COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

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Reply To: (213) 738-4601
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November 9, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

APPROVAL TO AMEND DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENTS WITH EXODUS RECOVERY, INC., AND ALCOTT CENTER FOR MENTAL HEALTH SERVICES TO IMPLEMENT THE MENTAL HEALTH SERVICES ACT WESTSIDE URGENT COMMUNITY SERVICES PROGRAM FOR FISCAL YEARS 2006-07 AND 2007-08 (SUPERVISORIAL DISTRICT 2) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute amendments, substantially similar to Attachment I, to the existing Department of Mental Health's (DMH) Legal Entity (LE) Agreement No. MH120022 with Exodus Recovery, Inc., (Exodus) and LE Agreement No. MH120073 with Alcott Center for Mental Health Services (Alcott) for implementation of the Mental Health Services Act (MHSA) Westside Urgent Community Services Program (WUCSP) for Fiscal Years (FYs) 2006-07 and 2007-08. For FY 2006-07, these amendments will increase the Maximum Contract Amount (MCA) for Exodus by $1,723,500, and include a one-time amount of $100,000 to cover allowable costs associated with implementing the WUCSP, and $221,500 for Alcott. For FY 2007-08, the MCA will be increased by $2,782,300 for Exodus and $379,700 for Alcott. These amendments will be funded by Federal Financial Participation (FFP) Medi-Cal, Early and Periodic Screening, Diagnosis, and Treatment-State General Funds (EPSDT-SGF), and MHSA Community Services and Supports (CSS) Plan funds, and will be effective upon the date of execution through
June 30, 2008.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval is being requested to amend the LE Agreements with Exodus and Alcott to implement the WUCSP, a Center providing immediate access to urgent mental health services 24 hours a day, 7 days a week and access to transitional residential beds for individuals experiencing a mental health crisis. Upon Board approval, Exodus intends to enter into a subcontract agreement with Ocean Park Community Center (OPCC) to provide emergency shelter bed services to address the needs of homeless individuals as appropriate. The amendments reflect the MHSA Stakeholders' recommendations included in the MHSA CSS Plan, which was approved by your Board. They will enable existing, experienced DMH providers to deliver these services on the Westside of Los Angeles County and surrounding communities for Transition Age Youth (TAY), adults, and older adults.

Implementation of Strategic Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan's Organizational Goal No. 1, "Service Excellence," Goal No. 3, "Organizational Effectiveness," and Programmatic Goal No. 7, "Health and Mental Health." Board approval will allow for the implementation of the WUCSP, which is the third urgent care program to be developed under the MHSA CSS Urgent Care Center Workplan.

FISCAL IMPACT/FINANCING

The requested action will have no impact on net County cost.

For FY 2006-07, the total contracted program amount of $1,945,000 will be fully funded by FFP Medi-Cal, EPSDT-SGF, and MHSA CSS Plan funds. Funding for the amendments is included in the Department's FY 2006-07 Adopted Budget.

For FY 2007-08, funding for the annualized increase to the providers' MCAs of $3,162,000 will be fully funded by FFP Medi-Cal, EPSDT-SGF, and MHSA CSS Plan funds. Funding for the amendments will be requested during DMH's annual budget process.

Funding beyond FY 2007-08 will be included in the Department's next three-year MHSA plan.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The focus of the State-approved MHSA CSS Plan is on recovery-oriented services for people who are diagnosed with severe and persistent mental illness or serious emotional problems, including children and families, TAY, adults, and older adults. Special emphasis is placed upon individuals who are homeless or are at risk of homelessness, incarceration, or placement in long-term locked mental health facilities because of their mental illness. Consideration is also given to adequately and appropriately addressing the unique needs of the diverse ethnic and racial groups on the west side of Los Angeles County and surrounding communities.

Both Exodus and Alcott are organizations that have been providing mental health services since 1996 and 1979, respectively, and are in good standing with DMH. These agencies have proposed to implement the WUCSP as a collaborative effort to deliver three (3) service components: 1) the Mental Health Crisis Program, providing urgent mental health services; 2) the Emergency Shelter Bed Program, providing short-term residential services to homeless individuals receiving services from the Mental Health Crisis Program; and 3) the Transitional Residential Services Program, providing longer-term housing for individuals in need of ongoing support to live independently in the community. Exodus will act as the lead agency in the collaboration delivering the Mental Health Crisis Program services. As the lead agency, Exodus will also subcontract with OPCC, an established provider of shelter services in West Los Angeles, to provide the Emergency Shelter Bed Program services, and will collaborate with Alcott to provide the Transitional Residential Services Program services. Upon full implementation of the program, it is estimated that 4,380 mental health consumers annually will receive WUCSP services. Of this number, over 100 clients annually will receive emergency shelter and/or transitional residential services when the program reaches full capacity.

