

**FIRST AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
TELECARE CORPORATION**

THIS FIRST AMENDMENT TO THE AGREEMENT, entered into this _____ day of _____, 2025, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Telecare Corporation, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement on June 25, 2024, for professional services for the term of July 1, 2024 through June 30, 2025, for a maximum obligation of \$7,165,915; and

WHEREAS, the parties wish to amend the agreement to increase the maximum amount by \$1,059,555 for a total amount not to exceed \$8,225,470, with no change in terms.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. **Section 3 Payments** of the agreement is amended to read as follows:

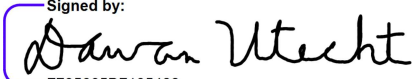
In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A.1 and A.2, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B.1 and B.2. County reserves the right to withhold payment if County determines that the quantity or quality of the work performed is unacceptable. In no event shall County's total fiscal obligation under this Agreement exceed EIGHT MILLION TWO HUNDRED TWENTY-FIVE THOUSAND FOUR HUNDRED SEVENTY DOLLARS (\$8,225,470). In the event that the County makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the County at the time of contract termination or expiration. Contractor is not entitled to payment for work not performed as required by this agreement.

2. Exhibit B.2 is hereby deleted and replaced with Exhibit B.2 A1 attached hereto:

3. All other terms and conditions of the agreement dated June 25, 2025 between the County and Contractor shall remain in full force and effect.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: TELECARE CORPORATION

Signed by:  F786665D7485422	06/05/2025	Dawan Utecht
Contractor Signature	Date	Contractor Name (please print)

For County:

COUNTY OF SAN MATEO

By:
President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:
Clerk of Said Board

EXHIBIT B.2 - A1 – PAYMENTS AND RATES
TELECARE CORPORATION
FY 2024-2025

BEHAVIORAL HEALTH AND RECOVERY SERVICES

In consideration of the services provided by Contractor in Exhibit A.2, County shall pay Contractor based on the following fee schedule:

I. Total Maximum Obligation For All Services

The maximum amount County shall be obligated to pay for all services rendered under this Agreement shall not exceed EIGHT MILLION TWO HUNDRED TWENTY-FIVE THOUSAND FOUR HUNDRED SEVENTY DOLLARS (\$8,225,470.) for FY 2024-2025.

II. Behavioral Health and Recovery Services Payments Only

In full consideration of the mental health treatment services provided by Contractor pursuant to this Agreement it is hereby agreed by the parties hereto that County shall pay Contractor in the manner described below, except that any and all such payments shall be subject to the conditions contained in this Agreement.

A. Mental Health Services (July 1 2024 – June 30, 2025)

1. Maximum Obligation

Notwithstanding the method of payment set forth herein, in no event shall County pay or be obligated to pay Contractor more than SEVEN MILLION NINE HUNDRED EIGHT THOUSAND NINE HUNDRED SEVENTY DOLLARS (\$7,908,970) for fiscal year 2024-25 (July 1, 2024 – January 31, 2025) for mental health services provided at Cordilleras Mental Health Center.

2. Payments and Rates

a. The daily per bed rate for MHRC shall be as follows:

Sixty-four (64) Dedicated Beds
FY 2024-25 \$363.32

Three (3) Fee-for-Service Beds
FY 2024-25 \$363.32

b. The daily rate for board and care supplement is NINETY-FOUR DOLLARS (\$94.00).

c. Psychiatric Services

Payment for psychiatric services shall not exceed ONE HUNDRED SIXTEEN THOUSAND FOUR HUNDRED TWENTY-SEVEN DOLLARS (\$116,427) for fiscal year 2024-25.

Such funding is included in the Total Maximum obligation described in Exhibit B.2, II.A.1.

d. Payment for residential treatment services provided at Cordilleras is based on net costs. Contractor may bill and retain any Supplemental Security Income (SSI) or State Supplemental Payment (SSP) income payable by clients for room and board costs.

e. Unless otherwise authorized by the Chief of San Mateo County Health or designee, the monthly rate of payment by County to Contractor for mental health services shall be one-sixth (1/7) of the maximum obligation, of \$7,416,885. These monthly payments shall be in the following amounts:

(July 2024 – January 2025) \$1,059,555

f. *January 2025 Invoice – Contractor shall adjust and prorate the final invoice for payment and is subject to approval by the BHRS Manager.*

3. Staff Continuity Payment

Contract to be paid a one-time staff continuity payment of THREE HUNDRED TWENTY-FOUR THOUSAND DOLLARS (\$324,000). This payment shall be made after all clients are transitioned out of their existing Cordilleras MHRC or Cordilleras Suites placement.

a. Continuity payment amount is fixed and shall not be modified regardless of transition date to Cordilleras Heath & Healing Campus.

