COUNTY OF LOS ANGELES

MARVIN J. SOUTHARD, D.S.W.
Director

ROBIN KAY, Ph.D.
Chief Deputy Director

RODERICK SHANER, M.D.
Medical Director

BOARD OF SUPERVISORS

GLORIA MOLINA
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DEPARTMENT OF MENTAL HEALTH

http://dmh.lacounty.gov

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601
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December 15, 2009

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

Dear Supervisors:

APPROVAL TO FURTHER IMPLEMENT THE MENTAL HEALTH SERVICES ACT – COMMUNITY SERVICES AND SUPPORTS PLAN THROUGH THE TRANSFORMATION OF SERVICES BY CONTRACT AGENCIES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Request approval to amend Department of Mental Health Legal Entity Agreements with 13 contract agencies reflecting their transformation of services to further implement the Mental Health Services Act-Community Services and Supports Plan.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Department of Mental Health (DMH) to allow contract agencies meeting specified criteria the opportunity to provide Mental Health Services Act (MHSA) services through transformation to new MHSA programs as DMH moves from its traditional core mental health programs to a new recovery and wellness-based system of care.

2. Approve and instruct the Director of Mental Health, or his designee, to prepare, sign, and execute an Amendment, substantially similar to Attachment I, to DMH Legal Entity (LE) Agreements with 13 contract agencies (Attachment II) that have been identified for County General Fund (CGF) curtailments and given the opportunity to deliver transformed services such as Field Capable Clinical Services (FCCS), Wellness Centers, and Institution for Mental Diseases (IMD) Step-down as part of the MHSA-Community Services and Supports (CSS) Plan, effective upon Board approval through June 30, 2011. The Maximum Contract Amounts (MCAs) of these 13 contract agencies will increase in the amount of the MHSA expansion. The total amount of $3,903,456 will be funded using unspent MHSA-CSS Plan funds in the amount of $1,614,172, Medi-Cal Federal Financial Participation (FFP) funds in the amount of $1,956,653, and Early and Periodic Screening, Diagnosis, and Treatment-State General Funds (EPSDT-SGF) in the amount of $332,631.

3. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to these Agreements and establish as a new MCA the aggregate of the original Agreements and all amendments, provided that: 1) the County's total payments to each contractor under their respective Agreements for Fiscal Year (FY) 2009-10 will not exceed an increase of 20 percent from the applicable revised MCAs; 2) any such increase will be used to provide additional services or reflect program changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Officer (CEO), or their designees, is obtained prior to any such amendments; 5) the parties may, by written amendment, reduce programs or services and revise the applicable MCAs; and 6) the Director of Mental Health notifies your Board of Agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of the requested actions will allow DMH to further implement existing MHSA plans to assist the department in mitigating its FY 2009-10 budget shortfall. These mitigation strategies include curtailment of funding for both directly-operated and contract programs and preserve a balanced system of care that meets the needs of clients at all levels of treatment, by spreading the curtailment throughout the system in a manner that maintains critical services.

Implementation of Strategic Plan Goals

The recommended actions are consistent with County Strategic Plan Goal, Health and Mental Health.

FISCAL IMPACT/FINANCING

There is no increase in net County cost.

DMH will use unspent MHSA CSS Plan funds available from implementation delays in the directly-operated and contract agencies CSS programs to fund these Amendments.
These recommended actions will decrease net County cost to help mitigate DMH's shortfall in FY 2009-10.

The total amount for the 13 contract agencies will be funded using unspent MHSA CSS Plan funds in the amount of $1,614,172, Medi-Cal FFP funds in the amount of $1,956,653, and EPSDT-SGF in the amount of $332,631.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In FY 2008-09, due to adverse budgetary circumstances that required the reduction of core programs funded through CGF, your Board authorized DMH to allow 63 contract agencies the opportunity to provide MHSA services through transformation to new and/or expanded MHSA programs for FY 2008-09. DMH faces a further CGF budget shortfall in FY 2009-10 due to State budget impacts and reductions in Sales Tax Realignment and Vehicle License Fees (VLF) resulting from the economic downturn.

