

AGREEMENT

CMSP ELIGIBILITY AND BENEFIT SYSTEM CHANGES AGREEMENT

BETWEEN

**COUNTY MEDICAL SERVICES PROGRAM GOVERNING BOARD
("CMSP GOVERNING BOARD")**

AND

**CALIFORNIA STATEWIDE AUTOMATED WELFARE SYSTEM (CALSAWS)
CONSORTIUM
("CALSAWS")**

May 1, 2026

AGREEMENT

This Agreement (the “**Agreement**”) is entered into by and between the County Medical Services Program Governing Board (“**CMSP Governing Board**”) and California Statewide Automated Welfare System (CalSAWS) Consortium (“**CalSAWS**”), and is effective as of May 1, 2026 (the “**Effective Date**”). The CMSP Governing Board and CalSAWS may be referred to herein individually as a “**Party**” and collectively as the “**Parties.**”

RECITALS

A. The CMSP Governing Board administers the County Medical Services Program (“**CMSP**”), a county-based health coverage program, and CMSP eligibility determinations and enrollment activities are supported through the CalSAWS system in participating counties.

B. The CMSP Governing Board has considered and authorized continued development of certain CMSP eligibility and benefit changes to address program sustainability and anticipated enrollment impacts associated with changes in federal law and related implementation requirements, including changes anticipated to be effective January 1, 2027.

C. Implementation of CMSP eligibility and benefit changes in participating counties, and any related county onboarding (i.e., the addition of a new county to CMSP participation) or county-specific configuration work approved by the Parties, requires or may require system configuration, programming, testing, deployment support, and related updates (including notices and forms, as applicable) within CalSAWS.

D. CalSAWS has the expertise and capacity to perform the services described in this Agreement and **Appendix A** (Statement of Work).

E. The Parties have developed the Statement of Work attached hereto as **Appendix A**, and the CMSP Governing Board desires to provide funding to CalSAWS for performance of the Services described therein, subject to the terms and conditions of this Agreement and any approved Change Orders.

Therefore, in consideration of the foregoing Recitals and the mutual promises and covenants set forth below, the Parties agree as follows:

1. DESCRIPTION OF SERVICES.

(a) **Services.** The CMSP Governing Board hereby engages CalSAWS to perform, and CalSAWS shall perform, the services and deliverables described in **Appendix A** (Statement of Work) (the “**Services**”). **Appendix A** is incorporated herein by this reference. CalSAWS shall perform the Services in accordance with the terms of this Agreement and consistent with applicable federal and state laws, regulations, and program requirements applicable to CalSAWS’s performance hereunder.

(b) **Project Management; Coordination.** CalSAWS shall provide project

management for the Services and participate in the coordination meetings identified in **Appendix A**. In connection with such meetings, CalSAWS shall provide reasonable high-level updates regarding key milestones, overall progress, and material issues affecting schedule or scope.

(c) **Contingency; No Commitment to Implement.** CMSP Governing Board may provide CalSAWS with proposed policy direction and may authorize preparatory planning, analysis, and scoping activities under **Appendix A**. Any configuration, deployment, or implementation of CMSP eligibility or benefit changes in the CalSAWS system is expressly contingent upon final action by the CMSP Governing Board following completion of any required public meetings and approvals. If the CMSP Governing Board does not adopt, modifies, or delays the proposed changes, the Parties will confer in good faith regarding appropriate adjustments to the Statement of Work, schedule, and compensation through the Change Order process.

(d) **No Ongoing Maintenance Unless Included.** Unless otherwise expressly stated in **Appendix A**, CalSAWS's obligations under this Agreement are limited to performance of the Services described in **Appendix A** and do not include ongoing operations, maintenance, or support after acceptance of the applicable deliverables, except to the extent such post-implementation support is expressly included in **Appendix A** (e.g., warranty/defect correction or limited stabilization support).

2. COMPENSATION.

(a) In consideration for CalSAWS's performance of the Services, the CMSP Governing Board shall compensate CalSAWS in the amounts, and in accordance with the payment schedule, milestone structure (if any), and any not-to-exceed limits set forth in **Appendix B (Compensation and Payment Terms)**, which is attached hereto and incorporated herein by this reference.

(b) **Notice of Completion.** CalSAWS shall provide the CMSP Governing Board a written notice of completion and acceptance readiness for the applicable Deliverables (a "**Notice of Completion**") in accordance with the acceptance process, criteria, and deliverables identified in **Appendix A**. The Notice of Completion shall be executed by an authorized representative of CalSAWS and shall certify that the applicable Deliverables have been implemented (or made available for implementation, as applicable) and operate in substantial conformance with the Statement of Work and acceptance criteria in **Appendix A**. Delivery of a complete and executed Notice of Completion for the final milestone (or final Deliverable) is a condition of final payment, as described in **Appendix B**. The form of Notice of Completion is set forth in **Appendix B**.

(c) Except as expressly provided in **Appendix A** or **Appendix B**, each Party shall be responsible for its own costs and expenses of performing under this Agreement, including compensation and costs of its personnel and any taxes or assessments applicable to that Party.

3. TERM AND TERMINATION.

(a) **Term.** This Agreement shall be effective as of May 1, 2026 and shall remain in effect until the earlier of (i) completion and final acceptance of the Services (including any

applicable warranty or stabilization period expressly set forth in **Appendix A**), or (ii) December 31, 2027, unless earlier terminated in accordance with this Section 3.

(b) **Termination for Convenience.** Either Party may terminate this Agreement for convenience, with or without cause, upon thirty (30) calendar days' prior written notice to the other Party.

(c) **Termination for Cause.** Either Party may terminate this Agreement immediately upon written notice if the other Party materially breaches this Agreement and fails to cure such breach within fifteen (15) calendar days after receipt of written notice specifying the breach; provided, however, that if the breach is not reasonably capable of cure within fifteen (15) days, the breaching Party shall not be deemed in default if it commences cure within such period and diligently pursues cure to completion.

