

**MODIFICATION NO. 17
BETWEEN WAYNE COUNTY
AND BRIDGEWAY SERVICES, INC. CMO
CFS CONTRACT # 13-04-022-Q
PURCHASING CONTROL # 37-12-117-BM17**

THIS MODIFICATION is entered into between the **County of Wayne**, Michigan, a public body corporate and Charter County, acting through its **Department of Health, Veterans, and Community Wellness** [formerly, Department of Children and Family Services ("County")], and **Bridgeway Services, Inc.** ("Contractor") and modifies the CFS Contract No. 13-04-022, approved by the Wayne County Commission on April 4, 2013 by Resolution No. 2013-215; as modified by CFS Contract No. 13-04-022-A approved by the Wayne County Commission on July 11, 2013 by Resolution No. 2013-450; by CFS Contract No. 13-04-022-B approved by the Wayne County Commission on October 3, 2013 by Resolution No. 2013-634; by CFS Contract No. 13-04-022-C approved by the Wayne County Commission on November 7, 2013 by Resolution No. 2013-710; by CFS Contract No. 13-04-022-D approved by the Wayne County Commission on January 23, 2014 by Resolution No. 2014-019; by CFS Contract No. 13-04-022-E approved by the Wayne County Commission on April 3, 2014 by Resolution No. 2014-164; by CFS Contract No. 13-04-022-F approved by the Wayne County Commission on June 19, 2014 by Resolution No. 2014-328; by CFS Contract No. 13-04-022-G, approved by the Wayne County Commission on October 2, 2014 by Resolution No. 2014-561; by CFS Contract No. 13-04-022-H, approved by the Wayne County Commission on October 16, 2014 by Resolution No. 2014-599; by CFS Contract No. 13-04-022-I, approved by the Wayne County Commission on December 4, 2014 by Resolution No. 2014-706; by CFS Contract No. 13-04-022-J, approved by the Wayne County Commission on March 19, 2015 by Resolution No. 2015-081; by CFS Contract No. 13-04-022-K approved by the Wayne County Commission on July 16, 2015 by Resolution No. 2015-368; by CFS Contract No. 13-04-022-L approved by the Wayne County Commission on October 1, 2015 by Resolution No. 2015-506; by CFS Contract No. 13-04-022-M, approved by the Wayne County Commission on November 19, 2015 by Resolution No. 2015-587; by CFS Contract No. 13-04-022-N approved by the Wayne County Commission on February 18, 2016 by Resolution No. 2016-063; by CFS Contract No. 13-04-022-O approved by the Wayne County Commission on August 18, 2016 by Resolution No. 2016-453 and by CFS Contract No. 13-04-022-P, submitted for approval.

1. Appendix C-4, Section XXI, headed "Maximum Contract Value," is modified by increasing the contract maximum from **\$54,805,305.99** to **\$55,770,743.71**, to account for FY 17 budget adjustment increase in the amount of **\$965,437.72**.
2. All other terms and conditions of the Contract shall remain in full force and effect.
3. Each party warrants that its agent signing this Modification is authorized to bind its principal.

4. This Modification is subject to the County's policies regarding amendment of contracts.
5. This Modification shall become part of the Contract between the parties and shall become effective upon review and approval by the Wayne County Commission and execution by the Wayne County Executive.

BRIDGEWAY SERVICES, INC.

By: Kari Walker

Kari Walker

Its: Chief Executive Director

Date: 9-26-2016

COUNTY OF WAYNE

By: Warren C. Evans

Warren C. Evans

Its: Wayne County Executive

Date: 12/2/16

APPROVED AS TO FORM

Jane Anderson-Deis
Department of Corporation Counsel
9/20/16

Bridgeway Services, Inc.
Care Management Organization
Appendix C-4
Compensation
Effective 10/1/16 -- 9/30/17

