

**NAPA COUNTY AGREEMENT NO. 260123B
AMENDMENT NO. 1**

THIS AMENDMENT NO. 1 TO AGREEMENT NO. 260123B is made and entered into as of this 1st day of July 2026, by and between NAPA COUNTY, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and **PROGRESS FOUNDATION, INC**, whose mailing address is 1100 Lincoln Ave. #108, Napa, CA 94558, hereinafter referred to as "CONTRACTOR." COUNTY and CONTRACTOR may be referred to below collectively as "Parties" and individually as "Party."

RECITALS

WHEREAS, on or about July 1, 2025, COUNTY and CONTRACTOR entered into Napa County Agreement No. 260123B, hereinafter referred to as the "Agreement" for CONTRACTOR to provide Specialty Mental Health Services (SMHS) and Supportive Living Program (SLP) services for persons with serious mental illness which includes delivery of services to persons residing at Skyline Apartments.

WHEREAS, parts of Skyline Apartments are uninhabitable and if not imminently addressed will impair access to housing units for persons receiving SMHS and SLP services, and as such, COUNTY and CONTRACTOR wish to utilize a one-time allocation of funds for significant capital repairs to Skyline Apartments to ensure the continued habitability of these properties set aside as housing for persons living with serious mental illness who require SMHS and SLP services.

WHEREAS, the Parties wish to amend the Agreement to increase the contract maximum on page 2 of the Agreement commencing in Fiscal Year 2026-2027 for funding that only applies to Fiscal Year 2026-2027, with the contract maximum decreasing in Fiscal Year 2027-2028 and each automatic renewal thereof, and replace Exhibit A with Exhibit A-1 (Scope of Work) and Exhibit B with Exhibit B-1 (Compensation and Expense Reimbursement) to reflect the details of this one-time funding increase for Fiscal Year 2026-2027 only.

TERMS

NOW, THEREFORE, for good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, Parties amend the Agreement as follows:

1. The maximum amount of payment on Page 2 of the Agreement shall be **Eight Hundred Eighty-Nine Thousand Two Hundred Ninety-Four Dollars (\$889,294.00)**, reflecting an increase of **Four Hundred Thousand Dollars (400,000.00)** for Fiscal Year 2026-2027 only; the maximum amount of payment on Page 2 of the Agreement shall be **Three Hundred Ninety-Nine Thousand Eighty-Eight Dollars (\$399,088.00)**, reflecting a decrease of **Four Hundred Ninety Thousand Two Hundred Six Dollars (\$490,206.00)** for Fiscal Year 2027-2028 and each subsequent automatic renewal; provided however, that such

amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered and expenses actually incurred.

2. Exhibit A is hereby replaced with “Exhibit A-1” attached hereto and incorporated by reference as set forth herein, and all references in the Agreement to Exhibit “A” shall refer to “Exhibit A-1” commencing as of the effective date of this Amendment No. 1.
3. Exhibit B is hereby replaced with “Exhibit B-1” attached hereto and incorporated by reference as set forth herein, and all references in the Agreement to Exhibit “B” shall refer to “Exhibit B-1” commencing as of the effective date of this Amendment No. 1.
4. Except as provided above, the terms and conditions of this Agreement shall remain in full force and effect as originally approved.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 to Napa County Agreement No. 260123B as of the first date written above.

PROGRESS FOUNDATION, INC.

By Steve Fields
STEVE FIELDS, Executive Director

By Swati Kapadia
SWATI KAPADIA, Chief Financial Officer

“CONTRACTOR”

NAPA COUNTY, a political subdivision of
the State of California

By: _____
AMBER MANFREE
Chair of the Board of Supervisors

"COUNTY"

<p>APPROVED AS TO FORM Office of County Counsel</p> <p>By: <u>Jo Ann Iwasaki Parker</u> Deputy C.C. by e-signature</p> <p>Date: May 19, 2026</p>	<p>APPROVED BY THE NAPA COUNTY BOARD OF SUPERVISORS</p> <p>Date: _____ Processed By: _____ _____ Deputy Clerk of the Board</p>	<p>ATTEST: NEHA HOSKINS Clerk of the Board of Supervisors</p> <p>By: _____</p>
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EXHIBIT A-1
SCOPE OF WORK

July 1, 2026 through June 30, 2027
(and each subsequent automatic renewal)

Introduction

COUNTY's Health and Human Services Agency (HHS) aims to provide specialty mental health services through the Supportive Living Program (SLP) for Medi-Cal eligible individuals with serious mental illness who need support to live independently in permanent or transitional housing.

A limited number of clients served under this contract may also qualify for Behavioral Health Bridge Housing (BHBH) rental assistance. BHBH funds are currently being used to cover rent for two 2-bedroom units located at 2053 Wilkins Avenue (#60 and #62). Details regarding eligibility and program requirements for BHBH funding are outlined later in this exhibit. The BHBH program concludes on June 30, 2027.