(d) **Effect of Termination; Payment.** In the event of termination, CMSP Governing Board shall pay CalSAWS for (i) Services actually performed and accepted (or, if termination occurs prior to acceptance, Services performed in accordance with **Appendix A** up to the effective date of termination), and (ii) authorized, reasonable, and documented non-cancelable costs incurred by CalSAWS prior to the effective date of termination, in each case in accordance with **Appendix B**. CMSP Governing Board shall not be responsible for payments related to work not performed as of the effective date of termination, except for non-cancelable costs expressly authorized under **Appendix A** or **Appendix B**.

(e) **Transition/Delivery Upon Termination.** Upon termination, CalSAWS shall provide CMSP Governing Board with any work product, documentation, and status information reasonably necessary to transition or close out the Services performed as of the effective date of termination, subject to any applicable confidentiality or security requirements.

(f) **Return of Confidential Information.** Upon termination, each Party shall return or destroy the other Party's Confidential Information in its possession or control, subject to any retention obligations under applicable law and each Party's records retention policies.

4. **WARRANTY AND DISCLAIMER OF WARRANTY.**

(a) **Warranty.** CalSAWS warrants that the Deliverables produced under this Agreement, when implemented in accordance with the mutually agreed specifications for such Deliverables, shall substantially conform to the applicable acceptance criteria expressly set forth for such Deliverables in **Appendix A** (the "Warranty").

(b) **Warranty Period; Correction of Nonconformities.** For a period of one hundred eighty (180) days following implementation of the applicable Deliverable(s) in the CalSAWS production environment (or such other start date as specified in **Appendix A**) (the "Warranty Period"), CalSAWS shall, at no additional charge, correct any failure of the Deliverables to substantially conform to the Warranty that is described in a written notice received from the CMSP Governing Board during the Warranty Period. CalSAWS shall use reasonable efforts to correct

reported nonconformities within a reasonable time, taking into account the severity and operational impact of the nonconformity.

(c) **Post-Warranty Changes/Support.** After expiration of the Warranty Period, any further corrections, enhancements, or changes requested by the CMSP Governing Board shall be performed only if and to the extent expressly included in **Appendix A** (e.g., maintenance or support services) or otherwise authorized through a Change Order in accordance with this Agreement, and may be subject to additional fees as set forth in **Appendix B**.

(d) **Disclaimer.** Except for the express warranty set forth in this Section 4, CalSAWS makes no representations or warranties of any kind, whether express, implied, or statutory. To the maximum extent permitted by law, CalSAWS disclaims all implied warranties, including any implied warranties of merchantability, fitness for a particular purpose, title, and non-infringement. CalSAWS does not warrant that the Deliverables will be error-free or that operation will be uninterrupted.

5. LIMITATION OF LIABILITY; DISCLAIMER OF DAMAGES.

(a) **Disclaimer of Certain Damages (CMSP).** To the maximum extent permitted by law, CMSP Governing Board shall not be liable for any indirect, special, incidental, consequential, or punitive damages, or for any loss of anticipated revenue, profits, goodwill, or other economic loss arising out of or related to this Agreement, regardless of the theory of liability and even if advised of the possibility of such damages.

(b) **CMSP Cap on Liability.** To the maximum extent permitted by law, CMSP Governing Board's aggregate liability arising out of or related to this Agreement, whether for breach of contract, negligence, willful misconduct, or otherwise, shall not exceed the amounts paid and payable by CMSP Governing Board to CalSAWS under this Agreement.

(c) **Disclaimer of Certain Damages (CalSAWS).** To the maximum extent permitted by law, CalSAWS shall not be liable for any indirect, special, incidental, consequential, or punitive damages, or for any loss of anticipated revenue, profits, goodwill, or other economic loss arising out of or related to this Agreement, regardless of the theory of liability and even if advised of the possibility of such damages. CalSAWS shall not be responsible for unintended or unforeseen results obtained by CMSP Governing Board from use of the Deliverables or Services.

(d) **CalSAWS Cap on Liability.** To the maximum extent permitted by law, CalSAWS's aggregate liability arising out of or related to this Agreement, whether for breach of contract, negligence, willful misconduct, or otherwise, shall not exceed the amounts paid and payable by CMSP Governing Board to CalSAWS under this Agreement.

6. Audits. CalSAWS shall maintain such books, records, and supporting documentation as may be reasonably necessary to verify the nature and extent of the Services performed under this Agreement and the costs charged to CMSP Governing Board. During the term of this Agreement and for five (5) years thereafter, CalSAWS shall provide CMSP Governing Board (and its designated representatives) reasonable access to applicable books and records relating to services

provided under this Agreement during normal business hours, upon reasonable advance notice, for audit and inspection purposes. CalSAWS shall reasonably cooperate with any financial and/or technical reviews or audits conducted by CMSP Governing Board related to this Agreement.

Information obtained by CMSP Governing Board through any audit under this Section 6 shall be treated as CalSAWS Confidential Information in accordance with this Agreement, subject to applicable law, including the California Public Records Act and any other applicable disclosure requirements.

7. **AUTHORITY.** Neither Party has the authority to bind, obligate, or commit the other Party by any promise, representation, agreement, or understanding unless expressly authorized in writing by the other Party. Nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between the Parties.

8. **CHANGE ORDERS.**

(a) **Issuance of Change Orders.** Either Party may propose changes to the Services and/or Deliverables described in **Appendix A** by submitting a written change order (each, a “**Change Order**”) using CalSAWS’s standard change order form or such other written format as the Parties may mutually agree. All Change Orders are subject to applicable federal, state, and local law and any required approvals. Each Party shall designate a project manager in **Appendix A** (or by written notice), and the Parties’ project managers shall have authority to approve Change Orders on behalf of their respective Parties, subject to any internal approval requirements identified by that Party.

(b) **CalSAWS Response; Cost and Schedule Impacts.** CalSAWS shall respond in writing to a Change Order request from the CMSP Governing Board within fifteen (15) calendar days of receipt (or such other timeframe as the Parties may agree in writing), and shall identify any anticipated impacts to scope, cost, and schedule. If the Change Order would result in an increase or decrease in charges, CalSAWS shall provide a written estimate of the applicable adjustment.