- b. Invoice with detailed back-up documentation of staff continuity payments shall be submitted for reimbursement.

B. Services at Garfield Neurobehavioral Center (Check Rates – Medi-Cal)

The County shall pay Contractor a total of TWO HUNDRED THOUSAND NINETEEN DOLLARS (\$200,019) for the term of the agreement. Contractor shall be paid per client per bed day for access to beds for individuals who require additional care and supervision beyond the basic level, for fiscal year 2024-25. The rate and maximum amount are as follows:

	Patch Rate	Total
FY 2024-25	\$274.00	\$200,019
FY 2024-25	Medi-Cal Rate	
	\$381.00	

For FY 2024-25, the daily bed rate for clients without Medi-Cal is SIX HUNDRED FIFTY-FIVE DOLLARS (\$655.00).

C. Services at Morton Bakar Center

The County shall pay Contractor a total of FIFTY-FIVE THOUSAND FIFTEEN DOLLARS (\$55,015) for the term of the agreement. Contractor shall be paid per client per bed day for access to beds for individuals who require additional care and supervision beyond the basic level, for fiscal year 2024-25. The rate and maximum amount are as follows:

	Medi-Cal Rate	Total
FY 2024-25	\$150.73	\$55,015

For FY 2024-25, the daily bed rate for clients without Medi-Cal is FOUR HUNDRED FIVE DOLLARS AND FORTY-EIGHT CENTS (\$405.48).

D. Escort Services

County shall pay Contractor at a rate of TWENTY-NINE DOLLARS AND TWELVE CENTS (\$29.12) for escort services, not to exceed FIVE THOUSAND TWO HUNDRED FORTY-TWO DOLLARS (\$5,242) for the term of the agreement. Contractor shall receive prior authorization from the BHRS Clinical Manager for escort services.

E. 1:1 Services

County shall pay Contractor at a rate of THIRTY-NINE DOLLARS AND FIFTY-TWO CENTS (\$39.52) for 1:1 services, not to exceed SEVEN THOUSAND ONE HUNDRED FOURTEEN DOLLARS (\$7,114) for the term of the agreement. Contractor shall receive prior authorization from the BHRS Clinical Manager for 1:1 services.

- F. The Gross Operating Income described in Exhibit D (Budget) shall not exceed SIX HUNDRED EIGHTY-EIGHT THOUSAND FIFTY-NINE DOLLARS (\$688,059) for fiscal year 2024-25, without the express written consent of the Chief of San Mateo County Health. Funding for such Gross Operating Income is included in the Total Maximum Obligation set forth in Exhibit B.2, Paragraph II.A.1.
- G. Budget modifications may be approved by the Chief of San Mateo County Health or designee, subject to the maximum obligation set forth in Paragraph 3 of the Agreement and the Gross Operating Income Limitations.
- H. The Chief of San Mateo County Health or designee is authorized to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.
- I. Contractor shall bill County on or before the tenth (10th) working day of each month for the current month. All claims shall clearly reflect and in reasonable detail give information regarding the services, as described in Exhibit A.2, for which claim is made. Invoices shall be sent to BHRS-Contracts-Unit@smcgov.org OR:
- San Mateo County Health
Behavioral Health and Recovery Services
Attn: Contracts Unit
2000 Alameda de las Pulgas, Suite 280
San Mateo, CA 94403
- J. Contractor shall provide a monthly written summary of services provided, including caseload, units of service, and vacancy rates per service. This summary shall be provided on the services reporting form provided by the County, and shall accompany the monthly invoice.

- K. In the event that funds provided under this Agreement are expended prior to the end of the contract period, Contractor shall provide ongoing services under the terms of this Agreement through the end of the contract period without further payment from County.
- L. Contractor shall submit to County a year-end cost report no later than ninety (90) days after the end of each applicable year for the term of this Agreement. This report shall be in accordance with the principles and format outlined in the Cost Reporting/Data Collection (CR/DC) Manual. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report shall be submitted to County along with the Cost Report.
- M. If the annual Cost Report provided to County reveals that total payments to Contractor, less the Gross Operating Income as established in Paragraph II.G. of this Exhibit B.2, exceed the total allowable costs for all of the services rendered by Contractor to eligible clients during the reporting period, a single payment in the account of the contract savings shall be made to County by Contractor, unless otherwise authorized by the Chief of San Mateo County Health or designee.
- N. County anticipates revenues from various sources to be used to fund services provided by Contractor through this Agreement. Should actual revenues be less than the amounts anticipated for any period of this Agreement, the maximum payment obligation and/or payment obligations for specific services may be reduced at the discretion of the Chief of San Mateo County Health or designee.
- O. If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 5 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.
- P. In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.

