



**AMENDMENT NO. 8  
TO  
CONTRACT NO. MA-042-21011456  
FOR  
ADMINISTRATIVE SERVICES ORGANIZATION FOR SPECIALTY MENTAL HEALTH AND  
DRUG MEDI-CAL SUBSTANCE ABUSE SERVICES**

This Amendment (“Amendment No. 8”) to Contract No. MA-042-21011456 for Administrative Services Organization for Specialty Mental Health and Drug Medi-Cal Substance Abuse Services is made and entered into on July 1, 2026 (“Effective Date”) between Carelon Behavioral Health of California, Inc., a California corporation (“Contractor”), with a place of business at 12900 Park Plaza Drive, Cerritos, CA 90703, and the County of Orange, a political subdivision of the State of California (“County”), through its Health Care Agency, with a place of business at 405 W. 5th St., Ste. 600, Santa Ana, CA 92701. Contractor and County may sometimes be referred to individually as “Party” or collectively as “Parties”.

**RECITALS**

**WHEREAS**, the Parties executed Contract No. MA-042-21011458 for Administrative Services Organization for Specialty Mental Health and Drug Medi-Cal Substance Abuse Services, effective July 1, 2021 through June 30, 2023, in a total amount not to exceed \$14,283,643, renewable for three additional one-year periods (“Contract”); and

**WHEREAS**, the Parties, on or about September 13, 2021, executed Amendment No. 1 to the Contract to correct Contractor DUNS Number and Contractor Tax ID Number and to amend Exhibit A due to budget revisions with no alterations to the scope and services; and

**WHEREAS**, the Parties, on or about September 15, 2022, executed Amendment No. 2 to the Contract to amend Exhibit A payment provision; and

**WHEREAS**, the Parties, on or about November 29, 2022, executed Amendment No. 3 to the Contract to increase the Contract’s Period One Amount Not to Exceed by \$2,030,133 from \$7,285,105 to \$9,315,238 and to increase the Contract’s Period Two Amount Not to Exceed by \$4,697,690 from \$6,998,538 to \$11,696,228, for a total amount not to exceed \$21,011,466, and to amend Exhibit A to reflect changes in budget and staffing needs with no alterations to the scope and services; and

**WHEREAS**, the Parties, on or about May 23, 2023, executed Amendment No. 4 to the Contract to renew the Contract for one year, effective July 1, 2023 through June 30, 2024, in an amount not to exceed \$11,880,023, for a total amount not to exceed \$32,891,489, to change Contractor’s name from Beacon Health Options of California, Inc. to Carelon Behavioral Health of California, Inc., and to amend Paragraph XIV. and Exhibit A of the Contract; and

**WHEREAS**, the Parties, on or about August 2, 2023, executed Amendment No. 5 to the Contract to decrease the Contract’s Period One Amount Not to Exceed by \$2,030,133 from \$9,315,238 to \$7,285,105 and increase the Contract’s Period Two Amount Not to Exceed by \$2,030,133 from \$11,696,228 to \$13,726,361, to allow final approved invoices for FY 2022-23 to be processed for payment; and

**WHEREAS**, the Parties, on or about July 1, 2024, executed Amendment No. 6 to the Contract to renew the Contract for one-year, effective July 1, 2024 through June 30, 2025, in an amount not to exceed \$12,201,230, for a total amount not to exceed \$45,092,719, to amend Paragraph XVI. and Paragraph XX. of the Contract, to add Paragraph XXXIV. and Paragraph XXXV. to the Contract, and to amend Exhibit A of the Contract; and

**WHEREAS**, the Parties, on or about July 1, 2025, executed Amendment No. 7 to the Contract to renew the Contract for one-year, effective July 1, 2025 through June 30, 2026, in an amount not to exceed \$12,879,534, for a total amount not to exceed \$57,972,253, to amend Exhibit A of the Contract, and to change the Contract number from “MA-042-21011458” to “MA-042-21011456”; and

**WHEREAS**, the Parties now desire to enter into this Amendment No. 8 to the Contract to renew the Contract for six (6) months, for County to continue receiving and Contractor to continue providing services set forth in the Contract, and to amend Paragraph VII., Paragraphs XXXIV. – XXXVI. and Exhibit A of the Contract.

