

Board Contract # _____

**FIRST AMENDMENT TO THE AGREEMENT
FOR SERVICES OF
INDEPENDENT CONTRACTOR**

BETWEEN

COUNTY OF SANTA BARBARA

AND

CRESTWOOD BEHAVIORAL HEALTH, INC.

FOR

THE CHAMPION HEALING CENTER

**FIRST AMENDMENT TO THE AGREEMENT
FOR SERVICES OF INDEPENDENT CONTRACTOR**

THIS FIRST AMENDMENT to the Agreement for Services of Independent Contractor, **BC No. 24-119**, is made by and between the County of Santa Barbara (hereafter, County or Department), a political subdivision of the State of California, and **Crestwood Behavioral Health, Inc.**, a Delaware corporation (hereafter, Contractor) with an address at 520 Capitol Mall, Sacramento, CA 85814 for the continued provision of services specified herein (hereafter, First Amendment).

WHEREAS, Contractor represents that it is specially trained, skilled, experienced, and competent to perform the special services required by County, and County desires to retain the services of Contractor pursuant to the terms, covenants, and conditions herein set forth;

WHEREAS, County and Contractor (collectively, the parties) entered into an Agreement for Services of Independent Contractor, BC No. 24-119, for the provision of in-County Mental Health Rehabilitation Center (MHRC) services, including services to Justice Involved Conservatees, for a maximum contract amount not to exceed \$24,730,000 inclusive of \$6,425,000 for FY 2024-25, \$6,610,000 for FY 2025-26, \$5,740,000 for FY 2026-27 and \$5,955,000 for FY 2027-28, for the period of July 1, 2024, through June 30, 2028 (Agreement); and

WHEREAS, the parties wish to increase bed count from thirty-two (32) to forty (40) for Mental Health Rehabilitation Center (MHRC) Champion Healing Center Program; Justice-Involved Conservatee Services; to increase FY 24-28 total maximum contract amount by \$3,660,000 for a revised, total maximum contract amount of \$28,390,000, inclusive of \$6,425,000 for FY 24-25, \$7,790,000 for FY 25-26, \$6,955,000 for FY 26-27, \$7,220,000 for FY 27-28, with no change to the contract term.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

I. Delete Section 8, Debarment and Suspension, of the Standard Terms and Conditions of the Agreement and replace it with the following:

8. DEBARMENT AND SUSPENSION.

- A.** Contractor certifies to County that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. Contractor certifies that it shall not contract with a subcontractor that is so debarred or suspended.

- B. This certification is a material representation of fact relied upon by County. If it is later determined that Contractor did not comply with 2 C.F.R. part 180, as supplemented by 2 C.F.R. part 376, in addition to the remedies available to the California Department of Health Care Services and County, the Federal Government may pursue available remedies including, but not limited to, suspension and/or debarment.
- C. This Agreement is a covered transaction for purposes of 2 C.F.R. part 180 and 2 C.F.R. part 376. As such Contractor is required to verify that none of the Contractor, its principals (defined at 2 C.F.R. § 180.995), or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- D. Contractor must comply with 2 C.F.R. part 180, as supplemented by 2 C.F.R. part 376, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- E. Contractor shall also comply with the debarment and suspension provision set forth in EXHIBIT A-1-MHS General Provisions to this Agreement.

II. Delete Section 10, Conflict of Interest, of the Standard Terms and Conditions of the Agreement and replace it with the following:

10. CONFLICT OF INTEREST.

Contractor covenants that Contractor presently has no employment or interest and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by Contractor. Contractor must promptly disclose to the County, in writing, any potential conflict of interest. County retains the right to waive a conflict of interest disclosed by Contractor if County determines it to be immaterial, and such waiver is only effective if provided by County to Contractor in writing. Contractor acknowledges and agrees to comply with state laws on conflict of interest in the performance of this Agreement including, but not limited to, the Political Reform Act of 1974 (Gov. Code, § 81000 et seq.), Public Contract Code Section 10365.5, and Government Code Section 1090.

