

Amendment #2

Original Agreement No.	BOS-23-137
Amendment 1	BOS-23-137-A1

**SECOND AMENDMENT TO COUNTY OF MENDOCINO  
AGREEMENT NO. BOS-23-137**

This second Amendment to Agreement No. BOS-23-137 is entered into by and between the **COUNTY OF MENDOCINO**, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and **REDWOOD QUALITY MANAGEMENT COMPANY DBA ANCHOR HEALTH MANAGEMENT, INC.**, hereinafter referred to as "CONTRACTOR," the date this Amendment is fully executed by all parties.

WHEREAS, Agreement No. BOS-23-137 was entered into on July 1, 2023 (the "Initial Agreement"); and

WHEREAS, First Amendment No. BOS-23-137-A1 was entered into on October 17, 2023 (the "First Amendment"); and

WHEREAS, the Initial Agreement and First Amendment are referred to as the Agreement; and

WHEREAS, upon execution of this document by COUNTY and CONTRACTOR, this second Amendment will become part of the Agreement and shall be incorporated therein; and

WHEREAS, it is the desire of COUNTY and CONTRACTOR to increase the total amount set out in the Agreement by \$20,000, from \$2,200,142 to \$2,220,142; and

WHEREAS, it is the desire of COUNTY and CONTRACTOR to update the Exhibit B, Payment Terms, to reflect the amount increase.


NOW, THEREFORE, we agree as follows:

1. The total contracted amount set out in the Agreement is hereby increased by \$20,000 from \$2,200,142 to \$2,220,142.
2. The Exhibit B, Payment Terms, set out in the Agreement is hereby altered and a new Exhibit B is attached herein.

All other terms and conditions of the Agreement shall remain in full force and effect.

**IN WITNESS WHEREOF**

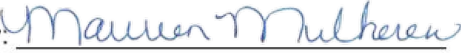
**DEPARTMENT FISCAL REVIEW:**

By:   
Jenine Miller, Psy.D.,  
Director of Health Services

Date: 8/2/24

Budgeted: Yes  
Budget Unit: 4050, 4051  
Line Item: 86-3280  
Org/Object Code: MH  
Grant: No  
Grant No.: 'N/A'

**COUNTY OF MENDOCINO**

By:   
MAUREEN MULHEREN, Chair  
BOARD OF SUPERVISORS

Date: 09/10/2024


**ATTEST:**

DARCIE ANTLE, Clerk of said Board


By:   
Deputy 09/10/2024

I hereby certify that according to the provisions of Government Code section 25103, delivery of this document has been made.

DARCIE ANTLE, Clerk of said Board

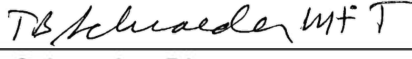
By:   
Deputy 09/10/2024

**INSURANCE REVIEW:**

By:   
Risk Management

Date: 07/10/2024

**CONTRACTOR/COMPANY NAME**

By:   
Tim Schraeder, Director

Date: 7/15/24

**NAME AND ADDRESS OF CONTRACTOR:**

Redwood Quality Management Company  
DBA Anchor Health Management, Inc.  
376 East Gobbi St., B  
Ukiah, CA 95482  
707-472-0350  
tims@anchorhm.org

By signing above, signatory warrants and represents that he/she executed this Agreement in his/her authorized capacity and that by his/her signature on this Agreement, he/she or the entity upon behalf of which he/she acted, executed this Agreement

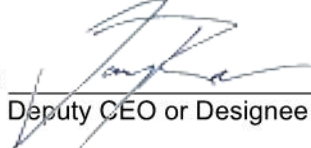
**COUNTY COUNSEL REVIEW:**

APPROVED AS TO FORM:

By:   
COUNTY COUNSEL

Date: 07/10/2024

**EXECUTIVE OFFICE/FISCAL REVIEW:**

By:   
Deputy CEO or Designee

Date: 07/10/2024

**Signatory Authority:** \$0-25,000 Department; \$25,001- 50,000 Purchasing Agent; **\$50,001+ Board of Supervisors**

**Exception to Bid Process Required/Completed**  RFP# MH-20-006

**Mendocino County Business License: Valid**

**Exempt Pursuant to MCC Section:** Located within city limits in Mendocino County

## EXHIBIT B

### PAYMENT TERMS

COUNTY shall reimburse CONTRACTOR for Administrative Services, Utilization Review Services, Quality Assurance and Performance Improvement Services required for the appropriate administration of the County of Mendocino Mental Health Plan (MHP) Agreement with the State of California, as defined in the Definition of Services, Exhibit A. COUNTY shall also reimburse CONTRACTOR for inpatient psychiatric hospitalizations, physician fees, and foster youth placements mental health services cost.