(c) **Agreement on Change Order; No Out-of-Scope Work Without Approval.** The Parties’ project managers shall negotiate in good faith and in a timely manner regarding the scope of work, price, and schedule impacts of any proposed Change Order. A Change Order shall become effective only when executed in writing by authorized representatives of both Parties. Except as expressly authorized in a fully executed Change Order, CalSAWS shall have no obligation to perform, and CMSP Governing Board shall have no obligation to pay for, any work outside the Services described in **Appendix A**.

(d) **Disagreement on Change Order.** If the Parties are unable to reach agreement in writing regarding a proposed Change Order within thirty (30) calendar days after CalSAWS’s written response under subsection (b) (or such other period as the Parties may agree in writing), the Parties shall pursue the dispute resolution process in Section 11.

(e) **CalSAWS System Changes.** CalSAWS may enhance, maintain, upgrade, or otherwise change the CalSAWS system in its discretion; provided, however, that CalSAWS shall use reasonable efforts to avoid materially adversely affecting the operation of the CMSP-related Deliverables implemented pursuant to this Agreement. If a CalSAWS system change materially adversely affects such Deliverables, the Parties shall confer in good faith regarding appropriate remediation, which may include a Change Order if additional work is required beyond CalSAWS's Warranty obligations in Section 4.

9. COMPLIANCE WITH LAW. Each Party shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations in performing its obligations under this Agreement.

10. CONFIDENTIALITY.

(a) **Definition.** "Confidential Information" means non-public information disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") in connection with this Agreement, whether disclosed orally, visually, electronically, or in writing, that is designated as confidential or that reasonably should be understood to be confidential given the nature of the information and the circumstances of disclosure. Confidential Information includes, without limitation, proprietary information such as trade secrets; designs; drawings; specifications; computer programs; documentation and support materials; information regarding a Party's business operations and plans; and other non-public records concerning a Party's finances, contracts, Services, or personnel.

(b) **Use and Nondisclosure.** The Receiving Party shall not use the Disclosing Party's Confidential Information for any purpose other than performing its obligations or exercising its rights under this Agreement, and shall not disclose the Disclosing Party's Confidential Information to any third party except as expressly permitted by this Agreement or as required by law.

(c) **Protection; Permitted Disclosures.** The Receiving Party shall take reasonable measures to protect the confidentiality of the Disclosing Party's Confidential Information and to prevent unauthorized use or disclosure. The Receiving Party may disclose Confidential Information only to its employees, officers, agents, contractors, or representatives who have a need to know such information for purposes of this Agreement and who are bound by confidentiality obligations at least as protective as those set forth herein. The Receiving Party shall remain responsible for any breach of this Section 10 by its personnel and permitted recipients.

(d) **Required Disclosures; Notice.** If the Receiving Party is required by law (including, as applicable, the California Public Records Act) to disclose Confidential Information, the Receiving Party shall (to the extent permitted by law) provide the Disclosing Party with prompt written notice of the requirement and reasonably cooperate with the Disclosing Party's efforts to seek confidential treatment or protective relief. Any disclosure required by law shall be limited to the minimum information necessary to comply with the legal requirement.

(e) **Duration; Unauthorized Disclosure.** The obligations in this Section 10 shall continue during the term of this Agreement and thereafter until the Confidential Information

becomes public through no fault of the Receiving Party or is otherwise released from confidentiality obligations under subsection (f). The Receiving Party shall promptly notify the Disclosing Party upon becoming aware of any unauthorized disclosure or use of the Disclosing Party's Confidential Information.

(f) **Exclusions.** Confidential Information does not include information that the Receiving Party can demonstrate by written records: (i) was lawfully known to the Receiving Party without restriction at the time of disclosure; (ii) is lawfully obtained by the Receiving Party from a third party without breach of any obligation of confidentiality; (iii) is independently developed by the Receiving Party without use of or reference to the Disclosing Party's Confidential Information; or (iv) is approved for release by written authorization of the Disclosing Party.

11. DISPUTE RESOLUTION FOR CHANGE ORDERS

(a) **Applicability.** The Parties agree to follow the procedures set forth in this Section 11 for disputes relating to Change Orders under Section 8.

(b) **Good Faith Negotiations; Escalation.** Except for the right of either Party to seek provisional or injunctive relief as provided in subsection (d), the Parties shall attempt in good faith to promptly resolve any dispute related to a Change Order through negotiations between the Parties' project managers. If the dispute is not resolved within twenty (20) business days after written notice of the dispute, either Party may escalate the dispute to senior management of the Parties. If the dispute is not resolved within thirty (30) calendar days after escalation to senior management, either Party may pursue its available legal and equitable remedies.

(c) **Continued Performance.** During the pendency of any dispute under this Section 11, the Parties shall continue to perform their respective obligations under this Agreement that are not affected by the dispute; provided, however, that CalSAWS shall not be required to perform disputed Change Order work unless and until the Parties execute the applicable Change Order in accordance with Section 8.

(d) **Provisional Remedies.** Notwithstanding this Section 11, each Party shall have the right to seek provisional remedies from a court of competent jurisdiction in Sacramento, California, including pursuant to Code of Civil Procedure section 1281.8.

12. DISPUTE RESOLUTION NOT RELATED TO CHANGE ORDERS.

(a) **Applicability.** The Parties agree to follow the procedures set forth in this Section 12 for disputes arising out of or relating to this Agreement that are not disputes concerning Change Orders (which are governed by Section 11).

(b) **Informal Resolution; Project Manager Process.** The Parties shall use good faith efforts to resolve disputes promptly and in a professional and business-like manner. When a dispute arises that cannot be resolved in the normal course of business, either Party's project manager may notify the other Party's project manager of the dispute in writing, specifying the issues in dispute. The Parties shall designate their respective project managers in **Appendix A** or

by written notice.