**NOW THEREFORE**, the Parties agree to amend the Contract as follows:

1. The Contract is renewed for a term of six (6) months, effective July 1, 2026, through December 31, 2026, in an amount not to exceed \$7,006,605, for this renewal term, for a revised total amount not to exceed \$64,978,858.
2. Referenced Contract Provisions, Term and Amount Not to Exceed provisions, of the Contract are deleted in their entirety and replaced with the following:

“**Term:** July 1, 2021 through December 31, 2026

- Period One means the period from July 1, 2021 through June 30, 2022
- Period Two means the period from July 1, 2022 through June 30, 2023
- Period Three means the period from July 1, 2023 through June 30, 2024
- Period Four means the period from July 1, 2024 through June 30, 2025
- Period Five means the period from July 1, 2025 through June 30, 2026
- Period Six means the period from July 1, 2026 through December 31, 2026

**Amount Not to Exceed:**

Period One Amount Not to Exceed:	\$ 7,285,105
Period Two Amount Not to Exceed:	13,726,361
Period Three Amount Not to Exceed:	11,880,023
Period Four Amount Not to Exceed:	12,201,230
Period Five Amount Not to Exceed:	12,879,534
Period Six Amount Not to Exceed:	<u>7,006,605</u>
<b>TOTAL AMOUNT NOT TO EXCEED:</b>	<b>\$64,978,858”</b>

3. Referenced Contract Provisions, CFDA table, is added to the Contract as follows:

<u>CFDA#</u>	<u>FAIN #</u>	<u>Program Services Title</u>	<u>Federal Funding Agency</u>	<u>Federal Award Date</u>	<u>Amount</u>	<u>Indirect Rate</u>	<u>R&amp;D Award (Y/N)</u>
93.959	VE2ZZY1ZHN19	Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG)	Substance Abuse and Mental Health Services Administration (SAMSHA)	02/24/2025	\$19,216,499	21.15% (State approves rate)	N

4. Referenced Contract Provisions, Contractor information, of the Contract is deleted in its entirety and replaced with the following:

“CONTRACTOR: Carelon Behavioral Health of California, Inc.  
 12900 Park Plaza Drive  
 Cerritos, CA 90703  
 Briana Duffy, Market President  
 Email: Briana.Duffy@carelon.com”

5. Paragraph VII. Cost Report, Subparagraph A., not including A.1 to A.3, of the Contract is deleted in its entirety and replaced with the following:

“A. CONTRACTOR shall submit separate individual and/or consolidated Cost Reports for each Period, or for a portion thereof, to COUNTY no later than sixty (60) calendar days following the period for which they are prepared or termination of this Contract. CONTRACTOR shall prepare the individual and/or consolidated Cost Report in accordance with all applicable federal, state and COUNTY requirements, GAAP and the Special Provisions Paragraph of this Contract. CONTRACTOR shall allocate direct and indirect costs to and between programs, cost centers, services, and funding sources in accordance with such requirements and consistent with prudent business practice, which costs and allocations shall be supported by source documentation maintained by CONTRACTOR, and available at any time to ADMINISTRATOR upon reasonable notice. In the event CONTRACTOR has multiple contracts for mental health services that are administered by HCA, consolidation of the individual Cost Reports into a single consolidated Cost Report may be required, as stipulated by ADMINISTRATOR. CONTRACTOR shall submit the consolidated Cost Report to COUNTY no later than five (5) business days following approval by ADMINISTRATOR of all individual Cost Reports to be incorporated into a consolidated Cost Report.”

6. Paragraphs XXXIV. – XXXVI. of the Contract are deleted in their entirety and replaced with:

**“XXXIV. PARTICIPATION OF COUNTY BEHAVIORAL HEALTH DIRECTOR’S ASSOCIATION OF CALIFORNIA**

- A. The County AOD Program Administrator shall participate and represent COUNTY in meetings of the County Behavioral Health Director’s Association of California for the purposes of representing the counties in their relationship with DHCS with respect to policies, standards, and administration for AOD abuse services.
- B. The County AOD Program Administrator shall attend any special meetings called by the Director of DHCS. Participation and representation shall also be provided by the County Behavioral Health Director’s Association of California.

**XXXV. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT**

**Health Insurance Portability and Accountability Act (HIPAA) of 1996:** For work performed under this Contract that is subject to HIPAA, CONTRACTOR shall perform the work in compliance with all applicable provisions of HIPAA.”

