County of Los Angeles
CHIEF EXECUTIVE OFFICE
713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

May 13, 2008

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:

DEPARTMENT OF MENTAL HEALTH: APPROVE USE OF MENTAL HEALTH SERVICES ACT FUNDING FOR INTERCOMMUNITY CHILD GUIDANCE CENTER TO PROVIDE A FULL SERVICE PARTNERSHIP PROGRAM FOR FISCAL YEARS 2007-08 AND 2008-09 (SUPERVISORIAL DISTRICT 4) (3 VOTES)

SUBJECT

Board approval is requested for allocation of Mental Health Services Act (MHSA) funds to Intercommunity Child Guidance Center (ICGC) to provide Full Service Partnership (FSP) programs for 22 children slots in Service Area (SA) 7.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve use of MHSA funds to amend the existing Department of Mental Health (DMH) Legal Entity Agreement No. MH120233 with ICGC. ICGC's Maximum Contract Amount (MCA) will be increased by $92,675 for Fiscal Year (FY) 2007-08 and $370,700 for FY 2008-09. The $92,675 consists of $27,799 MHSA Community Services and Supports (CSS) Plan funding, $35,000 in Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Federal Financial Participation (FFP) Medi-Cal, and $29,876 in EPSDT State General Funds (SGF). The MCA for FY 2007-08 will be $4,446,747 and $4,734,800 for FY 2008-09.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Consistent with Board motion of March 15, 2005, Board approval is requested to use MHSA funding to grant ICGC funds to provide FSP programs for children in SA 7. Under the Director's delegated authority a contract amendment will be executed with ICGC and a new MCA established.

Through the Request for Services (RFS) No. 2 competitive process Eastfield Ming Quong, Inc. (EMQ) was selected to provide FSP services for 22 children slots in SA 7. Subsequently, EMQ voluntarily relinquished the 22 children slots. Thus, ICGC, who is the next highest proposer as determined by the RFS No. 2 competitive process for the provisions of FSP services to children and their families in SA 7 is now recommended to receive the funding.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the principles of the Countywide Strategic Plan's Organizational Goal No. 1, "Service Excellence", Goal No. 3, "Organizational Effectiveness", Goal No. 5 "Children and Families' Well-Being", and Goal No. 7, "Health and Mental Health". Board approval will allow ICGC to develop and implement FSP programs that will improve delivery, efficiency, and effectiveness of mental health services for children and their families.

FISCAL IMPACT/FINANCING

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

The FY 2007-08 total cost of the Children's FSP programs provided by ICGC is $92,675, which is fully funded by $27,799 MHSA CSS Plan funding, $35,000 in EPSDT–FFP Medi-Cal, and $29,876 in EPSDT–SGF included in the Department's Adopted FY 2007-08 Budget. The $92,675 includes $7,558 for one time start up dollars for the contract provider to develop and implement the Children's FSP program.

The FY 2008-09 annual cost of the Children's FSP programs provided by ICGC is $370,700 that includes $7,558 for one time start up dollars, which is fully funded by EPSDT-FFP Medi-Cal, EPSDT-SGF, and MHSA CSS Plan funds that are included in the Department's FY 2008-09 proposed budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENT

The $92,675 contract amendment for FSP programs for 22 children slots in SA 7 will increase ICGC's MCA for FY 2007-08 to $4,446,747 and $4,734,800 for FY 2008-09.

Consistent with State guidelines and the specialized clinical and program requirements for FSP programs, the Department will allow funding to ICGC to be used to cover allowable one-time costs. ICGC may distribute such funding as allowable by the State, among several one-time non-Medi-Cal billable costs.

The attached Amendment format has been approved as to form by County Counsel. Clinical and Administrative staff of DMH will also continue to administer and supervise the agreement, evaluate the program at ICGC to ensure that quality services are being provided to clients, and ensure that Agreement provisions and Departmental policies are followed.

CONTRACTING PROCESS

In June 2006, the Department released RFS No. 2 to solicit competitive bids for FSP programs to serve Children and transition-age youth (TAY) in SA 1, 6, and 7. The results for RFS No. 2 included 604 Children and 340 TAY slots to 20 contract agencies, which were awarded through the Department's Legal Entity Agreement Renewal and Supersession actions approved by your Board on June 12, 2007. EMQ was among the original contract providers that were approved for funding, but eventually voluntarily relinquished their children slots. ICGC has experience both with the community in which it is located and with intensive programs for children and families.