I. CMO Compensation Schedule

- A. Base compensation for the period October 1, 2016 to September 30, 2017 is currently fixed at the amount of **\$12,519,719.53** and shall be distributed in monthly payments of **\$1,043,309.96**. This base compensation shall be subject to adjustment as set forth in Section I.B.
- B. The Contractor's base compensation for the period set forth in Section I.A. is calculated by multiplying the approved total budget for all CMOs for said period by the Contractor's percentage of the total year-to-date CMO caseload for FY16, as measured through June, 2016 ("base caseload percentage"). That percentage is **23.7418%**. The base compensation shall be adjusted by the variable amounts identified in Section VI.
- C. Compensation shall be inclusive of case management, supervision, level of care, therapeutic treatment, out-of-home placements and administration up to the maximum number of juveniles assigned to the Contractor by Wayne County, as defined in Section IV. A. 3.
- D. The above compensation schedule shall apply to juveniles placed in Department of Human Services (DHS) juvenile justice training schools, the Wayne County Juvenile Detention Facility, and to juveniles placed in private residential facilities that are paid for directly by Wayne County (e.g., Spectrum Residential Care Center). Payments (per diem rates) to these out-of-home placement providers will be the responsibility of Wayne County, not the Contractor. The CMO shall have ongoing case management and planning responsibilities during any period of placement in these facilities.
- E. The Covered Services required for compensation are set forth in Appendix A and D and in the Juvenile Justice Services Handbook (JJSH Handbook).
- F. The Contractor's base compensation shall be adjusted quarterly as determined by the Contractor's actual percentage of the total CMO caseload for the quarter compared to the Contractor's base caseload percentage specified in Section I.B. When the Contractor's actual caseload percentage for a fiscal year quarter is greater than or less than its base caseload percentage, the Contractor shall be subject to a retroactive compensation adjustment for that quarter. The adjustment shall be calculated as the difference between the Contractor's actual caseload percentage for that quarter and its base caseload percentage, times one-quarter of the total budgeted amount for all CMOs for the fiscal year. If the Contractor's actual caseload percentage for a quarter is greater than its base caseload percentage, it will receive a payment from the County in the amount of its

retroactive compensation adjustment. If the Contractor's actual caseload percentage for a quarter is less than its base caseload percentage, it shall refund the County an amount equal to its retroactive compensation adjustment. The calculated amount of the adjustment gain or loss for the CMO shall be reduced by fifty percent (50%). The sum of the retroactive compensation adjustments for all CMOs for a given quarter shall equal zero dollars. The retroactive compensation adjustment process shall neither increase nor decrease the total budgeted amount for all CMOs for the fiscal year.

1. Retroactive compensation adjustments shall be accounted for within 45 days after the close of the quarter as a payment adjustment, except for retroactive compensation adjustments for the final quarter of the Contract, which shall be paid or refunded within 45 days after contract termination.
 2. In the event the Contractor owes the County a refund in the amount of its retroactive compensation adjustment, the parties agree that the County shall deduct the amount of that refund from payments the County owes the Contractor under this or other contracts.
- G. A Preferred Provider Network (PPN) comprised of residential agencies may be established by and at the sole discretion of Wayne County. The PPN is a group of residential agencies that has created a unique scope of service and compensation schedule that is specific to the design and needs of Wayne County's juvenile services system. The county will define minimum credentials and eligibility standards for membership, select and enroll agencies, and set compensation schedules for the PPN. The Contractor may recommend providers for membership in the PPN. The contractor shall use PPN agencies on a priority basis before a juvenile can be referred to a non-PPN vendor. The Contractor shall adhere to the policies and procedures for the PPN, as set forth in the JJSH.

II. Care Management Track Utilization (CMT)

The duration of enrollment for specific Care Management Tracks (CMTs) will be subject to utilization policy defined in the JJSH Handbook.

III. Unscheduled Rates

- A. The Director of the Wayne County Department of Children and Family Services ("CFS" or "Department") can authorize an unscheduled rate when:
1. There is a diagnostic finding that the juvenile presents a medical necessity for treatment.
 2. Necessary treatment cannot be accessed or provided within the pre-authorized CMO Rate Schedule

- B. The Director may authorize an unscheduled rate-band in order to manage population crowding at the County operated Juvenile Detention Facility (JDF), so that the facility may continue to operate within its licensed capacity.

IV. Financial Risk

- A. Compensation as calculated in Section I constitutes fixed reimbursement to the Contractor for the provision of Covered Services to assigned juveniles for the fiscal year covered by this Appendix C-4. The average daily caseload required for payment of compensation shall be calculated as follows:
1. The average daily caseload of all juveniles served by the Contractor for the period 10/1/15 – June, 2016, as documented in the Department's "CMO FY14 Expenditure Analysis" report, which is 214, plus:
 2. A potential increase in the average daily caseload of juveniles served, not to exceed 10.0% of the average daily caseload set forth in Section IV.A.1 above, equaling an average of 21 juveniles served per day.
 3. The total average daily caseload of juveniles to be served in for the FY 17 term of this contract shall not exceed 235.4.
- B. In the event that the Contractor reaches the maximum number of juveniles to be served in the fiscal year and there is another CMO Contractor that has not reached the maximum number of juveniles to be served, the County can reassign cases to that CMO. The County reserves the right and authority to rebalance the average daily caseload among all CMO Contractors up to the total average daily caseload defined in IV. A. 3. for all five CMOs. There shall be no compensation adjustment to the Contractor for implementation of this provision.
- C. The Contractor understands and accepts case responsibility for the provision of mandated and Court ordered Juvenile Justice Services to assigned juveniles, as set forth in this Contract, section 400.117a(1)(c) of the Social Welfare Act (1939 PA 280) and superintending court orders, in return for compensation as set forth herein.