CONTRACTOR shall coordinate and support necessary actions to address water damage at Skyline Apartments, located at 2009 Imola Avenue, Napa, CA, to ensure continued safe access to housing units where SMHS and SLP services are delivered. COUNTY shall provide a one-time allocation of BHS Housing Intervention funds for Capital Development activities in Fiscal Year 2026–2027 to support the rehabilitation and renovation of walkways and stairwells, with the goal of restoring habitability for units designated for consumers with significant behavioral health needs. Efforts will focus on maintaining service continuity, preventing housing instability, and reducing the need for higher levels of care, consistent with BHS priorities related to housing stability.

CONTRACTOR shall provide the services in CONTRACTOR'S separate programs as described herein; and at locations as described herein.

SLP: Program Description

CONTRACTOR's Supportive Living Program (SLP) shall provide specialty mental health services to Medi-Cal eligible individuals or individuals in families with serious mental illness in the County of Napa who are unable to maintain independent housing placements in the community because of insufficient structure and mental health support in these placements or who are placed in permanent housing but need support and supervision in these placements in order to remain housed at this level of care. CONTRACTOR shall coordinate with other providers in the community to ensure qualified individuals receive necessary mental health services and support as a component of their housing in CONTRACTOR's permanent housing project.

SLP: Target Population

Individuals targeted for referral are those who:

1. Are identified as having a major mental illness.
2. Are verified as Medi-Cal eligible.
3. Need behavioral health support to live in the community without 24-hour supervision.
4. Wish to and have some capacity to live more independently.
5. Can self-administer medications (with support as needed).

Issues that have impacted these individuals' ability to live completely independent at this level include such things as: non-compliance with or resistance to medications, non-assaultive aggressiveness, psychotic ideation; hygiene deficiencies; and substance abuse histories, among other issues. The group of those individuals who will be served includes those who are discharged directly from higher levels of care as deemed appropriate through the SLP admission process.

Criteria for Adult Beneficiaries to Access the Specialty Mental Health Services Delivery System:

For beneficiaries 21 years of age or older, CONTRACTOR shall provide covered specialty mental health services (SMHS) for beneficiaries who meet both criteria, (1) and (2) below:

1. The beneficiary has one or both of the following:
 - a. Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities; and/or,
 - b. A reasonable probability of significant deterioration in an important area of life functioning.

AND

2. The beneficiary's condition as described in paragraph (2) of the policy statement is due to either of the following:
 - a. A diagnosed mental health disorder, according to the criteria of the current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and the International Statistical Classification of Diseases and Related Health Problems (ICD); or,
 - b. A suspected mental disorder that has not yet been diagnosed.

Additional Coverage Requirements and Clarifications:

The criteria for a beneficiary to access the SMHS delivery system (except for psychiatric inpatient hospital and psychiatric health facility services) set forth above shall not be construed to exclude coverage for, or reimbursement of, a clinically appropriate and covered mental health prevention, screening, assessment, treatment, or recovery service under any of the following circumstances:

1. Services were provided prior to determining a diagnosis, including clinically appropriate and covered services provided during the assessment process.
2. The prevention, screening, assessment, treatment, or recovery service was not included in an individual treatment plan.
3. The beneficiary has a co-occurring substance use disorder.

Per Welfare and Institutions Code section 14184.402(f)(1)(A), a mental health diagnosis is not a prerequisite for access to covered SMHS. This does not eliminate the requirement that all Medi-Cal claims, including SMHS claims, include a CMS approved ICD-10 diagnosis code.

SLP: Program Requirements

Certification as an Organizational Provider: CONTRACTOR shall operate as, and meet all standards required of, an organizational provider defined and regulated in Title 9, Division 1, Chapter 11, California Code of Regulations (CCR). CONTRACTOR shall meet the MHP's certification process to include a site review in addition to a review of relevant documentation.

At minimum, COUNTY certification requires that CONTRACTOR meets the following standards:

1. Staff providing specialty mental health services shall possess the necessary license or certification to provide those services. CONTRACTOR certifies that all staff providing services under this contract are qualified to provide the service for which reimbursement is claimed, based upon education, experience and licensure. CONTRACTOR shall maintain records verifying the qualifications for each staff providing services under this agreement and documenting the provision of supervised hours as required by the Board of Behavioral Sciences for Marriage and Family Counselor- Interns, (MFTI), Licensed Professional Clinical Counselors-Interns (LPCC), or Associate Clinical Social Workers (ASW). CONTRACTOR shall provide evidence of such records as requested by COUNTY. If staff providing services are not licensed or registered interns, CONTRACTOR shall provide evidence of specified qualifications as requested by COUNTY
2. Maintain a safe facility.
3. Maintain medical records in a manner that meets state and federal standards. All medical record requirements for Specialty Mental Health services shall be met and/or exceeded.
4. Meet any additional requirements established by the MHP as part of a credentialing or other evaluation process.
5. Possess the necessary license to operate.
6. Provide for appropriate supervision of staff.
7. Have as head of service a licensed mental health professional or other appropriate individual as described in Sections 622 through 630 of Title 9, Division 1, Chapter 3, of the California Code of Regulations.
8. Possess appropriate liability insurance.