- I. CONTRACTOR shall provide the following services:
  - A. Data, billing, E.H.R., access, FSP, POA / TARS, QA, UR, Training, Care Coordination, and transition plan, as directed by the Mendocino County Behavioral Health Director and in compliance with the County of Mendocino MHP Agreement with the State of California.
- II. CONTRACTOR shall ensure providers meet the following standards for billing specialty mental health Medi-Cal:
  - A. Billing for services shall be completed as per instructions in the DHCS Mental Health Services Division Medi-Cal Billing Manual, and the Mendocino County Mental Health Policy and Procedure, "Claims Processing and Payment to contract provider under the Mental Health Medi-Cal Managed Care Plan".
  - B. In no event shall COUNTY be obligated to pay for any Short-Doyle/Medi-Cal claims, where payment has been denied, disallowed by State or Federal authorities. Should such denials or disallowances occur, COUNTY may, at their discretion, deduct the value of the disallowances from future payments to subcontractors.
  - C. In no event shall COUNTY be obligated to pay providers for any Short-Doyle/Medi-Cal claims for clients with other coverage where provider has not billed for reimbursement or denial of benefits in accordance with coordination of coverage requirements. Coordination of Benefits (COB) information shall be provided to COUNTY at the time of submission, or the claim will be denied. Per California Welfare and Institutions Code Section 14124.795, all other forms of coverage must pay their portion of a claim before Medi-Cal pays its portion. Medi-Cal is always the payer of last resort.
  - D. Services provided to clients eligible for benefits under both Medicare (Federal) and Medi-Cal (CA) plans must be billed and adjudicated by Medicare before the claim can be submitted to COUNTY. Claims for reimbursement of Medicare-

eligible services performed by Medicare-certified providers in a Medicare-certified facility must be submitted to Medicare before being submitted to Medi-Cal. Medicare Coordination of Benefits (COB) information shall be provided to COUNTY at the time of submission or the claim will be denied. The following specialty mental health services do not require Medicare COB as specified in Information Notices 09-09 and 10-11: T1017 Targeted Case Management, H2011 Crisis Intervention, H2013 Psychiatric Health Facility, H2012 Day Treatment Intensive / Day Rehabilitation H2019 Therapeutic Behavioral Services, 0101 Inpatient Hospitalization Administrative Day Services, S5145 Therapeutic Foster Care Services.

E. Services billed by providers must adhere to the rates and classifications outlined in their respective contracts.

F. Some clients may have what is known as Medi-Cal Share of Cost (SOC). The SOC is similar to a deductible based on the fact that the client must meet a specified dollar amount for medical expenses before the COUNTY will pay claims for services provided over and above the amount of the SOC in that month. The SOC is usually determined by the County Department of Social Services and is based upon the client or family income.

III. Compensation payable to CONTRACTOR shall be dependent on CONTRACTOR compliance with all requirements of the County of Mendocino MHP Agreement with the State of California; direction(s) from the Behavioral Health Director and all policies, procedures, letters, and notices of the County of Mendocino and/or the California DHCS.

COUNTY shall pay CONTRACTOR a fee for meeting deliverables in the following areas, as outlined in the chart below, in an amount not to exceed Seven Hundred Thousand One Hundred Forty-Two Dollars (\$700,142) for FY 2023 – 24.

With respect to the Transition of Administrative Services and monthly invoiced amounts regarding the same, CONTRACTOR shall be paid only to the extent the requested deliverables in Exhibit A Section II. have been received by COUNTY and the Director of Behavioral Health & Recovery Services determines deliverables are satisfactory. Invoicing pertaining to the Transition of Administrative Services shall include a summary of all completed and non-completed deliverables and shall be submitted no later than twenty (20) working days following month of occurrence. Failure to submit invoices within this time period shall result in a fifteen (15%) reduction in the monthly payment for Transition of Administrative Services otherwise payable to CONTRACTOR.

IV. Payment Terms:

July 1, 2023 – December 31, 2023 - Contractual Obligations

<b>Deliverable Category</b>	<b>Total Allocation</b>	<b>Maximum Monthly Allocation</b>
Access	\$ 50,000.00	\$ 8,333.33
Billing	\$ 25,000.00	\$ 4,166.67
Care Coord.	\$ 62,500.00	\$ 10,416.67
Data	\$ 75,000.00	\$ 12,500.00
E.H.R.	\$ 15,000.00	\$ 2,500.00
FSP	\$ 50,000.00	\$ 8,333.33
POA / TARS	\$ 37,500.00	\$ 6,250.00
QA	\$ 100,000.00	\$ 16,666.67
Training	\$ 27,500.00	\$ 4,583.33
Transition	\$ 37,500.00	\$ 6,250.00
UR	\$ 20,000.00	\$ 3,333.33

January 1, 2024 – June 30, 2024 - Transition of Administrative Services

<b>Staffing Position</b>	<b>FTE</b>	<b>Monthly Cost</b>
<b>Clinical Oversight</b>	1.10	\$11,000
<b>Data Coordination/PQI UR Review</b>	1.75	\$ 8,073
<b>HR/Fiscal</b>	.40	<u>\$ 2,941</u>
<b>Total Wages:</b>		\$22,014
<b>Benefits:</b>		<u>\$ 4,623</u>
<b>Total Wages and Benefits:</b>		\$26,637