V. Incentive

- A. Wayne County has entered into a contract with the Michigan Department of Human Services to participate in the federal Title IV-E Foster Care Program. This contract specifies funds that originate with the US Department of Health and Human Services that can be distributed to Wayne County, subject to adherence to federal regulations. As set forth in Appendix D of this Contract, a clear nexus exists between the Contractor's performance or non-performance of Title IV-E program requirements and Wayne County's capacity to make valid claims for reimbursement of eligible federal maintenance and administrative expenses for eligible juveniles.
- B. Title IV-E revenue distributed to Wayne County, above a County defined baseline amount, will be shared with the Contractor. The County shall

determine in October of each contract year the Title IV-E revenue amount that it will fully retain. 75% of said revenue in excess of the County's baseline retention amount shall be evenly distributed to each CMO Contractor, up to any cap amount set by Wayne County

- C. Title IV-E revenue sharing payment will be distributed within 45 calendar days of the date on which IV-E reimbursement to the county is determined to exceed the baseline threshold amount.
- D. The County may set a maximum amount of Title IV-E revenue that will be shared with the CMO in each County fiscal year for the term of this Contract.
- E. At the discretion of the CMO Title IV-E revenue sharing compensation may be distributed to subcontract vendors. Sharing of said revenue should be tied to the vendor's achievement of performance benchmarks.

VI. Payment Calculation

- A. The Contractor's monthly payment shall be comprised of the total of the following from this Appendix C-4:

- 1. Compensation as calculated in Section I.
- 2. Incentive amounts as set forth in Section V.
- 3. Off-set amounts as set forth in this Section VI.
- 4. Payment adjustments as set forth in Section I.F.

B. Placement in DHS Training Schools

- 1. Payment for Wayne County youth in DHS operated facilities will be through the State Ward Board and Care process. The CMO will not be responsible for a provider payment.
- 2. Wayne County will not fully fund costs for juveniles in DHS training schools who are placed as a result of a traditional juvenile court disposition (i.e. non-adult proceeding) or as a result of the CMO's placement recommendation to the Court. The Contractor will be charged 50% of the State Ward Charge Back rate set by the Michigan Department of Social Services for each day that a juvenile is placed in a DHS juvenile justice training school facility. This charge will be assessed as an off-set to the Contractor's monthly compensation.

- a. Juveniles that are Court ordered to a DHS training school pursuant to a waiver or designated proceeding will be fully paid for by Wayne County. The Contractor will not be assessed a charge.

- C. A juvenile's placement at the Wayne County Juvenile Detention Facility (WCJDF) is capped at a combined 21 consecutive calendar days following completion of legal proceedings relative to a specific detention episode. The 21 consecutive days shall be calculated from the date of the court disposition

hearing. In the event of a supplemental proceeding, the 21 consecutive days for that period of detention shall be calculated from the date of the supplemental dispositional hearing.

1. With respect to each consecutive day beyond 21 spent in detention at WCJDF, the CMO Contractor's compensation shall be reduced by an amount equal to 50% of the WCJDF per diem rate calculated for each county fiscal year. This charge will be assessed as an off-set to the Contractor's monthly compensation. The County shall set the daily amount of the offset on or about October 31 of each contract year.
2. If a juvenile's stay in WCJDF exceeds 21 consecutive days due to circumstances not within the direct control of the Contractor, the charge set forth in C.1. above may be waived. The Department will exercise its authority and discretion to approve said waiver.

D. The dates of enrollment and dis-enrollment are defined as follows:

1. Juveniles Committed or Placed with CFS: Date of wardship disposition (court hearing date) and date of wardship termination (court hearing date) that is entered on the order by the Circuit Court, as recorded on the County's JAIS.
2. Juveniles on Probation with CFS: Date of disposition (court hearing date) and termination authorized by the JAC and within the date range of the order of probation, as recorded on the County's JAIS.
3. Non-Wards (Detention Only): Date of detention admission and termination authorized by the JAC, as recorded on the County's JAIS.

VII. Other Revenue Sources

- A. The Contractor may collect and retain third-party reimbursement when possible, except for those fund sources excluded as set forth in Appendix A. Any third-party collections received by the Contractor shall be reserved for the enhancement of Covered Services or for deposit into the risk pool established by the Contractor to assist in assuring the financial viability of the Contractor against unanticipated costs of providing Covered Services. Permissible third-party collections received by the Contractor shall not offset or be a credit against the payments owing to the Contractor. Juveniles participating in services paid for by a third party shall continue to be eligible for base compensation.
- B. Wayne County will use its best efforts to work with the Detroit Wayne Mental Health Authority to assist in the process of obtaining DWMHA prevention funding for eligible juveniles who receive eligible services from the Contractor.