III. Delete Section 14, Records, Audit, and Review, Section A, of the Standard Terms and Conditions of the Agreement and replace it with the following:

- A. Contractor shall make available for inspection, copying, evaluation, or audit, all of its premises; physical facilities, or such parts thereof as may be engaged in the performance of the Agreement; equipment; books; records, including but not limited to beneficiary records; prescription files; documents, working papers, reports, or other evidence; contracts; financial records and documents of account; computers and other electronic devices, pertaining to any aspect of services and activities performed, or determination of amounts payable, under this Agreement (hereinafter referred to as "Records"), at any time by County, Department of

Health Care Services (DHCS), Centers for Medicare & Medicaid Services (CMS), Department of General Services, Bureau of State Audits, Health and Human Services (HHS), Inspector General, U.S. Comptroller General, or other authorized federal or state agencies, or their designees ("Authorized Representative") (hereinafter referred to as "Audit").

IV. Delete Section 28, Compliance with Law, of the Standard Terms and Conditions of the Agreement and replace it with the following:

28. COMPLIANCE WITH LAW.

Contractor shall, at its sole cost and expense, comply with all County, State and Federal ordinances; statutes; regulations; orders including, but not limited to, executive orders, court orders, and health officer orders; policies; procedures; directives; guidance; bulletins; information notices; and letters including, but not limited to, those issued by the California Department of Health Care Services (DHCS) now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of Contractor in any action or proceeding against Contractor, whether County is a party thereto or not, that Contractor has violated any such ordinance, statute, regulation, order, policy, procedure, directive, guidance, bulletin, information notice, and/or letter shall be conclusive of that fact as between Contractor and County.

V. Delete Section 36, Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards, of the Standard Terms and Conditions of the Agreement and replace it with the following:

36. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS.

Contractor shall comply with the requirements of 2 C.F.R. parts 200 and 300 and 45 C.F.R. part 75, which are incorporated herein by reference.

VI. Delete Section 37, Mandatory Disclosure, Section A, Prohibited Affiliations, Subsection 2; Section B, Written Disclosures, Subsection 5, Crimes, i, Violations of Criminal Law, and Section C, Lobbying, Paragraph 1, of the Standard Terms and Conditions of the Agreement and replace them with the following:

37. MANDATORY DISCLOSURES.

A. Prohibited Affiliations.

2. Contractor shall not have a prohibited type of relationship by employing or contracting with providers or other individuals and entities excluded from participation in federal health care programs (as defined 42 U.S.C. § 1320a-7b(f)) pursuant to 42 U.S.C. sections 1320a-7, 1320a-7a, 1320c-5, and 1395u(j)(2). (42 C.F.R. §§ 438.214(d)(1), 438.610(b).)

B. Written Disclosures.

5. Crimes.

i. Violations of Criminal Law. Contractor must promptly disclose whenever, in connection with this Agreement (including any activities or subcontracts thereunder), it has credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in title 18 of the United States Code or a violation of the civil False Claims Act (31 U.S.C. §§ 3729–3733). The disclosure must be made in writing to County, Health and Human Services Office of Inspector General, and DHCS. Contractor is also required to report matters related to County, state, or federal agency’s integrity and performance in accordance with Appendix XII of 2 C.F.R. part 200. Failure to make required disclosures can result in any of the remedies described in 2 C.F.R. section 200.339 Remedies for noncompliance. (See also 2 C.F.R. part 180, 31 U.S.C. § 3321, and 41 U.S.C. § 2313.)

C. Lobbying. Contractor shall complete a Certification Regarding Lobbying as set forth in EXHIBIT D, Attachment 1, and, if applicable, a Lobbying Restrictions and Disclosure Certification as set forth in EXHIBIT D, Attachment 2, attached hereto and incorporated herein by reference.

VII. Delete Section 38, Procurement of Recovered Materials, of the Standard Terms and Conditions of the Agreement and replace it with the following:

38. PROCUREMENT OF RECOVERED MATERIALS.

- A.** Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 as amended, 42 U.S.C. section 6962. The requirements of section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- B.** Contractor should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. See Executive Order 14057, section 101, Policy.

VIII. Delete Section 39, Domestic Preferences for Procurements, Section A of the Standard Terms and Conditions of the Agreement and replace it with the following:

39. DOMESTIC PREFERENCES FOR PROCUREMENTS.

- A. Contractor should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontractor agreements.