(c) **Escalation to Senior Management.** The project managers, with assistance from their designated representatives, shall use reasonable efforts to resolve the dispute within twenty (20) business days after delivery of the written dispute notice. If the project managers are unable to resolve the dispute within that period, either Party may escalate the dispute to the Parties' respective senior management (or executive leadership) for further good faith negotiations. If the dispute is not resolved within twenty (20) business days after escalation to senior management, either Party may pursue its available legal and equitable remedies. The Parties may, by mutual written agreement, elect to use non-binding mediation or other alternative dispute resolution procedures.

(d) **Provisional Remedies.** Notwithstanding this Section 12, each Party shall have the right to seek provisional remedies from a court of competent jurisdiction in Sacramento, California, including pursuant to Code of Civil Procedure section 1281.8.

13. ENTIRE AGREEMENT; AMENDMENTS. This Agreement (including **Appendix A** and **Appendix B**) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, negotiations, representations, and understandings, whether written or oral, relating to such subject matter. This Agreement may be amended or modified only by a written instrument executed by authorized representatives of both Parties; provided, however, that changes to the Services, Deliverables, schedule, or compensation may be made through a Change Order executed in accordance with Section 8.

14. FORCE MAJEURE. Neither Party shall be deemed in default or breach of this Agreement, nor liable for any loss or damages, for any delay or failure in performance (other than payment obligations for amounts due) to the extent caused by circumstances beyond its reasonable control, including acts of God, natural disasters, fire, flood, epidemic or public health emergency, war, terrorism, civil unrest, labor disputes, acts or omissions of governmental authorities, or interruption or failure of utilities or telecommunications ("**Force Majeure**"). The affected Party shall provide prompt notice to the other Party and shall use reasonable efforts to mitigate the effects of the Force Majeure event and resume performance as soon as practicable. For avoidance of doubt, CalSAWS's internal resource constraints, release planning, queue prioritization, or workload associated with other program priorities (including statewide Medi-Cal initiatives) shall not, by themselves, constitute a Force Majeure event; however, the Parties may address related schedule impacts through the Change Order process.

15. GOVERNING LAW; VENUE. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any action or proceeding arising out of or relating to this Agreement shall be brought in the Superior Court of California, County of Sacramento.

16. INDEPENDENT CONTRACTOR; NO AGENCY. The Parties acknowledge and agree that CalSAWS, in performing the Services under this Agreement, acts as an independent contractor and not as an agent of CMSP Governing Board. Nothing in this Agreement shall be construed to

create a relationship of employer and employee, partnership, joint venture, or agency between the Parties. Neither Party shall have the authority to bind or obligate the other Party except as expressly provided in this Agreement. CalSAWS shall control the manner and means of performing the Services, subject to the requirements of this Agreement and coordination with CMSP Governing Board as reasonably necessary for the Services.

17. INSURANCE. Each Party shall maintain, at its sole expense, insurance coverage or a self-insurance program sufficient to fund its respective liabilities under this Agreement throughout the term of this Agreement. Such coverage shall include, as applicable, commercial general liability, automobile liability, professional liability (errors and omissions), and workers' compensation, in amounts and with coverages consistent with each Party's normal insurance or self-insurance practices for comparable activities. Each Party shall comply with all applicable federal, state, and local laws relating to insurance coverage, including, as applicable, California Labor Code section 3700 with respect to workers' compensation.

18. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be deemed given when (i) personally delivered, (ii) sent by nationally recognized overnight courier (with tracking) and received, (iii) transmitted by email to the email addresses set forth below, provided that such notice shall be deemed given only upon written confirmation of receipt by the receiving Party, or (iv) mailed by first-class U.S. mail, postage prepaid, and deemed received on the third (3rd) business day after mailing.

CMSP Governing Board: County Medical Services Program Governing Board
Attn: Kari Brownstein, CPA, MHA
Executive Director
1545 River Park Dr Suite 435
Sacramento, CA 95815
Email: kbrownstein@cmspcounties.org

Copy to: Best Best & Krieger LLP
Attn: Alison S. Bassett, Esq.
1333 N. California Blvd., Suite 220
Walnut Creek, CA 94596
Email: Alison.Bassett@bbklaw.com

CalSAWS: California Statewide Automated Welfare System
(CalSAWS) Consortium
11971 Foundation Place
Gold River, CA 95670
Email: MurphyH@CalSAWS.Org

19. OWNERSHIP; LICENSE.

(a) **CalSAWS Materials.** CalSAWS retains and shall own all right, title, and interest in and to (i) the CalSAWS system and all underlying software, configuration frameworks, tools,

utilities, and documentation; and (ii) any modifications, configurations, enhancements, or derivative works to the CalSAWS system developed or implemented by CalSAWS in the course of performing the Services (collectively, “**CalSAWS Materials**”).

(b) **CMSP Materials.** CMSP Governing Board retains and shall own all right, title, and interest in and to any policy decisions, program requirements, CMSP-specific content, and other materials provided by CMSP Governing Board to CalSAWS for use in performing the Services (collectively, “**CMSP Materials**”).

(c) **License to Use Deliverables.** Subject to CMSP Governing Board’s payment of amounts due under this Agreement, CalSAWS grants to CMSP Governing Board a non-exclusive, non-transferable, royalty-free license to use the CalSAWS Materials developed under this Agreement solely for CMSP program administration in the counties identified in **Appendix A-1** attached hereto (the “**Participating Counties**”) through the CalSAWS system. No other licenses are granted by implication or otherwise.

(d) **No Restriction on CalSAWS Operations.** Nothing in this Agreement restricts CalSAWS’s ability to use concepts, know-how, or general skills learned in the course of performing the Services, or to perform similar services for itself or other governmental entities, provided CalSAWS does not disclose CMSP Confidential Information in violation of Section 10.

20. NO THIRD-PARTY BENEFICIARIES. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns. Nothing in this Agreement is intended to, nor shall be construed to, create any rights, benefits, or remedies in any third party, including without limitation any CMSP applicant, member, or beneficiary.