9. Have accounting and fiscal practices that are sufficient to comply with its obligations pursuant to CCR Title 9, Division 1, Chapter 11, Section 1840.105.
10. As a condition for reimbursement, CONTRACTOR shall ensure beneficiaries under this contract receive the same level of services as provided all other clients served by CONTRACTOR.
11. Inform the MHP of any event or occurrence in which COUNTY'S individual receiving services covered under this contract suffers death, serious physical or psychological injury or risk thereof, emotional trauma or serious side-effect which could be attributed as caused in any way by CONTRACTOR. Such sentinel events shall be immediately reported to the Napa County Behavioral Health Director and/or designee.
12. CONTRACTOR shall provide culturally and linguistically appropriate services to individuals as defined in the Napa County Specialty Behavioral Health Implementation Plan.
13. CONTRACTOR shall post Napa County Guide to Medi-Cal Services (MHP Beneficiary Brochure) in both public areas of housing unit and programmatic areas of agency.
14. CONTRACTOR shall post Napa County Grievance forms and self-addressed envelopes in both public areas of housing unit and programmatic areas of agency.

SLP: Services Provided

CONTRACTOR shall provide and document as specified herein for the specialty mental health services listed in the *Service Definitions* section below, and as authorized by COUNTY.

CONTRACTOR shall visit all clients a minimum of one time per week.

Service Definitions

Assessment means a service activity which may include a clinical analysis of the history and current status of a beneficiary's mental, emotional, or behavioral disorder; relevant cultural issues and history; diagnosis; and the use of testing procedures.

Plan Development means a service activity which consists of development of client plans, approval of client plans, and/or monitoring of a beneficiary's progress.

Targeted Case Management means service activities related to locating, coordinating, and monitoring necessary and appropriate services for a beneficiary related to their treatment. Targeted Case Management services must be provided in close coordination with other service providers to ensure each provider is focusing their work on a specific aspect of each individual's goals and/or objectives. COUNTY will not authorize CONTRACTOR to provide Targeted Case Management Services if the individual is already receiving Napa County Behavioral Health Plan services from another Napa County Behavioral Health Plan provider. Additionally, CONTRACTOR shall inquire of each individual served whether other service providers are

assisting the individual with the goals/objectives identified on their mental health treatment plan. If the individual being served confirms this as fact, CONTRACTOR shall contact the other providers to ensure CONTRACTOR is not duplicating other providers' efforts. If other providers confirm that they are providing similar assistance to help the individual with the same objective(s) then CONTRACTOR shall not provide Targeted Case Management services to that individual.

Crisis Intervention Service, lasting less than 24 hours, to or on behalf of an individual for a condition which requires more timely response than a regularly scheduled visit. Service activities may include but are not limited to assessment, collateral, and therapy. Billing for crisis intervention services is limited to 8 hours per instance.

Certified Peer Support Services are structured, scheduled activities provided by Certified Peer Support Specialists (CPSS) with lived experience of mental health or substance use challenges, who are in recovery. These services are designed to promote engagement, self-determination, personal responsibility, and empowerment in the recovery process of Medi-Cal beneficiaries.

Therapy A service activity that is a therapeutic intervention focused primarily on symptom reduction and restoration of functioning. Interventions use cognitive, affective, verbal, or non-verbal strategies grounded in principles of development, wellness, recovery, and resiliency. The goal is to improve coping and adaptation, reduce functional impairments, and enhance personal, interpersonal, and community functioning. Services are provided within a professional clinical relationship and may be delivered individually, in groups, or as family therapy when the beneficiary is present.

SLP Admissions

SLP referrals shall be solicited from various community agencies and from COUNTY. CONTRACTOR shall select individuals for the receipt of services in accordance with the criteria contained herein. COUNTY, at its discretion may require CONTRACTOR to direct all individuals requesting CONTRACTOR's services to contact COUNTY's ACCESS program for assessment for behavioral health needs and referrals to any services that may address those needs.

CONTRACTOR shall be responsible for verifying Napa County Medi-Cal status and eligibility.

For individuals whom COUNTY Access completes the initial comprehensive assessment and refers to CONTRACTOR for ongoing services:

COUNTY ACCESS team will submit the following to CONTRACTOR:

The **Referral and Authorization Form**, indicating the services authorized and the authorization period, and the following clinical assessment documentation and informing materials.