The proposed actions have been approved by the Chief Administrative Office (CAO) and Auditor-Controller; the amendment format has been approved as to form by County Counsel. Clinical and administrative staff of DMH will continue to administer and supervise the WUCSP, evaluate the program to ensure that quality services are being provided to clients, and ensure that Agreement provisions and Department policies are being followed.

CONTRACTING PROCESS

DMH invited community-based agencies to pre-qualify prior to applying for MHSA funds by submitting a Statement of Qualifications (SOQ) in response to a Request for Statement of Qualifications (RFSQ) open solicitation process. The SOQ process was to ensure that each agency demonstrated a basic level of capability (e.g., financial viability, proof of liability insurance, registration as a County vendor) and for agencies to identify the types of services, age groups to be served, and geographic locations in which they want to provide services. If agencies met MHSA requirements, DMH processed LE Agreement amendments with current DMH providers and MHSA Agreements with new agencies that placed them on the Department's MHSA Master Agreement List, making them eligible to receive Request for Services (RFS) related to their service provision capabilities and interest.

On August 3, 2006, DMH issued RFS No. 3 to 48 qualified bidders on the Master Agreement List indicating an interest in providing Alternative Crisis Services on their SOQ. DMH sent agencies who expressed interest in providing Alternative Crisis Services a notice of the release of the RFS along with a compact disc of the RFS, and invited them to attend a mandatory Proposers' Conference on August 17, 2006. Representatives from five (5) contract agencies attended the Proposers' Conference.

DMH received one (1) proposal (a collaborative proposal from Exodus and Alcott) by the deadline of September 12, 2006. Soon after, DMH convened a review panel of five (5) individuals representing consumers, other County departments, and DMH staff to assess and score the proposal. Simultaneously, review of the budget, proposed staffing, quality assurance processes, and reference contacts were conducted by DMH staff. The proposal evaluated by this panel met the requirements to implement all service components offered by the WUCSP. The total score was then reviewed by DMH's Executive Management Team, which finalized its recommendation.

IMPACT ON CURRENT SERVICES

Board approval of the proposed amendments will address the lack of urgent mental health services available in West Los Angeles and surrounding communities, and significantly alleviate the burden on the police and fire departments and social services agencies that currently transport individuals with a mental health crisis to Harbor/UCLA Medical Center, 19 miles away. When such transport is not feasible, these individuals are seen largely in medical emergency rooms which are not equipped to address their mental health and social services needs. The implementation of a center dedicated to delivering urgent care services to individuals in a mental health crisis will ensure the

provision of appropriate mental health crisis services and will provide a portal to other services, such as temporary housing, that can be accessed in West Los Angeles and surrounding communities.

CONCLUSION

The DMH will need one (1) copy of the adopted Board action. It is requested that the Executive Officer of the Board notifies the DMH's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:RK:PC

Attachments (2)

c: Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

Attachment I

CONTRACT NO. _____

AMENDMENT NO. __

THIS AMENDMENT is made and entered into this ___ day of _____, 2006, by and between the COUNTY OF LOS ANGELES (hereafter "County") and_____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated_____, identified as County Agreement No._____, and any subsequent amendment(s) (**if applicable**) (hereafter collectively "Agreement" **or** hereafter "Agreement"); and

WHEREAS, for Fiscal Year (FY) 2006-2007 and 2007-2008, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, the Mental Health Services Act (MHSA), adopted by the California electorate on November 2, 2004, creates a new permanent revenue source, administered by the State Department of Mental Health (SDMH), for the transformation and expanded delivery of mental health services provided by State and County agencies and requires the development of integrated plans for prevention, innovation, and system of care services; and

WHEREAS, in order to qualify for MHSA funds, Contractor has experience and training in its specialized field and has submitted to the County a Proposal Package in response to County's Request For Services (RFS) for the provision of such services, and Contractor has been selected to deliver Westside Urgent Community Services Program (WUCSP) services as added to the Agreement's Service Exhibit listing; and