21. REMEDIES. Except as otherwise expressly provided in this Agreement, no remedy conferred by any provision of this Agreement is intended to be exclusive of any other remedy. Each and every remedy shall be cumulative and in addition to any other remedies available at law or in equity. The exercise of any remedy by either Party shall not constitute a waiver of any other remedy available to that Party.

22. SEVERABILITY. If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. The Parties shall use good faith efforts to replace any invalid, illegal, or unenforceable provision with a valid and enforceable provision that most closely reflects the Parties’ original intent.

23. SURVIVAL. Any provisions of this Agreement that by their nature are intended to survive expiration or termination shall survive, including without limitation Sections 3(d)–3(f) (Effect of Termination), 4 (Warranty and Disclaimer), 5 (Limitation of Liability; Disclaimer of Damages), 6 (Audits), 10 (Confidentiality), 13 (Entire Agreement; Amendments), 15 (Governing Law; Venue), 19 (Ownership; License), and 20–25 (as applicable).

24. WAIVER. No waiver of any provision of this Agreement, and no waiver of any breach, shall be effective unless in writing and signed by the Party against whom the waiver is asserted.

No waiver shall be deemed a waiver of any prior or subsequent breach of the same provision or any other provision. No failure or delay by either Party in exercising any right, power, or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy.

25. SUBCONTRACTS.

(a) **Subcontracting.** CalSAWS may delegate or subcontract portions of the Services to qualified subcontractors; provided, however, that CalSAWS shall remain responsible for performance of the Services and compliance with this Agreement.

(b) **Point of Contact.** CalSAWS shall remain the CMSP Governing Board's primary point of contact regarding the Services provided under this Agreement, including any Services performed by subcontractors.

(c) **Continuing Liability.** Subcontracting of any obligations under this Agreement shall not relieve CalSAWS of any obligation or liability under this Agreement. CalSAWS shall be responsible for the acts and omissions of its subcontractors and their respective employees and agents to the same extent as if such acts and omissions were those of CalSAWS, subject to the limitations set forth in Section 5.

(d) **Flow-Down Obligations.** CalSAWS shall require its subcontractors performing Services under this Agreement to be bound by obligations consistent with the applicable provisions of this Agreement, including without limitation confidentiality and information security obligations.

[Signature page to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the dates set forth below.

COUNTY MEDICAL SERVICES PROGRAM GOVERNING BOARD

By:  _____

Kari Brownstein, CPA, MHA

Executive Director

Date: 6/16/20 _____

CALIFORNIA STATEWIDE AUTOMATED WELFARE SYSTEM (CALSAWS) CONSORTIUM

By: _____

Holly Murphy

Interim Executive Director

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A

STATEMENT OF WORK

1. SCOPE

1.1. INTRODUCTION

The purpose of this Statement of Work (“SOW”) is to describe the objectives, tasks, deliverables, schedule, assumptions, acceptance criteria, and (as applicable) payment milestones for implementation of CMSP eligibility and benefit changes through updates to the CalSAWS system and related notices/forms (the “CMSP Changes”).

The County Medical Services Program (“CMSP”) provides health coverage for low-income adults in the Participating Counties identified in **Appendix A-1**. The County Medical Services Program Governing Board (“CMSP Governing Board”) is charged with overall program and fiscal responsibility for CMSP.

California Statewide Automated Welfare System (CalSAWS) Consortium (“CalSAWS”) operates and maintains the CalSAWS system used by the Participating Counties to support eligibility determinations and enrollment activities for CMSP and other programs. Certain CMSP Changes must be implemented through CalSAWS system configuration/programming, testing, deployment support, and related updates, subject to the scope and constraints set forth in this SOW.

1.2. PROJECT GOALS

The goals of the CMSP Changes project are to:

1. Implement CMSP eligibility and benefit policy changes as approved by the CMSP Governing Board through system updates in the CalSAWS system for the Participating Counties. Any system changes, onboarding activities, configuration work, or other Services relating to counties that join CMSP after the Effective Date shall be subject to the Parties’ mutual written agreement regarding scope, schedule, and compensation, including through **Appendix B**, a Change Order, or other mutually approved written documentation, as applicable.
2. Update CMSP-related notices and forms to reflect the CMSP Changes.
3. Implement the CMSP Changes in accordance with the mutually agreed project schedule and CalSAWS release planning constraints, as reflected in this SOW and any subsequent written updates or approved Change Orders.
4. Provide the documentation, testing, and deployment activities described in this SOW for implementation of the CMSP Changes in the Participating Counties.

1.3. DESCRIPTION OF CMSP CHANGES AND RELATED SERVICES / IN-SCOPE DELIVERABLES

The Services and Deliverables under this SOW are limited to the scope items identified below, as further described in this **Appendix A** and as modified from time to time by approved Change Order.

1. **Decrease the Income Cap on CMSP Eligibility.** Based on final policy confirmation, update code tables, business rules, and related eligibility logic to reduce the upper income limit for CMSP eligibility from 300% FPL to 200% FPL.
2. **Modify the CMSP Asset Test.** Based on final policy confirmation, update code tables, business rules, and related eligibility logic to revise the CMSP asset test by applying an asset limit to all CMSP applicants and lowering the applicable asset/property limits.
3. **Revise the Share of Cost (“SOC”).**
 - a. Based on final policy confirmation, update code tables, business rules, and related eligibility logic to require no Share of Cost for CMSP applicants with incomes up to 100% FPL.
 - b. Based on final policy confirmation, update code tables, business rules, and related eligibility logic to require the full monthly Share of Cost, with no reduction, for CMSP applicants with incomes above 100% FPL, including applicants with incomes above 138% FPL up to 200% FPL.
4. **Correspondence (Notices of Action (“NOAs”) & Forms).** Equivalent correspondence changes may include the following:
 - a. Notice of Action: Update configuration to BUDGET_MC_CMSP.
 - b. Notice of Action: Update configuration to over-income DN/DS.
 - c. Update verbiage for form CMSP 101.
 - d. Update verbiage for form CMSP 102.