1. Napa County Health and Human Services Demographic Form
2. Napa County Health and Human Services Behavioral Health Comprehensive Assessment
3. Napa County Health and Human Services Mental Status Exam
4. Napa County Health and Human Services Diagnosis Form
5. Napa County Health and Human Services Behavioral Health Division Admission Agreement and Consent for Treatment
6. Napa County Health and Human Services Agency Cost of Behavioral Health Services
7. Acknowledgement of Receipt of Notice of Privacy Practices
8. Napa County Health and Human Services Behavioral Health Services Interpretive Services Disclosure Form
9. Napa County Behavioral Health Access Registration Forms Checklist

CONTRACTOR will:

1. Accept COUNTY Access team initial comprehensive assessment and intake documentation and incorporate into the CONTRACTOR electronic health record.
2. Provide first face-to-face mental health service as soon as possible, but no later than *10 calendar days* from receipt of the referral.
3. Complete all required documentation, per Authorizations Guide, as soon as possible to initiate ongoing mental health services.
4. Close clients who do not engage. For those who engage beyond *60 calendar days* of the NCBH initial assessment, CONTRACTOR will contact COUNTY Access for guidance.
5. Submit to NCBH Managed Care the *Discharge Summary* upon case closure.

For individuals whom CONTRACTOR completes the initial assessment

CONTRACTOR will:

1. Offer first face-to-face initial screening appointment within ten (*10*) *calendar days* of request for service.
 - a. The first request for service occurs when the individual and/or guardian initiates the request or agrees to the offer of service made by the CONTRACTOR.
2. Submit to COUNTY Access via encrypted email (BHAcess@countyofnapa.org) or Fax (707.259.8721) no later than ten (*10*) *calendar days* from starting the assessment process, the following forms:
 - a. Screening Tool
 - b. Demographic Form (to obtain the Napa County Medical Record number for that case).
 - c. Diagnosis Form (Z03.89/No Diagnosis Code is permitted on this form at the screening stage)

3. Complete clinical assessment documentation and informing materials within thirty (30) *calendar days* of first face-to-face assessment appointment.
4. At the end of assessment, submit completed referral form to COUNTY Access Supervisor prior to presenting the client at a COUNTY Children's Authorization Review Team (CART) /Adults Authorization Review Team (AART) meeting.
5. For individuals who do not meet CONTRACTOR level of care:
 - a. Inform the client/family of the determination and refer/collaborate with Carelon for services.
 - b. If it is determined that client does not meet criteria for services, provide client/family with a *Notice of Adverse Benefit Determination* (NOABD).

Informing Requirements

All individuals enrolling in CONTRACTOR's SLP program who are not, at the time of enrollment, already receiving Napa County Behavioral Health Plan services require receipt of special beneficiary informing materials as required by State and Federal Health Care regulations. CONTRACTOR shall coordinate with COUNTY staff to ensure that each individual meeting these criteria is provided with the materials listed below. COUNTY and CONTRACTOR shall mutually agree which party will provide these materials to the individual being considered for enrollment. Should CONTRACTOR be determined responsible, CONTRACTOR shall maintain written verification that materials were distributed and/or completed for each individual receiving services. Materials shall be provided at the intervals specified below and documentation shall include at minimum: the exact materials provided, the name of the individual receiving the materials, the date the materials were provided, and the name of the staff member providing these materials.

Informing Materials to Be Provided at Intake

1. The Napa County Guide to Medi-Cal Mental Health Services (MHP Beneficiary Brochure)
2. The Napa County Provider Directory
3. Information on Advance Health Care Directives
4. Napa County Admission Agreement & Consent to Treatment Form
5. Authorization for Release of Information to appropriate parties including Napa County Mental Health providers

In addition to verification of the Informing Materials listed above, CONTRACTOR shall provide COUNTY with verification that Contractor has provided the following administrative paperwork to individuals served by CONTRACTOR at intake or annually:

- a. Napa County Behavioral Health Demographic form – At intake, and updated annually
- b. A Diagnosis Review Form signed and dated by a licensed practitioner, if not provided by COUNTY at Intake
- c. HIPAA Privacy Rights and Acknowledgement of Receipt – At Intake

- d. Client Financial Review form – At intake and updated annually

Referrals

CONTRACTOR shall maintain a Request for Services Log to document all CONTRACTOR referrals that are not made by COUNTY, which shall be presented to COUNTY’S staff for review upon request.

At minimum the CONTRACTOR’s Request for Services logs shall include:

- a. The name of beneficiary
- b. The date of request
- c. The date the assessment is offered (for siblings, Courage Center, and SOAR clients)
- d. The initial disposition of the request

All services provided by CONTRACTOR and subject to reimbursement hereunder are defined in accordance with CCR Title 9, Division 1, Chapter 11.

Specific Performance Objectives During the Term of this Agreement.

- 1. Improved Independent Living skills:
 - a. 75% of all individuals that enter and remain in the program for at least one (1) year will demonstrate improvement in their independent living skills as measured by completion of an independent living skills checklist assessment form at intake and re-evaluation on an annual basis.
- 2. Attainment of Personal Goals:
 - a. 75% of individuals that enter and remain in the program for at least one (1) year will achieve at least one (1) of their personal goals as identified on their individual service plan-personal goals form completed at intake and re-evaluated on an annual basis.