IMPACT ON CURRENT SERVICES

Board approval of the proposed action will allow ICGC to develop and implement FSP programs in SA 7 that will transform service delivery to a Recovery Model approach, and will significantly enhance the availability of a broad array of mental health services to children and their families.

CONCLUSION

The Department of Mental Health will need one copy of the adopted Board's action. It is requested that the Executive Officer, Board of Supervisors, notify the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,

for WILLIAM T FUJIOKA
Chief Executive Office

WTF:SRH:SAS
MLM:JS:yb

Attachment

c: County Counsel
Director, Department of Mental Health
Chairperson, Mental Health Commission

051308_DMH_ ICGC

Attachment

CONTRACT NO. MH120233

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this ___ day of _____, 2008, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Intercommunity Child Guidance Center (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated June 12, 2007, identified as County Agreement No. MH120233, and any subsequent amendment (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years (FY) 2007-08 and, 2008-09, 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 Full Service Partnerships (FSP) services as added to the Agreement's Service Exhibit listing; and

WHEREAS, for FY 2007-08, County and Contractor intend to amend Agreement to add MHSA Child FSP Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Federal Financial Participation (FFP) match funds in the amount of $**5,124**; EPSDT (FFP) in the amount of $**35,000**; EPSDT State General Funds (SGF) in the amount of $**29,876**; MHSA FSP Child Client Supportive Services (Flex Funds) in the amount of $**3,575**; MHSA FSP Child Mental Health Services in the amount of $**7,000**; and MHSA – Family Supportive Services (FSS) in the amount of $**12,100**, which includes one-time cost for a combine total increase of $**92,675** to the Maximum Contract Amount (MCA); and

WHEREAS, for FY 2008-09, County and Contractor intend to amend Agreement to add MHSA Child FSP EPSDT FFP match funds in the amount of $**20,496**; EPSDT FFP in the amount of $**140,000**; EPSDT SGF in the amount of $**119,504**; MHSA FSP Child Client Supportive Services (Flex Funds) in the amount of $**14,300**; MHSA FSP Child Mental Health Services in the amount of $**28,000**; and MHSA – FSS in the amount of $**48,400** which includes one-time cost for a combine total increase of $**370,700** to the MCA; and

WHEREAS, for FY 2007-08, the total MCA will be increased by $**92,675** with a revised MCA of $**4,446,747**, and for FY 2008-09 the MCA will be increased by $**370,700** with a revised MCA of $**4,734,800**; and

ONE-TIME COSTS:

WHEREAS, County will determine allowable one-time amount based on one month of FY 2007-08 and one month of FYs 2008-09 MHSA funding for Children; and

WHEREAS, for FYs 2007-08, County and Contractor intend to amend Agreement whereby MHSA funds totaling $**7,558** can be used to cover MHSA allowable one-time costs for children FSP. Funding totaling $**7,558** of MHSA FSS Child Mental Health Services has been shifted to cover the one-time costs. The revised MHSA for FSS will be $**4,542**; and

WHEREAS, for FYs 2007-08, County and Contractor intend to amend Agreement whereby MHSA funds totaling $**7,558** can be used to cover MHSA allowable one-time costs for children FSP. Funding totaling $**7,558** of MHSA FSS Child Mental Health Services has been shifted to cover the one-time costs. The revised MHSA for FSS will be $**40,842**; and

WHEREAS, for FY 2007-08, County and Contractor intend to amend Agreement whereby MHSA funds totaling $**7,558** 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 the "One-Time Expenses Associated with starting a new MHSA Program" Service Exhibit, which represents County's best effort to identify allowable one-time costs. Such costs may ultimately be subject to disallowance by SDMH. For Children, allowable one-time costs are to be allocated to 50% Client Supportive Services/Support Services and 50% Community Outreach 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, or if Contractor fails to achieve a 75% enrollment level after

12 months, any or all of MHSA 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; and

MHSA FUNDS:

