

AGREEMENT FOR SERVICES #4330
AMENDMENT III

This Third Amendment to that Agreement for Services #4330, is made and entered into by and between the County of El Dorado, a political subdivision of the State of California (hereinafter referred to as "County") and Telecare Corporation, a California corporation, duly qualified to conduct business in the State of California, whose principal place of business is 1080 Marina Village Parkway, Suite 100, Alameda, California 94501 (hereinafter referred to as "Contractor");

RECITALS

WHEREAS, Contractor has been engaged by County to operate the El Dorado County Psychiatric Health Facility, pursuant to Agreement for Services #4330, dated December 17, 2019, First Amendment to Agreement for Services #4330, dated March 7, 2022, and Second Amendment to Agreement for Services #4330, dated January 23, 2024, incorporated herein and made by reference a part hereof (hereinafter referred to as "Agreement");

WHEREAS, County issued a Request for Proposal No. 19-918-083 to select a contractor to operate its Psychiatric Health Facility, which included the potential for a term beyond the initial five year term for services, and the Board of Supervisors awarded the bid to Contractor on August 13, 2029, in response to the Contractor's submitted proposal;

WHEREAS, the parties hereto desire to amend the Agreement to extend the expiration date of December 31, 2025 by six (6) months, with the option to extend the expiration date for an additional six (6) months, not to exceed a total extension of twelve (12) months, amending **ARTICLE II, Term**;

WHEREAS, the parties hereto desire to amend the Agreement to increase the not-to-exceed compensation amount of the Agreement, which includes the Operations Incentive Payment Options, by \$3,550,000 for the initial six-(6) month term extension, and \$3,550,000 for the optional six-(6) month term extension, for a total increase to the maximum obligation of \$7,100,000, amending **ARTICLE III, Compensation and Maximum Obligation, Section A**;

WHEREAS, the parties hereto desire to amend the Agreement to update standard contract language, amending **ARTICLE V, Notice to Parties**;

WHEREAS, the parties hereto desire to amend the Agreement to add **ARTICLE XXXV, Generative Artificial Intelligence** to include updated contract provisions;

WHEREAS, unless otherwise specified herein, the following terms and conditions shall be effective upon final execution by both parties hereto of this Third Amendment to that Agreement #4330;

NOW THEREFORE, in consideration of the foregoing and the mutual promises and covenants hereinafter contained, County and Contractor mutually agree to amend the terms of the Agreement in this Third Amendment to Agreement #4330 on the following terms and conditions:

- 1) **ARTICLE II, Term**, of the Agreement is amended in its entirety to read as follows:

Term: This Agreement shall become effective upon final execution by both parties hereto and shall cover the initial period of January 1, 2020 through June 30, 2026. This Agreement may be extended for an additional six (6) months after the initial term through December 31, 2026. The option to extend shall be subject to County Contract Administrator and Behavioral Health Director approval and Contractor shall be notified of the extension in accordance with the Article titled "Notice to Parties."

- 2) **ARTICLE III, Compensation and Maximum Obligation**, of the Agreement is amended in its entirety to read as follows:

ARTICLE III

Compensation and Maximum Obligation:

- A. For purposes of this Agreement, a fiscal year shall be defined as July 1 to June 30. The maximum obligation for services, deliverables, and Incentive Payments paid under this Agreement shall not exceed as follows:

Base Compensation for the Psychiatric Health Facility Operations	Annual Base Compensation	Annual Maximum Obligation (inclusive of incentive payments outlined below)
January 1, 2020 through June 30, 2020 (This is the remaining amount based on \$2,391,553 paid on prior contract.)	\$2,344,375	\$2,344,375
Fiscal Year 2020/21	\$4,830,647	\$4,830,647
Fiscal Year 2021/22	\$4,927,259	\$4,927,259
Fiscal Year 2022/23	\$5,025,805	\$5,025,805
Fiscal Year 2023/24	\$5,600,000	\$7,100,000
Fiscal Year 2024/25	\$5,600,000	\$7,100,000
July 1, 2025 through December 31, 2025	\$2,800,000	\$3,550,000
January 1, 2026 through June 30, 2026	\$2,800,000	\$3,550,000
July 1, 2026 through December 31, 2026 (if extended)	\$2,800,000	\$3,550,000
Maximum Services Obligation:	\$36,728,086	\$41,978,086

Obligation For Operations Incentive Payments: Monthly incentive payments are contingent on Contractor's reported census data including list of Client names submitted to HHSA Utilization Review Department, consistent with ARTICLE I, Scope of Agreement, K. Administrative Obligations to County, 3. County Audits, Utilization Review, and Compliance, (as defined in a. through h in this Section) of the Agreement.	
Census Rate	Maximum Monthly Incentive Payments
Average of 9.6 – 10.3 Medi-Cal-Billable Daily Bed Days for the month	\$25,000
Average of 10.4 – 11.1 Medi-Cal-Billable Daily Bed Days for the month	\$50,000
Average of 11.2 – 11.9 Medi-Cal-Billable Daily Bed Days for the month	\$75,000
Average of 12.0 – 12.7 Medi-Cal-Billable Daily Bed Days for the month	\$100,000
Average of 12.8 or greater Medi-Cal-Billable Daily Bed Days for the month	\$125,000
Maximum Obligation For Operations Incentive Payments	\$5,250,000

Total Maximum Contractual Obligation: The Maximum Contractual Obligation shall not exceed \$38,428,086 for the initial term ending June 30, 2026, and \$41,978,086 if the term is extended through December 31, 2026, inclusive of all costs and expenses for the term of the Agreement and including maximum Operation Incentive payments upon receipt of deliverables.