Contract Monitoring

COUNTY shall monitor CONTRACTOR’s performance under this agreement to ensure the safety of individuals served, the appropriateness of services provided, their efficacy and effectiveness, and to protect against fiscal disallowances.

COUNTY shall designate its Provider Services Coordinator as the individual who shall monitor CONTRACTOR’s performance under this agreement and serve as the primary point of contact regarding this agreement.

Monitoring Site Visits

This agreement contains provisions related to required objective service documentation standards, adherence to clinical standards of care, client satisfaction levels, client outcomes, authorization processes and invoicing. Without limiting those provisions, COUNTY shall have

the right to conduct one or more site visits to the CONTRACTOR's place of business to monitor performance under this agreement. COUNTY will normally provide CONTRACTOR with thirty (30) days or more prior notice of such site visits.

This notice shall include:

1. the specific monitoring tool(s) that will be utilized,
2. the preparation required of the CONTRACTOR prior to the monitoring visit. HHSA may require the provision of specific information in writing prior to the site visit to expedite the monitoring activities; and
3. the information to be available for review at the time of the visit, which may include, among other things, individual service records, program policies and procedures, proof of licensure or certification, and documentation substantiating staff hours or other costs incurred by CONTRACTOR in providing the services being purchased.

As an outcome of the site visit, COUNTY shall provide CONTRACTOR with a preliminary monitoring report for review before it is finalized. This report shall contain a summary of information collected or reviewed; the evaluator's assessment, conclusions, and recommendations; and any requirements or sanctions to be imposed on the CONTRACTOR, such as disallowances, recoupments, or requests for plans of action.

CONTRACTOR will have two (2) weeks to give notice of any disagreement with any of the findings and to present information supporting the provider's position. If appropriate, COUNTY may conduct additional monitoring activities to evaluate the CONTRACTOR's position.

COUNTY shall then finalize and issue its report. If the final report identifies material variations between CONTRACTOR's service activities and the standards required under this agreement, COUNTY may require CONTRACTOR to prepare a written plan of action to address those variations. COUNTY will also have such other remedies as are provided under this agreement.

Behavioral Health Bridge Housing (BHBH) Rental Assistance (July 1, 2025 through June 30, 2027)

CONTRACTOR shall provide Rental Assistance to qualified residents in the form of transitional housing environments as part of the Behavioral Health Bridge Housing (BHBH) grant subcontracted through Advancement of Human Potential (AHP). BHBH funding will not supplant other sources of funding, federal or state, that can be used for the purpose of rental assistance for the program target population. This funding will be available from July 1, 2025 through June 30, 2027.

COUNTY shall serve as the sole referral source for the units located on the Wilkins Avenue property funded through this agreement. The property includes two 2-bedroom units — **Unit #60** and **Unit #62** — with a total of four bedrooms. In recognition of the COUNTY’s exclusive control over referrals and the operational need to maintain immediate availability for high-priority clients, COUNTY agrees to pay CONTRACTOR the full monthly rental cost for all four bedrooms across the two units, regardless of occupancy status.

Clients are expected to contribute a portion of the rent based on their ability to pay. If a client is unable to contribute, COUNTY will cover the full rent for that room. When a client does contribute, COUNTY’s payment will be reduced by the amount contributed. This arrangement ensures housing remains available for eligible clients while supporting stability in program operations.

Target Population/Client Eligibility Criteria for BHBH Rental Assistance Funding

1. Individual meets criteria for Medi-Cal Specialty Mental Health Services (SMHS) as outlined in BHIN 21-073.

OR

2. The individual is a CARE Program participant, regardless of whether they meet the criteria in (1).

AND

3. The individual has a homelessness status based on the definition of homelessness used in the ECM policy guide updated July 2023.

BHBH Housing Unit Standards

BHBH housing program units shall meet the Continuum of Care (CoC) Housing Quality Standards (HQS), which is the highest standard, for any stays 90 days or longer.

- Inspections: Qualified personnel must inspect all units before spending BHBH funds, and annually throughout the grant period.
- Deficiencies: The unit owner has 30 days to correct any deficiencies.
- State and local codes: All units must meet state and local codes.

BHBH Program Requirements

CONTRACTOR shall be responsible for cooperation and collaboration with COUNTY staff, including staff providing Housing Navigation services to create the optimal outcomes for participants.

CONTRACTOR shall make referrals to COUNTY Behavioral Health on behalf of participants when they require behavioral health services beyond those provided through the SLP.

CONTRACTOR shall maintain nonmedical client records in the Homeless Management Information System (HMIS)

CONTRACTOR shall make policies and procedures specific to SLP program BHBH recipient participants that abide by the requirements below. All BHBH policies and procedures must be approved by COUNTY designated staff.

- A. Policies shall include assurances that BHBH funds will not be used to supplant other funding sources available for the same purpose.
- B. Policies shall clearly state that homelessness is an eligibility requirement, based on the definition used in the [Enhanced Care Management Policy Guide from 2023](#)
- C. Policies shall indicate that Behavioral Health eligibility requirements in use are consistent with BHBH requirements.