IX. Delete Section 40, Clean Air Act and Federal Water Pollution Control Act of the Standard Terms and Conditions of the Agreement and replace it with the following:

40. CLEAN AIR ACT.

- A. Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. section 7401 et seq.
- B. Contractor agrees to report each violation to the California Environmental Protection Agency and understands and agrees that the California Environmental Protection Agency will, in turn, report each violation as required to assure notification to the County, federal agency which provided funds in support of this Agreement, and the appropriate Environmental Protection Agency Regional Office.
- C. Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with federal assistance.

X. Delete Section 41, PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT to the Standards Terms and Conditions of the Agreement and replace it with the following:

- A. Contractor is prohibited from obligating or expending loan or grant funds to:
 - 1. Procure or obtain covered telecommunications equipment or services;
 - 2. Extend or renew a contract to procure or obtain covered telecommunications equipment or services; or
 - 3. Enter into a contract (or extend or renew a contract) to procure or obtain covered telecommunications equipment or services.
- B. As described in section 889 of Public Law 115-232, “covered telecommunications equipment or services” means any of the following:
 - 1. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);
 - 2. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

3. Telecommunications or video surveillance services provided by such entities or using such equipment; or
 4. Telecommunications or video surveillance equipment or services produced or provided by an entity that the United States Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.
- C. For the purposes of this section, “covered telecommunications equipment or services” also include systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.
- D. In implementing the prohibition under section 889 of Public Law 115-232, heads of executive agencies administering loan, grant, or subsidy programs must prioritize available funding and technical support to assist affected businesses, institutions, and organizations as is reasonably necessary for those affected entities to transition from covered telecommunications equipment or services, to procure replacement equipment or services, and to ensure that communications service to users and customers is sustained.
- E. Contractor certifies that it will comply with the prohibition on covered telecommunications equipment and services in this section. Contractor and its subcontractors are not required to certify that funds will not be expended on covered telecommunications equipment or services beyond the certification provided upon accepting grant funding and those provided upon submitting payment requests and financial reports.
- F. For additional information, see section 889 of Public Law 115-232 and 2 Code of Federal Regulations section 200.471.
- G. Contractor shall include these requirements in all subcontracts to perform work under this Agreement.

XI. Add Section 43, Federal Water Pollution Control Act to the Standard Terms and Conditions of the Agreement as follows:

42. FEDERAL WATER POLLUTION CONTROL ACT.

- A. Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. section 1251 et seq.
- B. Contractor agrees to report each violation to the California State Water Resources Control Board and understands and agrees that the California State Water Resources Control Board will, in turn, report each violation as required to assure notification to the County, federal

agency which provided funds in support of this Agreement, and the appropriate Environmental Protection Agency Regional Office.

- C. Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance.

XII. Delete Subsection 1 of Exhibit A-1 General Provisions and replace it with the following:

1. PERFORMANCE.

- A.** This Agreement shall be governed by and construed in accordance with all laws and regulations and all contractual obligations of County under the Integrated Intergovernmental Agreement (Contract No. 24-40145) between County and the California Department of Health Care Services (DHCS) including the federal and state requirements listed in Integrated Intergovernmental Agreement, Exhibit E (Additional Provisions), section 7 (State and Federal Laws Governing this Contract) and contractual obligations in Integrated Intergovernmental Agreement, Exhibit D (Special Terms and Conditions). The Integrated Intergovernmental Agreement, available at [County of Santa Barbara - File #: 25-00016](#), is incorporated herein by reference.
1. Contractor agrees to comply with all applicable federal, state, and local laws including federal and state laws pertaining to member rights, applicable sections of California's Medicaid State Plan (State Plan), applicable federal waivers, and applicable DHCS Behavioral Health Information Notices (BHIN(s)) in its provision of services as a subcontractor or contracted provider of County as an integrated county behavioral health plan.
 2. Contractor agrees to perform all applicable delegated activities and obligations including services and reporting responsibilities in compliance with County's obligations under the Integrated Intergovernmental Agreement.
 3. Contractor agrees to comply with any changes to these statutes and regulations, State Plan, federal waivers, or BHINs or any amendments to the Integrated Intergovernmental Agreement that occur during the Term of this Agreement. Contractor shall also comply with any newly applicable statute, regulation, State Plan Amendment, federal waiver, and BHIN that become effective during the Term of this Agreement. These obligations shall apply without the need for an amendment(s) of this Agreement. If the parties amend the affected provisions of this Agreement to conform to the changes in law or the Integrated Intergovernmental Agreement, the amendment shall be retroactive to the effective date of such changes in law or the Integrated Intergovernmental Agreement.
 4. To the extent there is a conflict between a provision of this Agreement and any federal, state, or local statute or regulation, State Plan, federal waiver, or BHIN or provision of the Integrated Intergovernmental Agreement, Contractor shall comply with the federal, state, or local statute or regulation, State Plan, federal waiver, or BHIN or provision of the Integrated Intergovernmental Agreement, and the conflicting provision of this Agreement shall no longer be in effect.

