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DEPARTMENT OF MENTAL HEALTH

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Reply To: (213) 738-4601
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March 13, 2007

TO: Health Deputies

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

SUBJECT: **CURTAILMENT OF ADULT SYSTEMS OF CARE DAY TREATMENT SERVICES TO THE UNINSURED**

This is to provide updated information following our December 18, 2006, memo which outlined the Department of Mental Health's (DMH) plan to implement Item No. 15 of the Department's Budget Reduction Proposal to redirect Adult Day Treatment Services.

The Department pursued efforts to minimize the impact to agencies curtailed. Agencies were allowed to transform their County General Funds allocation to recovery-oriented Mental Health Services Act (MHSA) programs if they could demonstrate a plan to convert services to an approved MHSA Community Services and Supports work plan. Nine (9) contractors were identified for curtailment. Four (4) agencies provided plans to transform, and the Department will fund their transformation plan. However, the remaining five (5) contractors that did not submit plans will be curtailed. The attached schedule reflects the agencies transforming and those that will be curtailed this fiscal year and on an ongoing basis.

DMH will revise contracts to reflect the transformation of services and/or curtailments for providers who will not be providing services billable to the MHSA program.

If you have any questions or need additional information, please call me at (213) 738-4601.

MJS:SAS:JDC:nh

Attachment

c: Executive Management Team
Richard Kushi

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH
BUDGET REDUCTION PLAN - ITEM # 15
CURTAILMENT OF ADULT SYSTEMS OF CARE TO THE UNINSURED

Provider Name	Fiscal Year 2006 - 07			Fiscal Year 2007- 08 (3)			CSS Plan
	Total CGF Reduction (1) A	MHSA Transformation B	CGF to be Curtailed (2) C = A - B	Total CGF Reduction D	MHSA Transformation E	CGF to be Curtailed F = D - E	
Asian Rehabilitation Services, Inc.	$ 130,225	$ -	$ 130,225	$ 191,777	$ -	$ 191,777	No transformation plan developed by contractor.
B.R.I.D.G.E.S., Inc.	133,354	133,354	-	180,241	180,241	-	Wellness Centers
ENKI Health and Research Systems, Inc.	171,847	-	171,847	171,847	-	171,847	No transformation plan developed by contractor.
Gateways Hospital and Mental Health Ctr	42,488	-	42,488	129,320	-	129,320	No transformation plan developed by contractor.
Health Quality Management Group	223,164	223,164	-	293,892	293,892	-	Adult IMD Step Down - Systems Development
Kedren Community Mental Health Center	(152,940)	(152,940)	-	43,997	43,997	-	Adult Wellness Center - Systems Development
Pacific Clinics	(149,679)	(149,679)	-	38,423	38,423	-	Adult Wellness Center - Systems Development
Special Service for Groups	64,248	-	64,248	134,840	-	134,840	No transformation plan developed by contractor.
Transitional Living Centers	278,557	-	278,557	558,310	-	558,310	No transformation plan developed by contractor.
TOTAL	$ 741,264	$ 53,899	$ 687,365	$ 1,742,647	$ 556,553	$ 1,186,094	

Footnotes:

1. Total reduction is $1,742,647 annually. Reduced amount is due to mid-year implementation of reduction/transformation.

2. Corresponding contractors elected not to transform services.

3. Represents the ongoing annualized County General Fund (CGF) reduction and Mental Health Services Act (MHSA) transformation amount.