Specific Performance Objectives During the Term of this Agreement

1. Housing
 - a. 75% of participants will exit the BHBH program to Permanent Housing.

One-Time Use of BHSA Housing Intervention Funds

CONTRACTOR shall abide by the following Scope of Repair (one-time-expenditure) requirements.

- **Capital Development Designation:** COUNTY shall provide a one-time allocation of BHSA Housing Intervention funds for Capital Development activities in Fiscal Year 2026-2027, specifically for the rehabilitation or renovation of walkways and stairwells located at Skyline Apartments -- 2009 Imola Avenue, Napa, CA 94559 to make units designated for consumers with significant behavioral health needs habitable.
- **Prohibited Uses:** Funds shall not be used for luxury improvements or any costs already funded by other state or federal programs, or for housing units that do not serve people with significant behavioral health needs.
- **BHSA Compliance:**
 - Target Population:** The units receiving repairs must be dedicated to housing individuals with serious mental health needs or substance use disorders, including those involved with the justice system, re-entering society from incarceration, or at risk of institutionalization, with preference given to those experiencing or at risk of chronic homelessness.
 - Housing First Mandate:** All housing interventions supported by these repairs must strictly adhere to the Housing First model as defined by state statute, ensuring low-barrier, harm-reduction focused support.
- **Compliance with Laws**

CONTRACTOR must ensure any repair work whether completed by CONTRACTOR or through a subcontract complies with all applicable State, Federal, and local laws and ordinances as outlined in Exhibit C, Subsection 2.19 of this Agreement (No. 260123B).

EXHIBIT B-1
COMPENSATION AND EXPENSE REIMBURSEMENT

July 1, 2026 through June 30, 2027
(and each subsequent automatic renewal)

I. Compensation

- A. Contract maximum not to exceed \$889,294 in Fiscal Year 2026-2027.
- B. Approved Specialty Mental Health Services performed, at any program site, shall be entered into COUNTY EHR. Services entered will be extracted from the EHR by COUNTY HHSA billing team and sent to CONTRACTOR as a report for review and approval.
- C. Approved distribution of Behavioral Health Bridge Housing (BHBH) rental assistance funds. Funds will be made available for SLP clients meeting BHBH criteria for rental assistance.
- D. Approved one-time use BHSA Capital Facilities funds in FY26-27 for capital repairs not to exceed \$400,000 (this amount is included in \$889,294 amount stated above for FY26-27).
- E. Contract maximum will revert to \$399,088 in FY27-28 and every automatic renewal thereafter, as reflected later in this Exhibit B-1, due to one-time BHSA funding in FY26-27 and the sunseting of BHBH funding.

II. Payment Rates

COUNTY shall compensate CONTRACTOR for contract services provided and properly documented at current Napa County HHSA Medi-Cal rates, as defined in Exhibit E to the Agreement and posted on the Napa County HHSA website. Exhibit E shall control in the event of a conflict between Exhibit E and the information posted on the Napa County HHSA website.

- A. A billing unit is defined as one minute of service. Only authorized service activities provided by eligible staff, while providing Medi-Cal eligible services to Napa County Medi-Cal eligible clients, shall qualify for payment. The following requirements apply for claiming of services:
 - 1. Accurate and precise number of minutes shall be reported and billed properly by a qualified staff member.
 - 2. A maximum of 60 units of time may be reported or claimed for any single client during a one-hour period.
 - 3. Units of time reported or claimed shall not exceed hours worked by eligible staff.

4. When a single staff member provides eligible service to, or on behalf of, more than one beneficiary at the same time, the staff member's time must be prorated to each beneficiary.
 5. When more than one staff member provides an eligible service to more than one beneficiary at the same time, the time utilized by all those providing the service shall be added together to yield the total claimable services. The total time claimed shall not exceed the actual time utilized for claimable services.
 6. All documentation of services provided to, or on behalf of, more than one beneficiary at the same time, or services provided by multiple staff members to one or more beneficiaries at the same time, must include clear indication of the clinical necessity for the chosen treatment approach.
 7. All documentation of services provided to, or on behalf of, more than one beneficiary at the same time, or services provided by multiple staff members to one or more beneficiaries at the same time, must clearly delineate the total minutes of the direct service and the combined number of clients served.
- B. Total contract payments for the term shall not exceed the contract maximum, which is based on an estimate of services that may be performed during the contract period and shall not be considered a guaranteed sum.

III. Clients with Medi-CAL and Other Health Coverage (OHC)

Per Federal Regulation, providers must bill all Other Health Coverage (OHC) options prior to submitting claims to COUNTY for Medi-Cal reimbursement. The CONTRACTOR may bill the COUNTY for claims requiring OHC billing and the COUNTY will pre-pay the pending OHC claim. The CONTRACTOR must provide the Explanation of Benefits (EOB) or denial letter along with a copy of the original claim submitted to private insurance within 5 months from the date of service. If the EOB or denial letter is not received by the COUNTY within 5 months from the date of service, the COUNTY will offset the payment for the current period by this pre-paid amount.

