



# AGENDA STAFF REPORT

Control: 26001026

**MEETING DATE:** 05/19/2026

**LEGAL ENTITY TAKING ACTION:** Board of Supervisors

**BOARD OF SUPERVISORS DISTRICT(S):** All Districts

**SUBMITTING AGENCY/DEPARTMENT:** Health Care Agency

**DEPARTMENT CONTACT PERSON(S):** Veronica Kelley, 714-834-7024  
Mindy Winterswyk, 714-834-5052

**SUBJECT:** Renewal Amendment to Master Agreement for Community Clinic Services

| CEO CONCUR | COUNTY COUNSEL REVIEW     | CLERK OF THE BOARD                   |
|------------|---------------------------|--------------------------------------|
| Concur     | Approve agreement to form | DISCUSSION<br>3 Votes Board Majority |

|                      |                                     |   |
|----------------------|-------------------------------------|---|
| <b>Budgeted:</b> Yes | <b>Current Year Cost:</b> \$800,000 | <b>Annual Cost:</b> FY 2026-27<br>\$4,600,000<br>FY 2027-28 \$4,600,000 |
|----------------------|-------------------------------------|---|

|                            |   |  |
|----------------------------|---|--|
| <b>Staffing Impact:</b> No | <b>Funding Source:</b> State: Tobacco Settlement<br>Revenue: 100% | <b>Sole Source:</b> No<br><b>County Audit in Last 3 years:</b><br>No |
|----------------------------|---|--|

### Levine Act Review

**Completed?** Yes

**Prior Board Action:** 5/25/2021 #30

### RECOMMENDED ACTION(S):

1. Approve Amendment No. 3 to renew the Master Agreement for provision of Community Clinic Services for the term July 1, 2026, through June 30, 2028, for an aggregate amount not to exceed \$9,200,000, and to increase the current aggregate amount not to exceed by \$800,000, effective May 19, 2026, for a revised cumulative contract aggregate amount not to exceed \$40,166,030.
2. Authorize the County Procurement Officer or Deputized designee to execute Amendment No. 3 to the Master Agreement and the Individual Contracts to the Master Agreement for Community Clinic Services, as referenced in the Recommended Action above.

### SUMMARY:

Approval of Amendment No. 3 to renew the Master Agreement and individual contracts for Community Clinic Services will allow County to continue distribution of Tobacco Settlement Revenues to individual community clinics using an agreed-upon formula.

**BACKGROUND INFORMATION:**

Your Honorable Board of Supervisors (Board) approved the Master Agreement for Community Clinic Services on May 25, 2021. The below actions were executed pursuant to appropriate authorities.

| <b>Board Date</b> | <b>Contract/Amendment</b>                      | <b>Action</b>  | <b>Term</b>                  | <b>Contract Amount</b>        |
|-------------------|--|--|------------------------------|-------------------------------|
| May 25, 2021      | Master Agreement for Community Clinic Services | Board Approved Contract                                | July 1, 2021 – June 30, 2026 | \$29,517,590                  |
| N/A               | Amendment No. 1                                | Deputy Purchasing Agent (DPA) Administrative Amendment | July 1, 2022 – June 30, 2026 | Cumulative Total \$30,166,030 |
| N/A               | Amendment No. 2                                | DPA Contingency Increase                               | July 1, 2022 – June 30, 2026 |                               |

In accordance with Measure H and the policy guidelines approved by the Board on April 28, 2009, the proposed amendment aligns the Aggregate Maximum Obligation with Tobacco Settlement Revenue (TSR) funds received, and distributes allocations of TSR funds to licensed community clinics in Orange County for an additional two (2) year term, for their provision of direct medical, dental, mental health, vision and physical therapy/occupational therapy (PT/OT) services that would otherwise be unfunded. For each year of the Master Agreement, \$150,000 of projected funds is set aside for allocation to new community clinics, should any receive licensure from the State of California. A total of \$29,862,845 in TSR funds have been allocated to community clinics for the current Master Agreement term of July 1, 2021, to June 30, 2026, that covered 634,227 uncompensated encounters for Fiscal Years 2021-22 through 2024-25. The reimbursement rates per encounter are as follows:

| <b>Service</b> | <b>Rate</b> |
|----------------|-------------|
| Medical        | \$76        |
| Dental         | \$81        |
| Mental Health  | \$62        |
| Vision         | \$55        |
| PT/OT          | \$35        |

The Contractors’ performance has been confirmed as satisfactory. HCA has verified there are no concerns that must be addressed with respect to Contractors’ ownership/names, litigation status or conflicts with County interests.

These contracts do not currently include subcontractors or pass through to other providers. See Attachment B for Contract Summary Form.

The Orange County Preference Policy is not applicable to these amendments.

HCA requests that the Board approve Amendment No. 3 for Community Clinic Services with various providers, as referenced in the Recommended Actions.

**FINANCIAL IMPACT:**

Appropriations for this amendment are included in Budget Control 042 FY 2025-26 and will be included in the budgeting process for future years.

The Contract includes provisions allowing HCA to terminate the Contract, reduce the level of services, and/or renegotiate the levels of services provided, as necessary. This includes a notice that allows HCA adequate time to transition or terminate services to clients, if necessary.

**STAFFING IMPACT:**

N/A

**REVIEWING AGENCIES/DEPARTMENTS:**

N/A

**ATTACHMENTS:**

Attachment A – Amendment No. 3 to MA-042-21011492 for Community Clinic Services Attachment B – Contract Summary Form

Attachment B - Contract Summary Form

Attachment C – Orange County Municipal Code, Article 14, Section 1-4-250

Attachment D – Board Approved Policy Guidelines – TSR Community Clinics