1.4. TASKS AND ACTIVITIES

1. **Planning.**
 - a. Identify project objectives and resources, and establish the project timeline in collaboration with the CMSP Governing Board.
 - b. Coordinate scope confirmation, scheduling, and, if applicable, readiness and implementation sequencing for county onboarding and any related county-specific configuration work.
 - c. Outline tasks, milestones, tools, and deliverables based on final policy guidance, including any item-level decisions for Section 1.3, Items 1–4.

d. Provide status reporting, project management, and coordination meetings as described in Section 2.

2. **Requirements Analysis.**

a. Gather and develop requirements with CMSP stakeholders based on CMSP Governing Board final policy guidance, including any item-level decisions for Section 1.3, Items 1–4.

b. Validate and prioritize requirements with CalSAWS and CMSP stakeholders to confirm alignment.

3. **Design.**

a. Prepare functional designs, including changes to identified correspondence items, consistent with CalSAWS governance and release planning.

b. Identify dependencies, open questions, and required CMSP decisions needed to support implementation with CMSP and other required stakeholders.

c. Provide QA review support, if included in the finalized scope, including review of design artifacts, test plans, and independent validation of updates, as applicable.

4. **System / Integration Testing.**

a. Configure and program CalSAWS system changes to implement approved CMSP Changes.

b. Update code tables, business rules, parameters, and related eligibility logic, as applicable to the finalized scope.

c. Update forms/templates and associated repositories, including English/Spanish versions, as applicable, and perform unit testing and defect remediation.

d. Coordinate testing with CMSP Governing Board and relevant stakeholders, as needed.

e. Develop test scenarios and execute system and regression testing for the CMSP Changes.

5. **Deployment.**

a. Deploy and test software in lower environments prior to production.

b. Install, configure, and test in the staging environment prior to production.

c. Provide user training and documentation to facilitate adoption.

6. **Maintenance.** Provide post-deployment stabilization support as described in this SOW and the Agreement, including warranty/defect correction, as applicable.

7. **Out-of-Scope / Change Order Control.** Any work not expressly included in Section 1.3, as finalized, or otherwise described in this SOW is out of scope unless authorized by a fully executed Change Order pursuant to Section 8 of the Agreement.

1.5. COST / FUNDING; COUNTY ONBOARDING

Total project cost, funding approach (e.g., milestone-based or time-and-materials), and any not-to-exceed amount(s) are set forth in **Appendix B**.

County onboarding and related county-specific configuration work is included as a contemplated scope category under this Agreement; however, the identity and number of any additional counties to be onboarded, the timing and sequencing of such onboarding, and the specific funding source, whether ongoing or one-time budget, and responsibility for such work remain subject to further written confirmation by the Parties. The Parties acknowledge that certain work of this nature may be addressed through CalSAWS's Maintenance & Enhancements funding and processes ("M&E"), as administered and determined by CalSAWS. Prior to CalSAWS commencing any county onboarding work for additional counties not otherwise listed in **Appendix A-1**, the Parties will confirm in writing the identity and number of applicable counties, schedule, funding source, budget parameters, and responsibility for such work, including through **Appendix B**, a Change Order, or other mutually approved written documentation, as applicable. CalSAWS indicates that six (6) months lead time is preferred, subject to county readiness.

1.6. ASSUMPTIONS, DEPENDENCIES, AND CONSTRAINTS

Assumptions/Dependencies:

1. CMSP Governing Board will provide written confirmation of available CMSP funding and final policy guidance for the CMSP Changes by April 17, 2026 (or such other date as the Parties agree in writing).
2. CMSP Governing Board will provide final NOA and forms guidance by June 12, 2026 (or such other date as the Parties agree in writing), including sufficient detail to enable the Parties to jointly identify the NOA text/snippets and forms requiring update (including any English and Spanish versions, as applicable).
3. Following receipt of the guidance in items (1) and (2) above, the Parties will promptly and jointly identify the specific NOA populations/triggers, text/snippets, and forms requiring update.
4. CalSAWS delivery timing is subject to CalSAWS release planning and competing priorities, including statewide Medi-Cal implementation priorities, and may require adjustments documented through the Change Order process.
5. County onboarding and related county-specific configuration timing is dependent on county readiness and any required county-specific coordination.

Data / Program Constraints:

Any Services not expressly listed in Section 1.3 are out of scope unless added by a fully executed Change Order pursuant to Section 8 of the Agreement.

2. DESCRIPTION OF TASKS; DELIVERABLES; ACCEPTANCE

2.1. PLANNING

CalSAWS will provide project management for the Services, including but not limited to: establishing schedules, tasks, and tools; regular status reporting; and participation in agreed coordination meetings. The Parties will designate their project managers in the Agreement or by written notice.

2.2. REQUIREMENTS ANALYSIS

CalSAWS will work with subject matter experts designated by the CMSP Governing Board and designated county/CalSAWS stakeholders to confirm requirements based on CMSP Governing Board's final policy guidance, document design decisions, and prepare the change artifacts required under CalSAWS governance. The analysis and design activities described in this Section 2.2 will be limited to the CMSP Changes identified in Section 1.3 (Items 1–4), as finalized by the Parties.

2.3. DESIGN

CalSAWS will produce design documents based on CMSP Governing Board's final policy guidance and completed/approved requirements required under CalSAWS governance. The analysis and design activities described in this Section 2.3 will be limited to the CMSP Changes identified in Section 1.3 (Items 1–4), as finalized by the Parties.

2.4. IMPLEMENTATION & TESTING

CalSAWS will configure/program the CalSAWS system to implement the CMSP Changes described in Section 1.3 (Items 1–4), including unit testing and defect remediation.

2.5. DEPLOYMENT

CalSAWS will coordinate deployment activities consistent with CalSAWS release governance for the in-scope CMSP Changes identified in Section 1.3 (Items 1–4).