The OHC insurer is considered the primary insurance and may pay all, part, or none of the cost of services. Any unreimbursed cost may be claimable to Medi-Cal.

It is in the best interest of the client and CONTRACTOR to submit claims to the OHC insurer in a timely manner. If no response or EOB is received from the OHC within 90 days from the date of claim submission, CONTRACTOR may presume denial from the OHC and submit a letter stating that no response was received from the OHC, along with a copy of the original claim submitted to the OHC.

The COUNTY makes every attempt to identify eligibility and notify CONTRACTOR if OHC eligibility exists. As eligibility verification for OHC can be inconsistent, it is also imperative that CONTRACTOR inquire with the client/guardian as to possible OHC and notify the COUNTY if OHC eligibility is discovered.

The COUNTY is unable to provide a comprehensive list of procedures and points of contact for OHC insurers as they are numerous and have individual requirements. Therefore, CONTRACTOR is responsible for obtaining the necessary information to fulfill its duty to bill OHC insurers. When able, the COUNTY will assist CONTRACTOR in finding contact information for OHC insurers, but the COUNTY is under no obligation to do so and COUNTY's willingness to assist when able does not alleviate CONTRACTOR from its sole responsibility to locate and bill OHC insurers.

IV. BHBH Rental Assistance Funds (July 1, 2025 through June 30, 2027)

A limited number of clients served under this contract may also qualify for Behavioral Health Bridge Housing (BHBH) rental assistance. Details regarding distinct eligibility and program requirements for BHBH funding are provided in Exhibit A of this agreement.

COUNTY shall serve as the sole referral source for the units located at the Wilkins Avenue property funded through this agreement. CONTRACTOR shall maintain all units in a condition suitable for occupancy and reserve them exclusively for County-referred clients, with priority given to individuals identified through the CARE Act process. COUNTY agrees to pay CONTRACTOR for the full monthly rental cost of all contracted units, regardless of occupancy status, in recognition of the COUNTY's control over referrals and the operational need to ensure units remain available for timely placement of CARE Act and other high-priority clients

The property includes two 2-bedroom units — Unit #60 and Unit #62 — with a total of four bedrooms. In recognition of the COUNTY's exclusive control over referrals and the operational need to maintain immediate availability for high-priority clients, COUNTY agrees to pay CONTRACTOR the full monthly rental cost for all four bedrooms across the two units, regardless of occupancy status.

The BHBH maximum rental assistance rates are as follows:

- **Unit #60:** \$1,842 per room
- **Unit #62:** \$1,842 per room
- **Security Deposit:** \$900 per unit

The total annual BHBH rental assistance for FY 26-27 shall not exceed **\$90,206**

V. One-Time Use of BHSA Capital Facilities Funds in FY26-27 for Housing Repairs

A. Regulatory Alignment

One-time Capital Facilities funds provided by COUNTY shall be used by CONTRACTOR exclusively for the provision of public mental health services and programs consistent with the County’s approved BHSA Integrated Plan for a minimum period of twenty (20) years from the date of final inspection and occupancy. In the event of a breach of this covenant, the County may exercise its rights to ensure compliance or recover its capital interest. Any use of BHSA Capital Facilities funding is pursuant to the Welfare and Institutions Code (WIC) Section 5892, allowing counties to acquire, develop, or renovate buildings for mental health service delivery or support, creating permanent assets that expand access or services for individuals with severe mental illness.

Use of these funds provided through this Amendment should be considered a one-time emergency expenditure to address urgent housing needs for behavioral health consumers. Routine repairs and assurance of compliance with California’s Implied Warranty of Habitability rules are solely the responsibility of the property owner, in this case CONTRACTOR. The use of BHSA Capital Facilities funds for the specific project described in this Amendment does not obligate or imply any future or ongoing investment of COUNTY funds into routine or large-scale repairs, new development, or renovation of existing housing units owned by CONTRACTOR.

B. Maximum Expenditure for Fiscal Year 2026-2027

The maximum expenditure the CONTRACTOR may claim for said repairs shall not exceed \$400,000.00.

C. Right of Access: CONTRACTOR shall provide COUNTY, or its authorized employee or agents, access to the areas of repair at Skyline Apartment or documents and records pertaining to such repair, at reasonable times to monitor and evaluate performance, compliance, and/or quality assurance under this Agreement.

D. BHSA Compliance

- **Target Population:** The units receiving repairs must be dedicated to housing individuals with serious mental health needs or substance use disorders, including those involved with the justice system, re-entering society from incarceration, or at risk of institutionalization, with preference given to those experiencing or at risk of chronic homelessness.
- **Housing First Mandate:** All housing interventions supported by these repairs must strictly adhere to the Housing First model as defined by state statute, ensuring low-barrier, harm-reduction focused support.