MHSA FUNDS:

WHEREAS, for FY 2006-2007, County and Contractor intend to amend Agreement to add MHSA WUCSP funds in the amount of $_____; add Early and Periodic

Screening, Diagnosis, and Treatment-Federal Financial Participation (EPSDT-FFP) in the amount of $_____; add non-EPSDT FFP in the amount of $_____; and add EPSDT State General Funds (SGF) in the amount of $_____, for a WUCSP total increase of $_____ to the Maximum Contract Amount (MCA); and

WHEREAS, for FY 2007-2008, County and Contractor intend to amend Agreement to add MHSA WUCSP funds in the amount of $_____; add Early and Periodic Screening, Diagnosis, and Treatment-Federal Financial Participation (EPSDT-FFP) in the amount of $ _____; add non-EPSDT FFP in the amount of $_____; and add EPSDT State General Funds (SGF) in the amount of $_____, for a WUCSP total increase of $_____ to the Maximum Contract Amount (MCA); and

ONE TIME COSTS FOR FY 2006-2007:

WHEREAS, for FY 2006-2007 only, County and Contractor intend to amend Agreement whereby MHSA funds totaling $100,000 can be used to cover MHSA allowable one-time costs. SDMH has not defined MHSA allowable one-time costs. Accordingly, anticipated MHSA allowable costs are identified in Attachment I, which represents County's best effort to identify allowable one-time costs. Such costs may ultimately be subject to disallowance by SDMH. Allowable one-time costs are to be allocated to Client Supportive Services/Support Services; and

WHEREAS, if Contractor terminates its Agreement within 24 months of the effective date of this Amendment or execution of an Agreement that includes MHSA allowable one-time costs, any or all of MHSA WUCSP allowable one-time funds received by Contractor from County may be due by Contractor to County at the sole discretion of Director; and

WHEREAS, Contractor shall comply with all statutes, regulations, and directives pertaining to MHSA allowable one-time costs as they currently exist or as they may be modified by the State or County, and in no event shall County be obligated to pay contractor for one-time costs not claimable to the MHSA.

REVISED MCA:

WHEREAS, for FY 2006-2007, the total MCA will be increased by $_____ with a revised MCA of $_____; and

WHEREAS, for FY 2007-2008, the total MCA will be increased by $_____ with a revised MCA of $_____; and

MHSA FUNDS:

WHEREAS, for FY 2006-2007, County and Contractor intend to amend Agreement to include Subparagraph FF. (1) under Paragraph 4 (FINANCIAL PROVISIONS) whereby in the event MHSA funds are not available to pay MHSA claims or if the State denies any or all of the MHSA claims submitted by County on behalf of Contractor, County is not responsible for any substantive payment obligation; and

MHSA FLEXIBILITY OF ONE-TIME FUNDS:

WHEREAS, for FY 2006-2007 only, County and Contractor intend to amend the Agreement to include language which will allow Contractors flexibility in serving WUCSP consumers. Subparagraph FF. (3) Shift of allowable one-time MHSA WUCSP Funds for FY 2006-2007 only shall be added to Paragraph 4 (FINANCIAL PROVISIONS). Under this provision, Contractors will be able to shift without prior DMH approval up to 100 percent of unspent MHSA funds as identified in the Agreement's Financial Summary to pay for MHSA WUCSP mental health treatment and/or life support services; and

REDUCTION/REALLOCATION OF MHSA FUNDS:

WHEREAS, not withstanding the provisions set forth in Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph DD (Delegated Authority) of this Agreement, County shall evaluate Contractor utilization of MHSA funding allocated under this Agreement and shall adjust and reallocate amounts to any one or a combination of the following: 1) another Legal Entity contractor, 2) DMH directly operated clinics, and/or 3) the County DMH reserve of unallocated

funding for MHSA services. Amounts to be reduced and reallocated will be based on County's projected underutilization of such MHSA funds; and

WHEREAS, County will perform its utilization review after the initial MHSA WUCSP amendments are executed and annually thereafter, or as deemed necessary by County based on County's review of utilization of such MHSA funds under this Agreement. Notification of such actions to Contractor will follow timeframes prescribed in Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph DD (Delegated Authority).