2.6. MAINTENANCE

CalSAWS will provide post-deployment stabilization support and/or warranty support as set forth

in the Agreement.

2.7. ACCEPTANCE

Acceptance of milestone deliverables (for payment purposes) shall occur as specified in **Appendix B** and this Section 2.7.

a. **CMSP Governing Board Acceptance Window.** Within twenty (20) business days after CalSAWS delivers the applicable milestone deliverables for payment purposes (or issues the applicable readiness confirmation), CMSP Governing Board will either (i) provide written acceptance, or (ii) provide written notice of material nonconformity describing the basis for non-acceptance in reasonable detail. CMSP Governing Board may base its acceptance determination on the applicable milestone deliverables, CalSAWS readiness confirmations, and any input received through business review or county validation activities under Section 2.8, as applicable.

b. **Nonconformities.** If CMSP Governing Board provides a timely material nonconformity notice, CalSAWS will use reasonable efforts to correct the nonconformity in accordance with the Agreement (including Section 4 Warranty, as applicable) and will resubmit the deliverables for acceptance.

c. **Notice of Completion.** Acceptance of the final milestone for payment purposes shall also require CalSAWS's delivery of a Notice of Completion in the form set forth in **Appendix B** (or such other form as the Parties may agree in writing).

2.8. COUNTY VALIDATION / BUSINESS REVIEW

CalSAWS will remain responsible for system testing, regression testing, defect remediation, and release-readiness activities as described in this SOW and in accordance with CalSAWS's existing testing and release governance processes. CMSP Governing Board may request that CMSP county CalSAWS users and other CMSP subject matter representatives participate in business review and county validation activities, to the extent such participation is available and coordinated through CalSAWS's existing county validation process.

If CMSP Governing Board wishes to have a specific county participate in county validation activities, the Parties will coordinate in good faith with the applicable CalSAWS regional manager sponsor regarding potential county participants, timing, and scope, subject to county availability, project schedule, and release planning constraints.

Any input received through such county validation or business review activities may be considered by the Parties in addressing defects, clarifications, and implementation readiness; however, such activities do not create a separate user-acceptance requirement beyond the acceptance provisions expressly set forth in this SOW and **Appendix B**.

3. MILESTONE DEFINITIONS FOR PAYMENT SCHEDULE

The milestone names used in **Appendix B** are defined below for purposes of determining whether the applicable milestone has been achieved.

3.1 Milestone 1 – Plan Complete

- a. **Definition:** Completion of agreement on scope, development of timelines and milestones, and alignment with CalSAWS governance sufficient to proceed to requirements analysis and design.
- b. **Deliverables:** Meeting schedules and milestone documentation.
- c. **Completion signal:** CalSAWS provides the deliverables listed above, and CMSP Governing Board provides written acceptance (or CalSAWS governance approval, where CMSP Governing Board acceptance is not the gating mechanism).

3.2 Milestone 2 – Requirements Analysis

- a. **Definition:** Completion of requirements confirmation based on CMSP Governing Board’s final policy guidance, together with completion of the design artifacts/change documentation required under CalSAWS governance to proceed to build/configuration, and agreement on an initial release plan for the CMSP Changes.
- b. **Deliverables:** Requirements summary.
- c. **Completion signal:** CalSAWS provides the deliverables listed above, and CMSP Governing Board provides written acceptance (or CalSAWS governance approval, where CMSP Governing Board acceptance is not the gating mechanism).

3.3 Milestone 3 – Design

- a. **Definition:** Completion of design for the in-scope CMSP Changes identified in Section 1.3 (Items 1–4) for the applicable release, with requirement gathering and prioritization, functional designs and identified dependencies, together with policy issuance and completion of Quality Assurance reviews for such in-scope CMSP Changes, in accordance with the agreed-upon criteria and timelines.
- b. **Deliverables:** Functional design, including changes to identified correspondence items, consistent with CalSAWS governance and release planning.
- c. **Completion signal:** CalSAWS provides written confirmation that the design document has been approved in accordance with CalSAWS governance.

3.4 Milestone 4 – Implementation & Testing

- a. **Definition:** Completion of configuration/programming for the in-scope CMSP Changes identified in Section 1.3 (Items 1–4) for the applicable release, with unit/assembly testing

completed and items promoted to the system test environment, together with completion of agreed system/regression testing for such in-scope CMSP Changes, resolution or mitigation of high/critical defects in accordance with agreed criteria, and readiness to deploy in accordance with CalSAWS release governance.

b. **Deliverables:** Configured rules/tables/logic; updated NOA snippets/logic; updated forms/templates (if in scope); build readiness summary; test results summary; defect log/status; and release readiness confirmation.

c. **Completion signal:** CalSAWS provides written “Ready for System Test” confirmation and supporting summary, together with written release-readiness confirmation.

3.5 Milestone 5 – Deployment

a. **Definition:** Deployment of the in-scope CMSP Changes identified in Section 1.3 (Items 1–4) to production consistent with the agreed release plan, and completion of a 60-day stabilization period.

b. **Deliverables:** Deployment confirmation; stabilization summary; and final documentation updates.

c. **Completion signal:** Production deployment is confirmed, stabilization is completed, and a Notice of Completion is delivered in accordance with Section 2(b) of the Agreement and **Appendix B**.

4. PROJECT SCHEDULE (TARGETS)

The Parties currently anticipate the following high-level targets, subject to CalSAWS release planning and dependencies:

a. Policy guidance due from CMSP: April 17, 2026.

b. NOA/forms guidance due from CMSP: June 12, 2026, including identification of NOA text/snippets and forms to be updated, together with any English/Spanish versions.

c. Target implementation for CMSP asset test, share of cost, income cap, and correspondence updates (NOAs/forms): end of December 2026, subject to CalSAWS release planning.

d. Target implementation for CMSP county onboarding and any related county-specific configuration work: dependent on county readiness, subject to further written confirmation by the Parties under Section 1.5, and to be scheduled.

e. Target implementation for CMSP aid code changes: end of December 2026, subject to CalSAWS release planning.