B. Contractor shall comply with the following as applicable:

1. All Medicaid laws, regulations including sub-regulatory guidance, and contract provisions;
2. 42 Code of Federal Regulations (C.F.R.) section 438.900 et seq. regarding parity in mental health and substance use disorder benefits;
3. All laws and regulations relating to patients' rights including Welfare and Institutions Code (Welf. & Inst. Code) section 5325, 9 California Code of Regulations (Cal. Code Regs.) sections 862 through 868, and 42 Code of Federal Regulations section 438.100; and
4. All existing policy letters issued by DHCS. All policy letters issued by DHCS subsequent to the effective date of this Agreement shall provide clarification of Contractor's obligations pursuant to this Agreement.

C. Contractor shall comply with:

1. All applicable Behavioral Health Services Act laws, regulations, BHINs, policy letters, and guidance; and
2. The Santa Barbara County Mental Health Services Act Steering Committee Mission Statement, available at [Mental Health Services Act Steering Committee Santa Barbara County, CA - Official Website](#).

H. Delete Section 4. SERVICES B. of Exhibit A-2 (STATEMENT OF WORK: MHS MHRC: CHAMPION HEALING CENTER) and replace it with the following:

- B.** County shall be entitled to a minimum forty (40) MHRC beds at the Property. When non-County beds become available, CBHI agrees to work with the COUNTY in good faith to determine County shall contract for such beds at the set forth in Exhibit B-1.

XIII. Delete Section C. of Exhibit A-3 JUSTICE INVOLVED CONSERVATEE SERVICES and replace it with the following:

- C.** For FY 2024-25 and FY 2025-26 only, Contractor shall provide County with a minimum of four (4) additional beds for Justice Involved Conservatee (JIC) program clients in need of long-term rehabilitative care services, bringing the total number of beds under the Agreement to thirty-six (36) beds in FY 2024-25 and forty-four (44) beds in FY 2025-26, with flexibility to add two (2) additional beds when available. When non-County beds become available, Contractor agrees to work with County in good faith to determine whether County shall contract for such beds at the rate set-forth in Exhibit B-1.

IX. Delete Section III. MAXIMUM CONTRACT AMOUNT. of Exhibit B GENERAL FINANCIAL PROVISIONS: MHS and replace it with the following:

III. MAXIMUM CONTRACT AMOUNT.

The maximum contract amount of this Agreement shall not exceed \$28,390,000 for FY 2024- 28, inclusive of \$6,425,000 for FY 2024-25; \$7,790,000 for FY 2025-26; \$6,955,000 for FY 2026- 27; and \$7,220,000 for FY 2027-28. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this maximum contract amount for Contractor's performance hereunder without a properly executed amendment.

THIS SECTION INTENTIONALLY LEFT BLANK SCHEDULE OF RATES AND
CONTRACT MAXIMUM PAGES FOLLOW

**XIV. Delete Exhibit B-1-MHS (SCHEDULE OF RATES AND CONTRACT MAXIMUM)
replace it with the following:**

EXHIBIT B-1- MHS
SCHEDULE OF RATES AND CONTRACT MAXIMUM
(Applicable to program(s) described in Exhibit(s) A-2 through A-3)

EXHIBIT B-1
BEHAVIORAL WELLNESS
SCHEDULE OF RATES AND CONTRACT MAXIMUM

CONTRACTOR NAME:

Crestwood Behavioral Health, Inc. for the Champion Healing Center.

