

**AMENDMENT NO.2 TO THE AGREEMENT BETWEEN COUNTY OF
LAKE AND REDWOOD COMMUNITY SERVICES, INC. PHOENIX
HOUSE CRISIS RESIDENTIAL TREATMENT FACILITY FOR
FISCAL YEAR 2025-26**

This Amendment No.2 is made and entered into by and between the County of Lake, hereinafter referred to as “County,” and Redwood Community Services, Inc., hereinafter referred to as “Contractor,” collectively referred to as the “parties.”

RECITALS

WHEREAS, the County entered into an Agreement with Contractor for Crisis Residential Treatment Services effective July 1, 2025; and

WHEREAS, the parties amended the Agreement the first time on October 8th, 2025 to increase the total compensation payable under the Agreement by 350,000 for a new contract maximum of \$375,000; and

WHEREAS, Exhibit B of the Agreement currently compensates Contractor at sixty-five percent (65%) of the DHCS published Medi-Cal rate for each billable unit of service; and

WHEREAS, the County has completed a fiscal review of Medi-Cal Behavioral Health Payment Reform reimbursement impacts and determined that a revised fee-for-service pass-through percentage is necessary to ensure financial sustainability and alignment with current State reimbursement standards; and

WHEREAS, the parties now desire to amend the Agreement to revise the pass-through percentage from sixty-five percent (65%) to fifty-five percent (55%); and

WHEREAS, the parties desire to amend the Agreement to clarify payment timing provisions related to undisputed invoices to ensure consistency with County fiscal procedures; and

WHEREAS, the parties wish to amend the Agreement accordingly, with all other terms and conditions remaining unchanged and in full force and effect.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. **Exhibit B – Fiscal Provisions**, Section 6 (“Payment Terms”) is hereby amended in its entirety to read:

6. PAYMENT TERMS

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From July 1, 2025 through December 31, 2025, the County shall compensate the Contractor at a rate equal to sixty-five percent (65%) of the applicable Department of Health Care Services (DHCS) published rate for each billable unit of service provided under this Agreement. The DHCS rate in effect at the time the service is rendered shall be used as the basis for calculating payment. This rate applies to all covered services delivered by the Contractor pursuant to this Agreement and is inclusive of all costs associated with service delivery for said period of time.

Effective January 1, 2026,

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-five percent (55%) 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.

This rate applies to all covered services delivered by Contractor under this Agreement and is inclusive of all costs associated with service delivery for said period of time.

This Agreement remains subject to any restrictions, limitations, or conditions imposed by County or State or Federal funding sources that may affect the fiscal provisions or available funding for this Agreement, including reductions in financial participation in the Medi-Cal program. In the event of such reductions, the County agrees to meet with Contractor to discuss renegotiation of the services required under this Agreement.

2. Exhibit B – Fiscal Provisions, Section 2.6 is hereby amended and restated in its entirety to read as follows:

2.6 Claiming and Invoicing.

County shall make payment **within thirty (30) business days following receipt of reimbursement from the Department of Health Care Services (DHCS)** for an undisputed invoice for the compensation stipulated herein for supplies delivered and accepted or services rendered and accepted, less potential deductions, if any, as herein provided. Payment on partial deliverables may be made whenever amounts due so warrant or when requested by the Contractor and approved by the Assistant Purchasing Agent.

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All other terms, conditions, and provisions of the Agreement remain unchanged and in full force and effect.

County and Contractor have executed this Agreement on the day, and year first written above.

COUNTY OF LAKE

Chair

Board of Supervisors

Date: _____

REDWOOD COMMUNITY SERVICES,
INC

Victoria Kelly

Victoria Kelly (Jan 14, 2026 14:35:44 PST)

Chief Executive Officer

Date: 01/14/2026

APPROVED AS TO FORM:
LLOYD GUINTIVANO
County Counsel

By: _____


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@lakecountyca.gov
Date: 2025.12.15 09:45:01 -0800

Date: December 15, 2025

ATTEST:
SUSAN PARKER
Clerk to the Board of Supervisors

By: _____

Date: _____