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph C (Reimbursement For Initial Period) and D (Reimbursement If Agreement Is Automatically Renewed) shall be deleted in their entirety and the following substituted therefor:

"B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____ DOLLARS ($_____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate Service Function Code (SFC) units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period. Furthermore, Contractor shall inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 61 (NOTICES)."

"C. Reimbursement For First Automatic Renewal Period: The Maximum Contract Amount for the First Automatic Renewal Period of this Agreement as described in

Paragraph 1 (TERM) shall not exceed _____ DOLLARS ($_____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate Service Function Code (SFC) units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period. Furthermore, Contractor shall inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 61 (NOTICES)."

2. For FY 2006-2007, Subparagraph FF (MHSA Funds) shall be added to Paragraph 4 (FINANCIAL PROVISIONS) of the Agreement:

"FF: Mental Health Services Act (MHSA) Funds:

(1) In the event that MHSA funds are not available to pay MHSA claims or that State denies any or all of the MHSA claims, including one-time costs, submitted by County on behalf of Contractor, Contractor understands and agrees that County is not responsible for any substantive payment obligation and, accordingly, Contractor shall not seek any payment from County and shall indemnify and hold harmless County for any and all liability for payment of any or all of the denied MHSA claims or for the unavailability of MHSA funds to pay for MHSA claims.

(2) Payments to Contractor may be suspended if Director, for good cause, determines that Contractor is in default under any of the provisions of this Agreement. In the event that Contractor's Agreement is terminated within ___ months of the effective date of this Amendment or execution of an Agreement that includes MHSA one-time funds, or Contractor fails to achieve a 75%

enrollment level after 12 months, any or all of MHSA One-time funds received by Contractor from County shall be due by Contractor to County."

(3) Shift of Allowable One-Time MHSA WUCSP Funds for FY 2006-2007 only: County and Contractor shall enter into a good faith negotiation prior to the implementation of MHSA Westside Urgent Community Services Program (WUCSP) services regarding the allocation of MHSA for allowable one-time costs as identified on Attachment I. Once this allocation has been negotiated, based on actual services delivered, and without the prior approval of the Department, Contractor may shift up to 100 percent of the allowable one-time MHSA WUCSP funding as identified in the Financial Summary to MHSA WUCSP mental health treatment and/or life support services, that may be used as EPSDT-FFP, non EPSDT-FFP and/or EPSDT-SGF match (Match), as long as the MCA is not exceeded and with the provision that at settlement, MHSA funds will be first used for Match if the amount needed for Match exceeds the amount projected by Contractor.

Any such shift of funds shall be in compliance with all County, State, and Federal regulations."

3. Financial Summary -__ for Fiscal Year 2006-2007 shall be deleted in its entirety and replaced with Financial Summary –__ for Fiscal Year 2006-2007, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - __ for Fiscal Year 2006-2007 shall be deemed amended to state "Financial Summary – __ for Fiscal Year 2006-2007.

4. Financial Summary -__ for Fiscal Year 2007-2008 shall be deleted in its entirety and replaced with Financial Summary –__ for Fiscal Year 2007-2008, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary -

__ for Fiscal Year 2007-2008 shall be deemed amended to state "Financial Summary – __ for Fiscal Year 2007-2008.

5. Attachment IV, Service Exhibits, shall be deleted in its entirety and replaced with the revised Attachment IV, Service Exhibits dated _____. All referenced in Agreement to Attachment IV, Service Exhibits shall be deemed amended to state Attachment IV, Service Exhibits dated _____.

6. Contractor shall provide services in accordance with the Contractor's Fiscal Year _____ Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.

7. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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Attachment I

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
MENTAL HEALTH SERVICES ACT
COMMUNITY SERVICES AND SUPPORTS
ONE-TIME COSTS FOR
WESTSIDE URGENT COMMUNITY SERVICES PROGRAM