E. Fiscal & Reporting Requirements

1. **Payment:** Upon approval of the Amendment COUNTY will make a one-time payment of \$400,000.00 to CONTRACTOR.
 2. **Non-Supplantation of Medi-Cal:** CONTRACTOR certifies that the repairs described herein are not covered by any Medi-Cal Managed Care Plan (MCP) Community Supports benefit (e.g., Housing Deposits or Tenancy Sustaining Services).
 3. **Reporting:** CONTRACTOR shall track all expenditures for this repair and report the expenditure back to COUNTY to ensure COUNTY portion of repairs is no more than 50% of the total costs incurred. If the COUNTY's portion of repairs is greater than 50% then the excess of 50% must be returned to the COUNTY within 30 days of providing report. Additionally, this reporting will be needed to comply with the Behavioral Health Outcomes, Accountability, and Transparency Report (BHOATR) as required by DHCS. This reporting is not meant to supersede or replace any other section of this contract's fiscal reporting or invoicing requirements.
- **Compliance with Laws:** CONTRACTOR must ensure any repair work whether completed by CONTRACTOR or through a subcontract complies with all applicable State, Federal, and local laws and ordinances as outlined in Exhibit C, Subsection 2.19 of this Agreement (No. 260123B).

F. Term and Reversion

Timely Expenditure: CONTRACTOR shall ensure that all funds for this one-time repair, up to a maximum of \$400,000.00 are fully expended by June 30, 2027, or the funds may be subject to reversion to the state as mandated by BHSA fiscal policies.

VI. Required Submissions

- A. **Budget.** Fifteen days prior to the beginning of the Fiscal Year, CONTRACTOR shall submit an estimated Budget consistent with the Fiscal Year contract maximum. CONTRACTOR shall include estimated FTEs, by standardized classification, and identify those providing Direct Client Care. The COUNTY shall supply a revised Budget Template which correlates to standardized classification fields.
- B. **Invoices.** CONTRACTOR shall submit valid and accurate *Monthly* itemized invoices to BHInvoices@countyofnapa.org by the *15th of each month* for all authorized contract services provided in the preceding *month*. CONTRACTOR shall use COUNTY HHSA billing team service report to review and approve. Upon CONTRACTOR service approval, CONTRACTOR shall submit approved services as an invoice on agency

letterhead with total amount due and service month and year to BHInvoices@countyofnapa.org. BHBH invoices shall be submitted separately by the 15th of the month to BHInvoices@countyofnapa.org.

Validity and accuracy of invoice submission is critical to ensure timely payment of invoices for contracted services. Invoices will be paid within 60 days of receipt of invoices. If COUNTY staff requires any invoice follow-up, clarification, adjustment, or resubmission from CONTRACTOR, the 60-day timeframe for invoice payment resets to the date all outstanding issues are resolved, and the most recently received invoice is confirmed to be valid and accurate.

Annual Cost Report. COUNTY may require CONTRACTOR to submit an annual cost report, at no additional cost to COUNTY. If a cost report is required, CONTRACTOR will be notified, and the cost report will be due by August 31st following the end of the fiscal year. Failure to submit the cost report timely may result in the suspension of payments until the cost report is received by the COUNTY.

VII. Other Limitations Affecting Payments

CONTRACTOR shall perform services and provide such documentation as required by all applicable State and Federal laws, rules, and regulations, and as described in Exhibit A of this Agreement. Other limitations affecting contract payments include, but are not limited to:

- A. CONTRACTOR shall provide such documentation as required by COUNTY at any time to substantiate its claims for payment. COUNTY may elect to withhold payment for failure by CONTRACTOR to provide such documentation required by COUNTY.
- B. CONTRACTOR's services and claims are subject to any audits conducted by COUNTY, the State of California or federal government, or other auditors. Any resulting audit exception shall be repaid to COUNTY by CONTRACTOR.
- C. CONTRACTOR shall reimburse COUNTY for disallowances for payment or lost revenues as identified and discovered by the COUNTY that are attributable to CONTRACTOR's failure to perform in accordance with this Agreement, including, but not limited to, CONTRACTOR's insufficient documentation of Medical Necessity or billing errors by CONTRACTOR that preclude COUNTY from claiming the Federal Financial Participation share of Medi-Cal.
- D. To the extent CONTRACTOR is required to reimburse the COUNTY under this Paragraph, COUNTY may elect to withhold any payments for past services, offset against any payments for future services which CONTRACTOR provides, or demand reimbursement without offset.
- E. CONTRACTOR shall pay any penalty or fine assessed against COUNTY arising from CONTRACTOR's failure to comply with all applicable Federal or State Health Care

Program Requirements, including, but not limited to any penalties and fines which may be assessed under a Federal or State False Claims Act provision.

CONTRACTOR's failure to comply with this Agreement may lead at any time to withholding of payments and/or a termination of the Agreement based on breach of contract.