1. This Agreement shall be subject to any restrictions, limitations, and/or conditions imposed by County or state or federal funding sources that may in any way affect the fiscal provisions of, or funding for this Agreement. This Agreement is also contingent upon sufficient funds being made available by County, state, or federal funding sources for the term of the Agreement.
2. If the federal or state governments reduce financial participation in the Medi-Cal program, County agrees to meet with Contractor to discuss renegotiating the services required by this Agreement.
3. In no event shall County be obligated to pay Contractor for any amount in excess of the maximum obligation per fiscal year, or partial fiscal year as applicable, of this Agreement. Further, Contractor is responsible for managing their Maximum Annual Contractual Obligation by Program and Contractor holds the County harmless for Contractor over-spending of the Maximum Annual Contractual Obligation by Program.
4. Subject to the written approval of the County Contract Administrator and HHSA Chief Fiscal Officer, or their designees', County may reallocate the maximum obligations listed from Operations Incentive Payments to Base Compensation for Operations, as needed, within the same Fiscal Year, which specifically would allow County to reallocate any portion, or the entirety thereof, of the Operations Incentive Payments to Base Compensation for Operations. Any reallocation of funding will be prospective and not affect compensation for services rendered prior to the effective date of the reallocation. In no event shall the total maximum obligation of the Agreement be exceeded. County will provide written notice of a reallocation of funding to Contractor in accordance with the ARTICLE titled "Notice to Parties."

- 3) **ARTICLE V, Notice to Parties**, of the Agreement is amended in its entirety to read as follows:

ARTICLE V

Notice to Parties: All notices to be given by the parties hereto shall be in writing, with both the County Health and Human Services Agency and County Chief Administrative Office addressed in said correspondence and served by either United States Postal Service mail or electronic email. Notice by mail shall be served by depositing the notice in the United States Post Office, postage prepaid and return receipt requested, and deemed delivered and received five (5) calendar days after deposit. Notice by electronic email shall be served by transmitting the notice to all required email addresses and deemed delivered and received two (2) business days after service.

Notices to County shall be addressed as follows:

with a copy to:

COUNTY OF EL DORADO
Health and Human Services Agency
3057 Briw Road, Suite B
Placerville, CA 95667
ATTN: Contracts Unit
Email: hhsa-contracts@edcgov.us

COUNTY OF EL DORADO
Chief Administrative Office
Procurement and Contracts Division
330 Fair Lane
Placerville, CA 95667
ATTN: Purchasing Agent
Email: procon@edcgov.us

or to such other location or email as County directs.

Notices to Contractor shall be addressed as follows:

Telecare Corporation, Inc.
1080 Marina Village Parkway
Alameda, CA 94501
ATTN: Contracts Department
contracts@telecarecorp.com

or to such other location or email as Contractor directs.

- 4) **ARTICLE XXXV, Generative Artificial Intelligence**, is hereby added to read as follows:


Generative Artificial Intelligence: For the purposes of this provision, “Generative AI (GenAI)” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)

- A. Contractor shall immediately notify the County in writing if it: (1) intends to provide GenAI as a deliverable to the County; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State or County system (“System”), (ii) risk to the State or County, or (iii) performance of this Agreement. For avoidance of doubt, the term “materially impacts” shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.

- B. Notification shall be provided to the County's Contract Administrator identified in this Agreement.
- C. At the direction of the County, Contractor shall discontinue the provision to the County of any previously unreported GenAI that results in a material impact to the functionality of a System, risk to the State or County, or performance of this Agreement, as determined by the County.
- D. If the use of previously undisclosed GenAI is approved by the County, the Parties will amend the Agreement accordingly, which may include updating the description of deliverables and incorporating GenAI Special Provisions into the Contract, at no additional cost to the County.
- E. The County, at its sole discretion, may consider Contractor's failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of this Agreement when such failure results in a material impact to the functionality of the System, risk to the State or County, or performance of this Agreement. The County is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.


Except as herein amended, all other parts and sections of that Agreement #4330 shall remain unchanged and in full force and effect.

Requesting Contract Administrator Concurrence:

By: 
[Christianne Kernes \(Nov 14, 2025 08:37:44 PST\)](#)
Christianne Kernes, LMFT
Deputy Director
Behavioral Health Division

Dated: 11/14/2025

Requesting Department Head Concurrence:

By: 
[Olivia Byron-Cooper \(Nov 14, 2025 08:39:01 PST\)](#)
Olivia Byron-Cooper, MPH
Director
Health & Human Services Agency

Dated: 11/14/2025

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Agreement for Services #4330 on the dates indicated below.

-- COUNTY OF EL DORADO --

By: _____
Chair
Board of Supervisors
"County"

Dated: _____

Attest:
Kim Dawson
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

Dated: _____

-- TELECARE CORPORATION, INC. --

By: *Dawan Utecht*
[Dawan Utecht \(Nov 17, 2025 14:44:12 PST\)](#)
Dawan Utecht
Chief Development Officer
"Contractor"

Dated: 11/17/2025

By: *Trisha Niemuth*
[Trisha Niemuth \(Nov 17, 2025 17:17:47 CST\)](#)
Trisha Niemuth
Chief Financial Officer

Dated: 11/17/2025