FISCAL
YEAR: 2024-2028

Facility	Service Level	Per Diem Rate
Champion Healing Center MHRC	MHRC Level 1	\$445.00
	MHRC Level 2	\$445.00
	MHRC Level 3	\$445.00
	MHRC- Justice Involved (7/1/24 - 6/30/26 limited term)	\$730.00
Maximum Contract Amount FY 24-25		\$6,425,000
Maximum Contract Amount FY 25-26		\$7,790,000
Maximum Contract Amount FY 26-27		\$6,955,000
Maximum Contract Amount FY 27-28		\$7,220,000
Total Contract Maximum July 1, 2024 through June 30, 2028		\$28,390,000

Funding Sources	
Realignment	\$26,258,400
Community Corrections Partnership (CCP) (7/1/24-6/30/26)	\$2,131,600
Total Contract Maximum July 1, 2024 through June 30, 2028	\$28,390,000

CONTRACTOR SIGNATURE:

Signed by:

Elena Mashkevich

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DocuSigned by:

FISCAL SERVICES SIGNATURE:

Christie Boyer

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(1) In special circumstances, including accommodating clients with acute needs, additional monitoring, or medical complexity, the Director of the Department of Behavioral Wellness or designee may adjust the Per Diem Rate in writing. Any rate change due to special circumstances, shall not alter the maximum contract amount and shall not require a formal amendment of this Agreement.

(2) The Behavioral Wellness Director or designee may increase the Per Diem Rate by up to 3.5% per year in FY 2025-26, FY 2026-27 and FY 2027-28, in writing based on Crestwood's documented operating needs, with the exclusion of Justice Involved beds for FY 2025-26. Any rate change shall not alter the maximum contract amount and shall not require a formal amendment of this Agreement.

(3) Bed Hold or Leave of Absence Rate: Contractor shall be paid for bed hold days equal to the Per Diem Rate for the client's service level prior to the bed hold. Bed holds are beds which are unoccupied as a result of an approved temporary client absence, as determined by County and Contractor to be appropriate. Bed holds must be pre-authorized by Behavioral Wellness QCM in writing and require re-authorization every 7 days.

- XV. Effectiveness.** The terms and provisions set forth in this First Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Agreement. The terms and provisions of the Agreement, except as expressly modified and superseded by this First Amendment, are ratified and confirmed and shall continue in full force and effect and shall continue to be legal, valid, binding, and enforceable obligations of the parties.
- XVI. Execution of Counterparts.** This First Amendment may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

THIS SECTION INTENTIONALLY LEFT BLANK SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and **Crestwood Behavioral Health, Inc.**

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on July 1, 2025.

COUNTY OF SANTA BARBARA:

By:


LAURA CAPPS, CHAIR
BOARD OF SUPERVISORS

Date:

6-10-25

ATTEST:

MONA MIYASATO
COUNTY EXECUTIVE OFFICER
CLERK OF THE BOARD

By:


Deputy Clerk

Date:

6-10-25

CONTRACTOR:

CRESTWOOD BEHAVIORAL HEALTH, INC.

By:

Signed by:

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Authorized Representative

Name:

Elena Mashkevich

Title:

Executive Director of Contra

Date:

5/29/2025

APPROVED AS TO FORM:

RACHEL VAN MULLEM
COUNTY COUNSEL

By:


Signed by:

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Deputy County Counsel

APPROVED AS TO ACCOUNTING FORM:

BETSY M. SCHAFER, CPA
AUDITOR-CONTROLLER

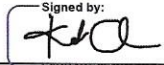
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Deputy

RECOMMENDED FOR APPROVAL:

ANTONETTE NAVARRO, LMFT,
DIRECTOR
DEPARTMENT OF BEHAVIORAL
WELLNESS

By:

Signed by:

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for
Director

APPROVED AS TO FORM:

GREG MILLIGAN, ARM
RISK MANAGER

By:

Signed by:

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Risk Manager