MODE	SERVICE FUNCTION CODE (SFC)*	ALLOWABLE ONE-TIME	JUSTIFICATION	EVALUATE APPROVAL/DENIAL
One-Time allocations will be made to agencies awarded Westside Urgent Community Services Program (WUCSP) contracts. These funds must be spent by June 30, 2007, and are limited to the following three (3) types of expenditures: Client Support (Mode 60 SFC 72) and Non-Medi-Cal Capital Assets (Mode 60 SFCs 75 & 78).				
60: Support Services	**72**: Client Flexible Support Expenditures	Provide supports to clients prior to their enrollment into a FSP program. Allowable costs may include vouchers, goods, items for daily living, transportation, etc.	These funds will be available to pre-enrolled consumers during outreach and engagement efforts to assist them with meeting their basic needs prior to FSP enrollment.	Allowable expenses will be clearly defined by State, County, and DMH policies and processed by the Service Area (SA) District Chiefs, FSP administrative staff, and DMH Provider Reimbursement.
60: Support Services	**75**: Non-Medi-Cal Capital Assets	Vehicles	These are field-based programs and programs that require staff to transport clients. Many agencies have policies that staff can only transport clients in an agency vehicle.	Must be pre-approved by the SA District Chief who will evaluate appropriateness of the type of vehicle and number of vehicles given the size of the FSP program.
60: Support Services	**78**: Other Non-Medi-Cal Client Support Expenditures	Orientation and training of new staff	These expenses will occur prior to the staff person's ability to bill for services.	Evaluate content of the staff trainings to ensure they include domains appropriate for the FSP Programs.
60: Support Services	**78**: Other Non-Medi-Cal Client Support Expenditures	Initial lease expenses including cost of cubicles/build-out of space	For those agencies that will be providing services in areas remote from where they currently provide services.	Appropriateness of the location. Does it meet the needs of the Service Area. Must be pre-approved by SA District Chief.
60: Support Services	**78**: Other Non-Medi-Cal Client Support Expenditures	Reconfiguration of existing space	Many of the providers received less slots than anticipated and, therefore, cannot afford to lease new space. They are going to need to reconfigure space/cubicles to accommodate this.	Must be pre-approved by SA District Chief. SA District Chief will visit site to determine appropriateness of the request given the number of new staff and clients.
60: Support Services	**78**: Other Non-Medi-Cal Client Support Expenditures	Computer hardware/software and printers	For e-mail, electronic progress notes, and data entry for newly hired staff.	Must be pre-approved by the SA District Chief who will evaluate the appropriateness of the number of computers given the size of the FSP Program.

* Based on the SFCs that were proposed at the State level and discussed at the CHMDA Finance Committee meetings.

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
WESTSIDE URGENT COMMUNITY SERVICES PROGRAM
AWARDS BY LEGAL ENTITY

Attachment II

		Mental Health Crisis					Emergency Shelter Bed		Transitional Residential Services							MCA Information			
Sup Dist. (HQ)	NAME OF AGENCY	MHSA Funds	EPSDT SGF	EPSDT FFP	non-EPSDT FFP	Subtotal	MHSA Funds	Subtotal	MHSA Funds	EPSDT SGF	EPSDT FFP	non-EPSDT FFP	Subtotal	One-time*	Total	Last Board Adopted MCA	Latest MCA	Revised MCA with this Board letter	% Increase from last Board Adopted MCA
		1	2	3	4	5 = 1+2+3+4	6	7	8	9	10	11	12 = 8+9+10+11	13	14=5+7+12+13	16	17	18 = 15+17	19 = (18/16)/16
2	Exodus Recovery, Inc.	1,231,200	26,000	31,800	188,500	1,477,500	146,000	146,000	-	-		-	-	100,000	1,723,500	3,454,697 **	2,217,185	$ 3,940,685	14%
2	Alcott Center for MHS	-	-			-			154,180	7,120	8,700	51,500	221,500		221,500	1,268,767	1,268,767	$ 1,490,267	17%
	FY 06-07 NGA Total	1,231,200	26,000	31,800	188,500	1,477,500		146,000	154,180	7,120		51,500	221,500	100,000	1,945,000				
2	Exodus Recovery, Inc.	2,110,600	44,500	54,200	323,000	2,532,300	250,000	250,000	-	-	-	-	-	-	2,782,300	2,217,185	2,217,185	$ 4,999,485	125%
2	Alcott Center for MHS	-	-			-			264,300	12,200	14,900	88,300	379,700		379,700	1,268,767	1,268,767	$ 1,648,467	30%
	FY 07-08 NGA Total	2,110,600	44,500	54,200	323,000	2,532,300		250,000	264,300	12,200		88,300	379,700	-	3,162,000				

* Includes MHSA FSP dollars approved by the Board on 10/31/06; these FSP dollars have not been added to the MCA via contract amendment (column 17).

** One time costs for Community Services and Supports are explained in the Amendment Attachment I.