- Q. Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). The County may withhold payment for any and all services for which the required documentation is not provided, or if the documentation provided does not meet professional standards as determined by the County BHRS Quality Improvement Manager.
- R. In the event this Agreement is terminated prior to June 30, 2025, Contractor shall be paid on a prorated basis for only that portion of the contract term during which Contractor provided services pursuant to this Agreement. Such billing shall be subject to the approval of the BHRS Director.
- S. Contractor may rollover unspent funding from the County according to the following procedures.
1. Contractor shall submit a projected calculation of any savings no later than ninety (90) days before end of the fiscal year. The projected calculation will be a separate report from the year-end cost report.
 2. At the time of the submission of the projected calculation Contractor may request to rollover some or all of any savings. The request must be made in writing to the BHRS Director or designee. The request shall identify specifically how the rollover funds will be spent, including a detailed budget. Savings shall not be spent until Contractor receives a written approval of the request. Approved rollover funds shall be spent only for the succeeding fiscal year and only for the specific purpose(s) requested and approved.
 3. Contractor shall submit an accounting report of the rollover savings. This report shall include copies of the detailed expenses. The report is due ninety (90) days after the specific purpose has been completed, or ninety (90) days after the end of the fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.
 4. If the specific purpose is not yet complete as of the end of the succeeding fiscal year, contractor may request to rollover the unspent funds to the succeeding second fiscal year by submitting a written request with the accounting report. The unspent rollover funds shall not be spent until the request is approved by the BHRS Director or designee.

5. A final accounting of the rollover funds shall be submitted ninety (90) days after the specific purpose has been completed, or ninety (90) days after the end of the second fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.

T. Beneficiary Billing

Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract except to collect other health insurance coverage, share of cost and co-payments. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

U. Election of Third Party Billing Process

Contractor shall select an option for participating in serial billing of third-party payors for services provided through this Agreement through the completion of Attachment C – Election of Third Party Billing Process. The completed Attachment C shall be returned to the County with the signed Agreement. Based upon the option selected by the Contractor the appropriate following language shall be in effect for this Agreement.

1. Option One

- a. Contractor shall bill all eligible third-party payors financially responsible for a beneficiary's health care services that Contractor provides through this Agreement. Within ten (10) days of the end of each month, Contractor shall provide to County copies of the Explanation of Benefits or other remittance advice for every third-party payment and/or denial of such third-party payments for services provided by Contractor during such month. The amount of any such third-party payment shall be deducted from the total actual costs for all services rendered by Contractor as reflected on the Cost Report as defined in Paragraph M. of this Exhibit B.2. County accepts no financial responsibility for services provided to beneficiaries where there is a responsible third-party payor, and to the extent that County inadvertently makes payments to Contractor for such services rendered, County shall be entitled to recoup such reimbursement, through the Cost Report reconciliation.
- b. Contractor shall provide a copy of each completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this Agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

2. Option Two

- a. Contractor shall provide information to County so that County may bill applicable/eligible other third-parties for services provided by Contractor through this Agreement. County shall retain these revenues and shall not offset these revenues against payments to Contractor.

- b. Contractor shall provide a copy of the completed Payor Financial Form (Attachment D) and subsequent annual updates for all clients who receive services through this agreement. For clients who begin to receive services during the term of this Agreement, completed Payor Financial Forms shall be provided to the County with client registration forms. For clients who were receiving services prior to the start date of this Agreement and who continue to receive services through this Agreement, completed Payor Financial Forms are due within ten (10) days of the end of the first month of the Agreement.

V. Claims Certification and Program Integrity

1. Contractor shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.
2. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A.2 of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim.

"Under the penalty of perjury under the laws of the State of California, I hereby certify that the above claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

"Executed at _____ California, on _____, 20____
Signed _____ Title _____
Agency _____"

3. The certification shall attest to the following for each beneficiary with services included in the claim:
 - a. An assessment of the beneficiary was conducted in compliance with the requirements established in this Agreement;

- b. The beneficiary was eligible to receive services described in Exhibit A at the time the services were provided to the beneficiary;
 - c. The services included in the claim were actually provided to the beneficiary;
 - d. Medical necessity was established for the beneficiary as defined under California Code of Regulations, Title 9, Division 1, Chapter 11, for the service or services provided, for the timeframe in which the services were provided;
 - e. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in this Agreement;
 - f. For each beneficiary with supplemental specialty mental health services included in the claim, all requirements for Contractor payment authorization for supplemental specialty mental health services were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in this Agreement; and
 - g. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.
4. Except as provided in Exhibit A.2, Paragraph A.3.c. relative to medical records, Contractor agrees to keep for a minimum period of three years from the date of service a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. Contractor agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the California Department of Health Care Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, Managed Risk Medical Insurance Board or their duly authorized representatives, and/or the County.

*** END OF EXHIBIT B.2 A1 ***