<b>Operating Expenses</b>	
<b>Copier Contract</b>	\$ 200
<b>Dues &amp; Subscriptions</b>	\$ 350
<b>Electronic Health Record</b>	\$ 500
<b>Facility</b>	\$2,400
<b>Insurance</b>	\$ 375
<b>Misc. Administration</b>	\$ 395
<b>Office Supplies</b>	\$ 200
<b>Professional Fees</b>	\$1,650
<b>Telephone/Internet/IT</b>	\$ 650
<b>Total Operating Expenses:</b>	\$ 6,720
<b>Maximum Monthly Allocation:</b>	\$33,357

<b>Transition Period</b>	<b>Maximum Monthly</b>	<b>Maximum Total</b>
<b>July 1, 2023 - December 31, 2023</b>	\$83,333.33	\$500,000.00
<b>January 1, 2024 – June 30, 2024</b>	\$33,357.00	\$200,142.00
<b>Grand Total</b>		\$700,142.00

CONTRACTOR shall submit a monthly invoice to COUNTY detailing the work that they completed in the respective month to meet the above deliverables. The determination of whether CONTRACTOR meet a specific deliverable in a given month shall reside with the Director of Behavioral Health. Should it be determined that CONTRACTOR failed to meet one or more deliverable(s), a reduction amount in the Maximum Monthly Allocation will be made at the discretion of the Director of Behavioral Health.

For inpatient psychiatric hospitalizations, physician fees, and youth placements mental health services, COUNTY shall reimburse CONTRACTOR for allowable costs of inpatient psychiatric hospitalizations, physician fees, and youth placements mental health services, not to exceed One Million Five Hundred Twenty Thousand Dollars (\$1,520,000). Reimbursement shall be based on actual claims for inpatient psychiatric hospitalization, physician fees, and youth placements. CONTRACTOR shall submit copies of placement invoicing along with CONTRACTOR's invoice.

- V. CONTRACTOR shall submit Specialty Mental Health Services claims to COUNTY on behalf of providers in HIPAA compliant electronic files or other COUNTY approved form as expeditiously as possible. For in-county providers, claims are due no later than sixty (60) days after the end of the month during which services were rendered (i.e., billing for services rendered in July are due no later than September 30). For out-of-county providers, claims are due no later than ninety (90) days after the end of the month during which services were rendered.
- VI. Claims submitted by CONTRACTOR in excess of one hundred fifty (150) days from date of service must be accompanied with justification (i.e., explanation of benefits) for the late submission or services may be denied. Late claims will be reviewed with the Behavioral Health Director and Behavioral Health Fiscal Manager for approval regarding late submission. COUNTY is aware that some services may require a late submission. If CONTRACTOR and Behavioral Health Fiscal Manager are unable to come to an agreement regarding late submission, the Behavioral Health Director shall make the final determination as to whether payment is to be remitted to CONTRACTOR. If late submission is not approved, CONTRACTOR shall be responsible for payment to any providers owed reimbursement for services subject to such late billing.
- VII. COUNTY is responsible for the submission of Specialty Mental Health Services received from the providers for Short-Doyle/Medi-Cal services to the State. All services that do not meet medical necessity and are not sufficient to achieve the purpose for which the services are furnished, shall be disallowed. COUNTY shall be reimbursed by providers for the total claimed amount of all services disallowed (by State and/or County) audit and/or review, within thirty (30) days of the notice of disallowance.

A. CONTRACTOR shall submit to COUNTY, the following documents:

- 1. Monthly – by the 10<sup>th</sup> of the month, the previous month's Invoices related to Specialty Mental Health Services.

2. End of Year, by August 15<sup>th</sup> General Ledger Expenditure Reports that details placement cost.
3. Quarterly Expenditure Summary Actual Reports

B. Quarterly Reporting Schedule:

1. October 31, 2023
2. January 31, 2024
3. April 30, 2024
4. July 31, 2024

C. If CONTRACTOR is out of compliance with the monthly or quarterly report submissions, CONTRACTOR agrees that funds to be distributed under the terms of this agreement shall be withheld until such time as CONTRACTOR submits acceptable monthly or quarterly documents.

VIII. CONTRACTOR shall comply with all requirements of the County of Mendocino MHP Agreement with the State of California; direction(s) from the Behavioral Health Director and all policies, procedures, letters, and notices of the County of Mendocino and/or the California DHCS.

IX. CONTRACTOR is responsible for the submission of final claims reconciliation of all providers for FY 2023-24 no later than August 15, 2024.

X. The compensation payable to CONTRACTOR shall be dependent on CONTRACTOR satisfying all components of this Agreement, the County of Mendocino MHP Agreement with the State of California, and all direction from the Behavioral Health Director.

XI. The compensation payable to CONTRACTOR for Specialty Mental Health Services and Indigent Mental Health Services (which services are addressed in the Definition of Services, Exhibit A) shall not exceed Two Million Two Hundred Twenty Thousand One Hundred Forty-Two Dollars (\$2,220,142) for the term of this Agreement.

[END OF PAYMENT TERMS]