The Parties will update this schedule as needed through written agreement and/or Change Orders.

APPENDIX A-1

PARTICIPATING COUNTIES

Alpine
Amador
Butte
Calaveras
Colusa
Del Norte
El Dorado
Glenn
Humboldt
Imperial
Inyo
Kings
Lake
Lassen
Madera
Marin
Mariposa
Mendocino
Modoc
Mono
Napa
Nevada
Plumas
San Benito
Shasta
Sierra
Siskiyou
Solano
Sonoma
Sutter
Tehama
Trinity
Tuolumne
Yolo
Yuba

APPENDIX B

COMPENSATION AND PAYMENT TERMS

1. **Compensation; Not-to-Exceed.** For the provision of Services described in Appendix A, the CMSP Governing Board shall pay CalSAWS an amount not to exceed \$375,000 (the “**Not-to-Exceed Amount**”). The Not-to-Exceed Amount is inclusive of all costs and expenses to be charged by CalSAWS under this Agreement, unless otherwise expressly provided in a fully executed Change Order.

1.1 Preliminary Planning Estimates by Scope Category (Non-Binding)

The cost information set forth in this Section 1.1 consists of preliminary planning estimates only and is provided for reference purposes in connection with the Parties’ continued scope and budget discussions. These estimates are non-binding, are based on high-level information currently available to CalSAWS, and remain subject to further Party review, including CalSAWS and subcontractor (Deloitte) input. CalSAWS has indicated that, once the specific CMSP Changes moving forward are confirmed and the remaining scope questions are resolved, CalSAWS expects to provide a final cost rather than a range.

Assumptions:

- a. These changes will be implemented as one solution for all applicable counties.
- b. No major impact to reports, except removing Path2Health from CMSP 237 and adding submission via email to CMSP 237.
- c. The scope described above is based on requirements received and confirmed for Phase I changes, assuming policy guidance is received by April 17, 2026.
- d. Correspondence changes will be implemented by December 2026, provided the required transcription and translation changes are received by June 12, 2026.
- e. Any scope change will be mutually agreed to in writing through a future Change Order.

2. **Payment Schedule; Milestones.** CMSP Governing Board shall pay CalSAWS in accordance with the milestone-based payment schedule below (the “**Payment Schedule**”). Target dates are planning estimates only unless expressly stated otherwise **in Appendix A**.

2.1 **Notice of Completion Required for Final Payment.** The final payment shall not be due and payable unless and until (i) the applicable final milestone description is achieved in accordance with Appendix A, and (ii) CalSAWS has provided a complete and executed Notice of Completion to the CMSP Governing Board in accordance with Section 2(b) of the Agreement and this **Appendix B**.

The Notice of Completion referenced in Section 2(b) of the Agreement and this **Appendix B** shall be substantially in the following form:

“On behalf of California Statewide Automated Welfare System (CalSAWS) Consortium (“CalSAWS”), I certify to the County Medical Services Program Governing Board (“**CMSP Governing Board**”) that CalSAWS has completed the Deliverables identified in **Appendix A** of the Agreement effective May 1, 2026, and that such Deliverables operate in substantial conformance with the applicable acceptance criteria set forth therein.”

2.2 Payment Milestone Table.

Milestone No.	Milestone / Deliverable	Acceptance Trigger (see Appendix A, Sections 2.7 and 3)	Target Due Date	Milestone Payment Amount
1	Plan Complete	Written acceptance of milestone deliverables, or CalSAWS governance approval where CMSP Governing Board acceptance is not the gating mechanism, consistent with Appendix A , Section 3.1.	May 29, 2026	\$75,000
2	Requirements Analysis	Written acceptance of milestone deliverables, or CalSAWS governance approval where CMSP Governing Board acceptance is not the gating mechanism, consistent with Appendix A , Section 3.2.	June 12, 2026	\$75,000
3	Design	Written acceptance of milestone deliverables, or other completion signal to be confirmed consistent with Appendix A , Section 3.3.	July 24, 2026	\$75,000
4	Implementation & Testing	Written “Ready for System Test” confirmation and supporting summary, together with written release-readiness confirmation, consistent with Appendix A , Section 3.4.	November, 18, 2026	\$75,000
5	Deployment	Production deployment confirmed, 60-day stabilization completed, and Notice of Completion delivered, consistent with Appendix A , Section 3.5.	March 2, 2027	\$75,000
TOTAL				\$375,000

3. **Invoicing; Documentation.** CalSAWS shall submit an invoice to the CMSP Governing Board following completion of each milestone listed above. Each invoice shall reference the applicable milestone number, briefly describe the milestone deliverables completed, and include reasonable supporting documentation for the amounts charged. Costs paid with funds provided under this Agreement shall be identifiable in CalSAWS's accounting system as costs charged to this Agreement.

4. **Payment Terms; Disputed Amounts.** CMSP Governing Board shall pay undisputed invoiced amounts within thirty (30) calendar days after receipt of a proper invoice. If CMSP Governing Board disputes any portion of an invoice, CMSP Governing Board shall provide written notice describing the basis for the dispute within fifteen (15) business days of receipt and shall timely pay the undisputed portion. The Parties shall work in good faith to resolve invoice disputes under Sections 11 and 12 of the Agreement, as applicable.

5. **No Obligation Beyond Not-to-Exceed; Out-of-Scope Work.** In no event shall the CMSP Governing Board be responsible for any payment in excess of the Not-to-Exceed Amount for the Services described in Appendix A as of the Effective Date, unless and until the Not-to-Exceed Amount is revised pursuant to a fully executed Change Order under Section 8 of the Agreement. CalSAWS shall have no obligation to perform, and CMSP Governing Board shall have no obligation to pay for, any services outside the scope of Appendix A unless authorized by a fully executed Change Order.

6. **No Payment for Nonconforming or Unperformed Work.** CMSP Governing Board shall have no obligation to pay for work not performed in accordance with this Agreement or for unreasonable or unnecessary expenses.