WHEREAS, for FYs 2007-08 and 2008-09, County and Contractor intend to amend Agreement to add Paragraph V. (1) under Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, to include 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

REDUCTION/REALLOCATION OF MHSA FUNDS:

WHEREAS, not withstanding the provisions set forth in Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph U (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 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 Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph U (Delegated Authority); and

MHSA FLEXIBILITY OF ONE-TIME FUNDS:

WHEREAS, for FY 2007-08 only, County and Contractor intend to amend the Agreement to include language which will allow Contractors flexibility in serving FSP consumers. Subparagraph V. (3) Shift of allowable one-time MHSA FSP Funds for FY 2007-08 only shall be added to the Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph V (Delegated Authority). Under this provision, Contractors will be able to shift without prior DMH approval up to 100 percent of unspent MHSA funds within each age group - Children, TAY, Adults, and Older Adults – Client Supportive Services/Support Services funds as identified in the Agreement's Financial Summary to pay for MHSA mental health treatment services.

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

1. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Subparagraph B (Reimbursement For Initial Period), and C (Reimbursement If Agreement is Automatically Renewed), shall be deleted in its entirety and the following substituted therefore:

"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 FOUR MILLION FOUR HUNDRED FORTY-SIX THOUSAND SEVEN HUNDRED FORTY-SEVEN DOLLARS ($4,446,747) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary.

C. Reimbursement If Agreement Is Automatically Renewed:

(1) Reimbursement For First Automatic Renewal Period: The Maximum Contract Amount for the First Automatic Renewal Period for this Agreement as described in Paragraph 1 (TERM) shall not Exceed FOUR MILLION SEVEN HUNDRED THIRTY-FOUR THOUSAND EIGHT HUNDRED DOLLARS ($4,734,800) and shall consist of County, State and/or Federal funds as shown on the Financial Summary."

2. For FYs 2007-08, and 2008-09, Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph V (MHSA Funds) shall be added in its entirety:

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

(1) In the event that MHSA funds are not available by State or if the State denies any or all of the MHSA claims submitted by County on behalf of Contractor, Contractor, 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 from any and all liability for payment of any or all of the denied MHSA claims or claims for which MHSA funds are not made available.

(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 24 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 FSP Funds for FY 2007-08 only: County and Contractor shall enter into a good faith negotiation prior to the implementation of MHSA Full Service Partnership (FSP) services regarding the allocation of MHSA for allowable one-time Client Supportive Services/Support Services and Community Outreach Services as identified in the "One-Time Expenses Associated with starting a new MHSA Program" Service Exhibit. 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 FSP Client Supportive Services/Support Services funding within each age group – Children, TAY, Adult, and Older Adults - as identified in the Financial Summary to MHSA FSP mental health treatment services within each age group, 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. Attachment III, Financial Summaries, attached hereto and incorporated herein by reference, shall supersede and replace the previously effective Attachment III, Financial Summaries, to the Agreement.

4. Attachment VI, Service Delivery Site Exhibit, shall be deleted in its entirety and replaced with the revised Attachment VI, Service Delivery Site Exhibit – 1. All references in Agreement to Attachment VI, Service Delivery Site Exhibit shall be deemed amended to state Attachment VI, Service Delivery Site Exhibit – 1.

5. Attachment V, Service Exhibits, shall be deleted in its entirety and replaced with the revised Attachment V, Service Exhibits – 1. All referenced in Agreement to Attachment V, Service Exhibits shall be deemed amended to state Attachment V, Service

   Exhibits – 1.

6. A Service Exhibit for "Client Supportive Services-Mental Health Services Act Programs" shall be added to this Agreement.

7. A Service Exhibit for "Full Service Partnership" shall be added to this Agreement.

8. A Services Exhibit for "One-Time Expenses Associated with Starting a new MHSA Program" shall be added this Agreement.

9. Contractor shall provide services in accordance with the Contractor's Fiscal Year 2006-07 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.

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

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By_____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

Intercommunity Child Guidance Center
CONTRACTOR

By _____

Name Charlene Dimas-Peinado, LCSW

Title Executive Director
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development and Administration Division

AW:FY07-08 MHSA RFS AMENDMENT