VIII. Reimbursement Based Payment System

The compensation schedule will be a reimbursement-based system, subject to the compensation schedule set forth in this Appendix C-4. The Contractor shall incur expenses and bill Wayne County for reimbursement on a monthly schedule, as set forth in the JJSH Handbook.

IX. Reductions in Payments

A. The County shall make financial deductions from payments owing under this Appendix C-4 in the following amounts:

1. Amounts necessary to make payments to a Participating Provider in accordance with Articles 19.05, 20.06, 20.07 or 20.08 of the Contract.
2. Amounts in satisfaction of the indemnity of the Contractor to the County for holds under Articles 13.01, 13.02 and 13.03 of the Contract.

X. Limitations Upon the County's Payment Obligations

- A. Every effort must be made by the Contractor to review, request and reconcile any payment adjustments for each submitted monthly invoice prior to submission of the next month's invoice. Payment adjustments must be submitted to Wayne County within 180 consecutive calendar days from the date of actual service delivery (connected to the payment claim). An invoice for a day-of-care that was provided by the Contractor or a Participating Provider more than 180 calendar days from the date the invoice was received by Wayne County shall not be reimbursed.
- B. The obligations of the County to make the payments required under this Contract will be subject to and conditional upon the appropriation of funds for such purposes by the Wayne County Commission and, for any period that the County is a County Juvenile Agency, upon the appropriation and disbursement of the Block Grant by the State.
- C. When it has been determined through exception, independent audit or otherwise that there has been an overpayment, the County will recover the overpayment. The County will establish a schedule to recoup overpayments, including adjustments to future payments owed to a contractor. Overpayments may be recovered for any period, at the sole discretion of Wayne County.

XI. Reimbursement from Other Sources

- A. Except as provided by this Contract, the payments to the Contractor constitute full payment for all Covered Services (whether performed by the Contractor or subcontractors) and all other obligations of the Contractor under this Contract.

XVI. Payment for Detention Services for Non-Ward Juveniles

Compensation as calculated in Section I shall be inclusive of payment for detention placement for juveniles in pre-disposition status who are assigned by the JAC to a County approved private agency detention facility or for home-based detention services.

XVII. Payment Distribution Schedule

Payments to the CMO will be issued monthly, on or about the 10th calendar day of each month for services rendered during the prior month.

XVIII. Family Preservation Services

There is no funding for family preservation services for the period following March 31, 2014.

XIX. Cost Containment

- A. The Contractor's administrative expenses shall not exceed 4.5% of the amount in Section I of this Appendix C-4. For the purpose of this Section XIX.A, the term "administrative expenses" shall be defined as expenses that are not directly tied to the Contractor's specific juvenile services function but are necessary to the operation of the whole organization. Administrative expenses include rent, maintenance, travel per diems, real estate taxes, insurance, training, consultation, communications, utilities, and supplies. The following shall not be classified as administrative expenses: case management and associated supervision, debt service and depreciation.
- B. The Contractor acknowledges and agrees that this Contract represents a "Pilot Program" and that, if the Contractor does not meet its cost containment guarantees relative to maximum compensation and administrative costs, the County may, at its sole discretion and at any time, reassign all or a portion of the Contractor's responsibilities to one or more other CMO Contractors, with a corresponding reduction in the amount of this Contract.
- C. Upon commencement of this Contract, the contractor shall disclose the compensation paid to each of its employees. Said disclosure shall be for each employee individually and shall include the following separate line items: salary or wages; medical benefits; dental benefits; optical benefits; pension benefits; deferred compensation benefits; and any other benefits not included in the foregoing recitation of benefits. This written disclosure shall be provided to the Department on or before May 15, 2013. The County shall have the right, on reasonable notice, to audit the Contractor's books and records to verify the accuracy and completeness of said disclosures.
- D. Upon commencement of this Contract, the Contractor shall provide information on all real property it owns or leases, including the address; the nature of its interest, whether ownership or leasehold; and a written narrative

explaining how the parcel is used to further the purposes, goals and objectives of this Contract. The County shall have the right, on reasonable notice, to audit the Contractor's books and records to verify the accuracy and completeness of said disclosures.

XX. Reserved

XXI. Maximum Contract Value

- A. Subject to Section XXI.B and XXI.C, the maximum amount of this Contract for the period April 1, 2013 through September 30, 2017, shall not exceed **\$55,770,743.71**.
- B. In the event that fewer than five agencies enter into a CMO contract with Wayne County, Wayne County may distribute among the CMO Contractors, the total average daily caseload as of September 30, 2015; shall modify and reallocate ZIP code allocations set forth in Appendix B as necessary to effect such distribution; and shall adjust the maximum value of this contract accordingly.