7. Exhibit A, Paragraph II. Beneficiary Rights, Subparagraph A., of the Contract is deleted in its entirety and replaced with the following:

“A. ADVISEMENT NOTICES

1. CONTRACTOR shall ensure that all Clients, upon request for access into the program, shall be given a link to the Medi-Cal Mental Health Plan.
  2. CONTRACTOR shall also assure that Clients are aware of their rights at all times by:
    - a. Publishing the Beneficiary Rights in provider manuals, which shall be available to all providers.
    - b. Including a copy of the Beneficiary Rights as an attachment to all written correspondence related to appeals, grievances, and reductions or denials of treatment.
  3. CONTRACTOR shall use NOABD forms to notify Clients and Network Providers when services are denied, reduced, or terminated pursuant to Services Paragraph of this Exhibit A to the Contract.
  4. All Network Providers' mental health facilities and programs shall have in place a mechanism for Clients to file grievances regarding quality of treatment services issues.
  5. COUNTY shall provide its MHP, NPP to CONTRACTOR. CONTRACTOR shall provide the NPP for COUNTY, as the MHP, at the time of the first service provided under the Contract to individuals who are covered by Medi-Cal and have not previously received services at a COUNTY operated clinic. CONTRACTOR shall also provide, upon request, the NPP for COUNTY, as the MHP, to any individual who received services under the Contract."
8. Exhibit A, Paragraph III. Budget, Subparagraph A., of the Contract is deleted in its entirety and replaced with the following:

"A. COUNTY shall pay CONTRACTOR in accordance with the Payments Paragraph in this Exhibit A to the Contract and the following budgets, which are set forth for informational purposes only and may be adjusted by mutual agreement, in writing, by ADMINISTRATOR and CONTRACTOR.

	Period One	Period Two	Period Three	Period Four	Period Five	Period Six	TOTAL
<b>Administrative Cost</b>							
Salaries	\$ 38,094	\$ 41,183	\$ 43,631	\$ 45,159	\$ 46,740	\$ 24,454	\$ 240,071
Benefits	8,952	14,034	17,016	17,612	18,228	9,536	75,842
Services and Supplies	4,793	5,519	5,870	6,046	6,258	3,254	31,740
Indirect Cost	<u>668,026</u>	<u>808,476</u>	<u>907,030</u>	<u>1,000,901</u>	<u>1,201,081</u>	<u>600,541</u>	<u>5,186,055</u>
Subtotal Administrative Cost	\$ 719,865	\$ 869,212	\$ 973,547	\$ 1,069,718	\$ 1,272,307	\$ 637,785	\$ 5,542,434
<b>Program Cost</b>							
Salaries	\$3,451,804	\$ 3,445,244	\$ 3,793,046	\$ 4,216,077	\$ 4,526,310	\$2,363,078	\$21,790,805
Benefits	703,074	1,182,321	1,479,288	1,644,270	1,765,261	921,601	7,693,960
Services and Supplies	<u>1,084,229</u>	<u>1,189,451</u>	<u>1,234,142</u>	<u>1,271,165</u>	<u>1,315,656</u>	<u>684,141</u>	<u>6,778,784</u>
Subtotal Program Cost	\$5,239,107	\$ 5,817,016	\$ 6,506,476	\$ 7,131,512	\$ 7,607,227	\$3,968,820	\$36,270,158
Mental Health Claims/Settlement	\$2,870,133	\$ 5,010,000	\$ 4,400,000	\$ 4,000,000	\$ 4,000,000	\$2,400,000	\$22,680,133
Implementation Costs	486,133	0	0	0	0	0	486,133
Roll-Over Adjustment	<u>&lt;2,030,133&gt;</u>	<u>2,030,133</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Gross Cost	\$7,285,105	\$13,726,361	\$11,880,023	\$12,201,230	\$12,879,534	\$7,006,605	\$64,978,858

Revenue							
Fed Grant (DMC)	\$ 437,106	\$ 437,106	\$ 594,001	\$ 610,061	\$ 643,977	\$ 350,332	\$ 3,072,583
FFP/Other	2,986,893	2,986,893	1,900,804	1,952,197	2,060,725	6,028,479	17,915,991
State (MH Realignment Managed Care)	3,788,255	10,229,511	9,385,218	9,638,972	10,174,832	627,794	43,844,582
Discretionary (NCC)	<u>72,851</u>	<u>72,851</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>145,702</u>
Total Revenue	\$7,285,105	\$13,726,361	\$11,880,023	\$12,201,230	\$12,879,534	\$7,006,605	\$64,978,858
Total Amount Not To Exceed	\$7,285,105	\$13,726,361	\$11,880,023	\$12,201,230	\$12,879,534	\$7,006,605	\$64,978,858"

