed of such material and apply relevant content to maintain quality and compliance in service delivery.”

**3. AMENDMENTS TO EXHIBIT B – PAYMENT TERMS**

Section 6.1 of Exhibit B of the Agreement is amended to read as follows:

**6.1 Fee-for-Service Pass-Through and Rate Basis**

County shall reimburse Contractor for Medi-Cal-eligible services that have been successfully adjudicated and approved for Federal Financial Participation (FFP) at a rate equal to fifty-nine percent (59%) of the applicable DHCS-published rate in effect at the time the service is rendered. In the event of any discrepancy between the rates specified in this Agreement and those published by DHCS, the DHCS-published rates shall govern. Any adjustments to DHCS rates during the term of this Agreement shall take effect immediately upon DHCS publication, without the need for a formal amendment.

Section 6.2 of Exhibit B of the Agreement is amended to read as follows:

**6.2 Provisional Monthly Service Ceiling**

County shall not be obligated to reimburse Contractor for services exceeding a provisional monthly service ceiling of One Million Dollars (\$1,000,000) per calendar month or one hundred twenty-five percent (125%) of the highest total monthly reimbursement during the preceding three (3) months, whichever is greater, without prior written authorization from County. Contractor shall notify County Fiscal staff when total billings approach ninety percent (90%) of

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the applicable ceiling. Any increase in this provisional ceiling requires prior written County approval. This ceiling is an administrative cash-flow control and shall not be construed as a cap on medically necessary services.

Section 6.3 of Exhibit B of the Agreement is amended to read as follows:

**6.3 Payment Timing and Recoupment**

- a. County shall make payment within thirty (30) calendar days of County's receipt of reimbursement from DHCS for an undisputed invoice for compensation stipulated herein, less any authorized deductions.
- b. If any payment to Contractor is later determined to be for services that are ineligible, denied, disallowed, or otherwise unclaimable for reimbursement, Contractor shall refund such amount to County within ninety (90) calendar days of written notice, or County may offset the disallowed amount against any current or future payments due under this or any other agreement between the Parties.

Section 6.4 of Exhibit B of the Agreement is amended to read as follows:

**6.4 Administrative Services.**

Notwithstanding any other provision of the Agreement, the County authorizes reimbursement to Contractor for administrative services necessary to support program operations and compliance with Department of Health Care Services (DHCS) requirements. These services include, but are not limited to:

LPS Conservatorship Evaluations, including record review, clinical evaluation, coordination with County Counsel, and documentation required for LPS petitions; and

Quality Assurance Services, including audit file review, documentation standards monitoring, corrective action support, and other activities required to maintain County and DHCS compliance.

Administrative services shall be reimbursed at the hourly rates established in Exhibit B for the corresponding professional classification and shall be billed separately from direct service claims. Contractor shall ensure that administrative hours are clearly identified on invoices.

Section 6.5 of Exhibit B of the Agreement is amended to read as follows:

**6.5 Embedded Provider; Space and License Cost Allocation**

- a. The Parties acknowledge that Contractor is presently an embedded contracted provider occupying and operating from County facilities under this Agreement.
- b. In consideration of County's provision of space, infrastructure, and shared systems access, the County may, in its discretion, implement a standardized space and license cost-allocation policy for embedded contracted providers and apply such policy to Contractor on a prospective basis, upon thirty (30) days' written notice.
- c. Any such cost allocation adopted by the County shall be reasonable, consistently applied

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across embedded providers, and reflect Contractor’s actual presence and utilization of County facilities and systems and shall not exceed a monthly valuation of \$3,000.

**INDEPENDENT CONTRACTOR.** It is specifically understood and agreed that, in the making and performance of this Agreement, Community Behavioral Health is an independent contractor and is not an employee, agent or servant of County. [Community Behavioral Health is not entitled to any employee benefits. County agrees that [Contractor / Provider] shall have the right to control the manner and means of accomplishing the result contracted for herein.

Community Behavioral Health is solely responsible for the payment of all federal, state and local taxes, charges, fees, or contributions required with respect to Community Behavioral Health and its officers, employees, and agents who are engaged in the performance of this Agreement (including without limitation, unemployment insurance, social security and payroll tax withholding.)

The Parties agree that all other terms and conditions of the original Agreement shall remain in full force and effect.

COUNTY OF LAKE

COMMUNITY BEHAVIORAL HEALTH

\_\_\_\_\_  
Chair, Board of Supervisors

  
\_\_\_\_\_  
Ornella Addonizio, MD

Ornella Addonizio (Jan 23, 2026 08:17:28 PST)

Date: \_\_\_\_\_

Date: 01/23/2026

APPROVED AS TO FORM:  
LLOYD GUINTIVANO  
County Counsel

ATTEST:  
SUSAN PARKER  
Clerk to the Board of Supervisors

By:  \_\_\_\_\_  
Date: January 20, 2026

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Digitally signed by Lloyd C. Guintivano  
DN: cn=Lloyd C. Guintivano, c=US,  
o=County of Lake, ou=Office of the County  
Counsel,  
email=Lloyd.Guintivano@lakecountycal.gov  
Date: 2026.01.20 10:18:10 -0800

# Revised 23.24.41.5 CBH SMHS AMEND No. 5 FY 2023-26 Final Edits

Final Audit Report

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