9. Exhibit A, Paragraph V. Payments, Subparagraph A., not including A.1 to A.4, of the Contract is deleted in its entirety and replaced with the following:

“A. For Period Six, COUNTY shall pay CONTRACTOR monthly, in arrears, at the negotiated amount of \$100,090.16, per month for Indirect Costs and the provisional amount of \$667,677.33, per month for Administrative and Program Direct Costs, and the provisional amount of \$400,000, per month for Mental Health Claims Costs. All payments are interim payments only, and subject to Final Settlement in accordance with the Cost Report Paragraph of the Contract for which CONTRACTOR shall be reimbursed for the actual cost of providing the services hereunder; provided, however, the total of such payments does not exceed COUNTY’s Total Amount Not to Exceed as specified in the Referenced Contract Provisions of the Contract and, provided further, CONTRACTOR’s costs are reimbursable pursuant to COUNTY, state, and federal regulations. ADMINISTRATOR may, at its discretion, pay supplemental invoices for any month for which the provisional amount specified above has not been fully paid.”

10. Exhibit A, Paragraph VI. Quality Improvement, Subparagraph B.3., of the Contract is deleted in its entirety and replaced with the following:

“3. CONTRACTOR shall survey a sample of the Clients to assess satisfaction with the services received from the ASO Access Line and limited, specialty provider network, and report to ADMINISTRATOR annually.”

11. Exhibit A, Article IX. Services, Subparagraph C.7.d., of the Contract is deleted in its entirety and replaced with the following:

“d. CONTRACTOR shall conduct training for all of its Network Providers and any non-network providers as requested by ADMINISTRATOR. These trainings shall address both operational and clinical standards. For the purpose of coordinating trainings, CONTRACTOR shall inform ADMINISTRATOR of scheduled trainings.”

12. Exhibit A, Article IX. Services, Subparagraph E.2.e., of the Contract is deleted in its entirety and replaced with the following:

“e. CONTRACTOR shall have access to inpatient Treatment Authorization Request (TAR) data and IMD information as they relate to paying inpatient and IMD physician claims. These lists will be provided by ADMINISTRATOR. CONTRACTOR will also utilize CONTRACTOR’s own Concurrent Review Authorization Data to adjudicate physician claims along with TAR data. CONTRACTOR shall use required COUNTY information systems and interfaces which include but are not limited to the COUNTY electronic TAR

application, County Universal Closed Loop Referral system, Data Warehouse and other COUNTY information systems that support services provided by CONTRACTOR.”

13. Exhibit A, Article IX. Services, Subparagraph H.3.a.1), of the Contract is deleted in its entirety and replaced with the following:

“1) Emergent services shall be indicated when the Client has a psychiatric condition that meets COUNTY’s criteria for acute psychiatric hospitalization and cannot be treated at a lower level of care. These criteria include the Client being a danger to himself/herself or others as the result of a mental health disorder or an immediate inability of the Client to provide for, or utilize food, shelter or clothing, or attend to personal safety or necessary medical care as a result of a mental disorder or severe substance use disorder. These calls must provide warm-linkage to the COUNTY OC Links/Crisis Assessment Team for further evaluation and treatment.”

14. Exhibit A, Article IX. Services, Subparagraph H.5.c., of the Contract is deleted in its entirety and replaced with the following:

“c. Eating Disorder Residential and Intensive Day Services – Eating Disorder Clients shall meet medical necessity for treatment per DHCS. CONTRACTOR shall be responsible for reimbursing provider contracted services at Residential and Intensive Day levels of care. Claims for services for these Clients shall be processed in accordance with the following:

- 1) Eating Disorder Programs – Provider contracted services shall be reimbursed by FFS rates set by CONTRACTOR and agreed to by COUNTY.
- 2) CONTRACTOR must ensure that it does not reimburse for more than one (1) professional service per day of any type without prior authorization.
- 3) CONTRACTOR must ensure that eating disorder service claims are appropriately adjudicated, and services rendered support billed CPT codes.”

15. Exhibit A, Article IX. Services, Subparagraph I.1.c.2)c), of the Contract is deleted in its entirety and replaced with the following:

“c) Client eligibility verification by utilizing via an eligibility file and/or face sheet provided by the facility or COUNTY. Eligibility verification shall include adult and children who have County 30 Medi-Cal or County Responsible benefits.”

16. Exhibit A, Paragraph X. Staffing, Subparagraph A., of the Contract is deleted in its entirety and replaced with the following:

“A. CONTRACTOR shall, at a minimum, provide the following staffing pattern expressed in Full-Time Equivalent (FTEs) continuously throughout the term of the Contract. One (1) FTE shall be equal to an average of forty (40) hours work per week.

<b>ADMINISTRATION</b>	FTEs
Accounting Manager	0.01
Telecom Analyst	0.15
Desktop Support	0.10
Security Specialist	<u>0.19</u>
<b>SUBTOTAL ADMINISTRATION</b>	<b>0.45</b>
<b>PROGRAM</b>	
<u>ASO DMC Staffing</u>	
Program Director	0.50

Operation Director	0.15
Regional Operation Analyst	0.60
Quality Department Management (Pooled)	0.04
Quality Improvement Coordinator/Grievance and Complaints (Pooled)	0.60
Utilization Review Clinician – Screener (Pooled)	6.00
Clinical Manager	1.00
Clinical Team Lead (Pooled)	1.00
After Hours Supervisor (Pooled Staff)	0.11
After Hours Clinician & DMC Clinician (Pooled Staff)	3.00
Membership Service Representative (Pooled)	7.00
Care Coordinator II (Pooled)	5.00
Credentialing Specialist (Pooled)	0.50
Provider Relations/Dispute Resolution	0.30
Claims Processor (Pooled)	2.00
Claims Supervisor (Pooled Staff)	0.05
Finance - Sr. Accountant	0.10
Database Administrator	0.50
Database Developer	<u>0.30</u>
SUBTOTAL ASO DMC PROGRAM	28.75

Utilization Management Staffing

Regional Ops Analyst	0.40
Manager of Provider Quality (Pooled)	1.00
Supervisor of Utilization Management	1.00
Utilization Management Clinician (Pooled)	12.00
Utilization Management Denials/Correspondence	0.50
Utilization Management Intake Coordinator (Pooled)	4.00
Medical Director	1.00
Physician Peer Advisor (Appeals)	0.25
Peer Advisor Scheduler (Pooled)	0.50
Appeals Review & Support (Pooled)	0.65
Clinical Support	2.00
Account Service Coordinator (Audits)	1.00
Business Analyst II	<u>1.00</u>
SUBTOTAL UM PROGRAM	25.30

TOTAL 54.50"

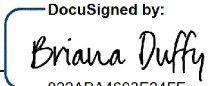

This Amendment No. 8 modifies the Contract, including its previous amendments, only as expressly set forth herein. Wherever there is a conflict in the terms or conditions between this Amendment No. 8 and the Contract, including its previous amendments, the terms and conditions of this Amendment No. 8 prevail. In all other respects, the terms and conditions of the Contract, including its previous amendments, remain in full force and effect.

**SIGNATURE PAGE FOLLOWS**

**SIGNATURE PAGE**

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 8. If Contractor is a corporation, Contractor shall provide two signatures as follows: 1) the first signature must be either the Chairman of the Board, the President, or any Vice President; 2) the second signature must be either the Secretary, an Assistant Secretary, the Chief Financial Officer, or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution or by-laws demonstrating the legal authority of the signature to bind the company.

Contractor: Carelon Behavioral Health of California, a California corporation

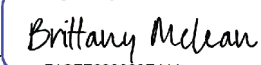
Briana Duffy	Market President
_____ Print Name	_____ Title
<small>DocuSigned by:</small>  _____ <small>022ABA4603E24FE...</small>	_____ 3/30/2026
	_____ Date
Rebecca Marshall	sVP, Carelon BH
_____ Print Name	_____ Title
<small>Signed by:</small>  _____ <small>6A2F8A2774954DA...</small>	_____ 3/30/2026
	_____ Date

County of Orange, a political subdivision of the State of California

Purchasing Agent/Designee Authorized Signature:

_____ Print Name	_____ Title
_____ Signature	_____ Date

APPROVED AS TO FORM  
OFFICE OF THE COUNTY COUNSEL  
ORANGE COUNTY, CALIFORNIA

Brittany McLean	Deputy County Counsel
_____ Print Name	_____ Title
<small>Signed by:</small>  _____ <small>71CFE638662E411...</small>	_____ 3/30/2026
	_____ Date