As part of efforts to mitigate this deficit, DMH initiated a budget mitigation planning process in which DMH contract agencies and directly-operated programs participated and developed principles for determining the program areas to be curtailed. Recommendations for budget reductions were developed and presented to DMH executive leadership, which made the decision to offer contract agencies the opportunity to transform additional core mental health programs to the new recovery and wellness-based system of care funded by one-time MHSA for FYs 2009-10 and 2010-11. Throughout the curtailment process DMH and its stakeholders attempted to preserve a balanced system of care that will continue to meet the needs of as many individuals as possible at all levels of care. In response, 13 contract agencies have requested the opportunity to transform services into new MHSA funded services and/or programs.

The Amendment format has been approved as to form by County Counsel. The CEO has reviewed the proposed actions. DMH clinical and administrative staff will administer and supervise the Agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that the LE Agreement provisions and DMH policies are being followed.

These actions are to allow the 13 contractors to transform and provide services in FYs 2009-10 and 2010-11. The services will continue through June 30, 2011 and will be incorporated into their LE Agreements accordingly.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the proposed actions will allow DMH to continue its efforts among contract agencies to transform service delivery to a recovery and wellness-based system of care consistent with State guidelines for the MHSA. Such transformation will significantly preserve the availability of a broad array of mental health services to unserved, underserved, or inappropriately served adults and older adults.

Respectfully submitted,

MARVIN J. SOUTHARD, D.S.W.
Director

MJS:TB:RK:sk

Enclosures

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Chairperson, Mental Health Commission

CONTRACT NO. _____

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this __ day of _____, 2009, 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 amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years (FYs) 2009-10 and 2010-11 **(if applicable)** only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, as the Department moves from its traditional core mental health programs to a new recovery and wellness-based system of care, Contractor shall be given an opportunity to deliver transformed services as part of the Mental Health Services Act (MHSA) Community Services and Supports Plan (CSS Plan); and

WHEREAS, for FYs 2009-10 and 2010-11 **(if applicable)** only, Contractor intends to "transform" a portion of its current outpatient services and therefore, County and Contractor intend to amend Agreement to enable Contractor to "transform" a portion of its previously curtailed outpatient services and resources to MHSA CSS Plan services using unspent FY 2008-09 MHSA CSS Plan funds. This will require Contractor to transform those general outpatient services previously funded with non-MHSA and/or other State and/or County funds to new and/or expanded MHSA CSS Plan programs

and will require Contractor staff to provide services prescribed and approved under the MHSA - CSS Plan and the applicable service exhibit(s); and

WHEREAS, for FYs 2009-10 and 2010-11 **(if applicable)** only, County and Contractor intend and agree that Contractor's transformation of a portion of its curtailed outpatient services and resources to MHSA CSS Plan services for FYs 2009-10 and 2010-11, does not guarantee the Contractor continued funding for such services after FYs 2009-10 and 2010-11; and

WHEREAS, for FYs 2009-10 and 2010-11 **(if applicable)** only, County and Contractor intend to amend Agreement to **add** MHSA CSS Plan funding as indicated below:

- MHSA Field Capable Clinical Services (FCCS) Funded Program, Non-Medi-Cal/Indigent Maximum Program Amount: $_____,
- MHSA FCCS Funded Program, Medi-Cal/Healthy Families Program Amount: $_____,
- MHSA Wellness/Client-Run Centers Funded Program, Non-Medi-Cal/Indigent Maximum Program Amount: $_____,
- MHSA Wellness/Client-Run Centers Funded Program, Medi-Cal/Healthy Families Program Amount: $_____,
- MHSA Institution for Mental Disease (IMD) Step-Down Funded Program, Non-Medi-Cal/Indigent Maximum Program Amount: $_____,
- MHSA IMD Step-Down Funded Program, Medi-Cal/Healthy Families Maximum Program Amount: $_____; and

WHEREAS, for FYs 2009-10 and 2010-11 **(if applicable)** only, the Maximum Contract Amounts (MCAs) will **increase** by $_____ and $_____,

respectively, and the new MCAs will be $_____ and $_____, respectively **(if applicable)**.

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

1. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraphs C (Reimbursement for Initial Period) and D (1) **(if applicable)** (Reimbursement If Agreement is Automatically Renewed) shall be deleted in their entirety and the following substituted therefore:

"C. REIMBURSEMENT FOR INITIAL PERIOD

(1) The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed _____ DOLLARS ($_____) and shall consist of Funded Programs as shown on the Financial Summary.

D. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED

(1) 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) of the DMH Legal Entity Agreement shall not exceed _____ _____ DOLLARS ($_____) and shall consist of Funded Programs as shown on the Financial Summary **(if applicable)**."

2. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph N (Cash Flow Advance (CFA) in Expectation of Services/Activities to be Rendered), subparagraph (8) (Business Rules for the Determination of the Maximum Amount

of the CFA Request) shall be deleted in its entirety and the following substituted therefore:

"(8) Business Rules for the Determination of the Maximum Amount of the Cash Flow Advance Request:

(a) For each of the first three months of each period that this Agreement is in effect, Contractor may request in writing from County a monthly County General Fund CFA for any funds which may be part of the Maximum Contract Amount for such period as identified in the Financial Summary. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed $_____ per month. The total CFA for the three (3) months shall not exceed $_____. In no event shall the monthly CFA requested by Contractor exceed 1/12th of Maximum Contract Amount as identified on the Financial Summary, or 1/12th of the annualized Maximum Contract Amount if the period includes only a partial fiscal year.

(b) In addition to the amounts in Paragraph N (8)(a) above, if Contractor provides EPSDT Short-Doyle/Medi-Cal services as part of this Agreement, Contractor may request in writing from County a monthly County General Fund CFA for any EPSDT Title XIX Medi-Cal funds that may be part of the Maximum Contract Amount for such fiscal year for two additional months. Contractor shall specify in its request the amount of the monthly CFA it is requesting, not to exceed $_____ per month for each of the two (2) additional consecutive months. The total CFA for the two (2) additional consecutive months shall not exceed $_____." **(if applicable)**

3. Financial Summary(ies) - _ for FYs 2009-10 and 2010-11 **(if applicable)** shall be deleted in **its(their)** entirety and replaced with Financial Summary - _ for FYs 2009-10 and 2010-11 **(if applicable)** attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - _ for FYs 2009-10 and 2010-11 **(if applicable)** shall be deemed amended to state "Financial Summary - _ for FYs 2009-10 and 2010-11 **(if applicable)**."

4. Attachment IV, Service Delivery Site Exhibit, shall be deleted in its entirety and replaced with the revised Attachment IV, Service Delivery Site Exhibit - ___. All references in Agreement to Attachment IV, Service Delivery Site Exhibit shall be deemed amended to state Attachment IV, Service Delivery Site Exhibit - __.

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

6. Service Exhibit 1035, FIELD CAPABLE CLINICAL SERVICES, shall be added to Attachment V Service Exhibits.

7. Service Exhibit 1021, CLIENT SUPPORTIVE SERVICES FIELD CAPABLE CLINICAL SERVICES (FCCS) FOR OLDER ADULTS MENTAL HEALTH SERVICES ACT PROGRAMS, shall be revised with new Service Exhibit 1021, CLIENT SUPPORTIVE SERVICES FIELD CAPABLE CLINICAL SERVICES (FCCS) MENTAL HEALTH SERVICES ACT PROGRAMS.

8. Contractor shall provide services in accordance with Contractor's FY _____ Negotiation Package for this Agreement and any addenda thereto approved in writing by director.

9. 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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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

_____
CONTRACTOR

By _____

Name_____

Title _____
(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

LEGAL ENTITY AGREEMENT LIST

Item No.	Legal Entity Contract Agencies	Sup. Dist. HQ.	Current Contract No.	Offer to Transform to MHSA		
				FCCS	Wellness	IMD Step-Down
1	BRASWELL REHAB INST FOR DEV. OF GROWTH (dba BRIDGES)	1	MH120432			$369,633
2	CALIFORNIA HISPANIC COMMISSION, INC.	1	MH120499	$4,626		
3	CHILDREN'S INSTITUTE INC.	2	MH120439	$641,401		
4	COMMUNITY FAMILY GUIDANCE CENTER	4	MH120505	$125,028		
5	DAVID & MARGARET HOME, INC.	5	MH120508	$46,998		
6	HEALTH VIEW INC.	4	MH120455	$276,313		
7	HOMES FOR LIFE FOUNDATION	4	MH120458			$413,833
8	INSTITUTE FOR MULTICULTURAL COUN. & EDU. SVCS, INC. (IMCES)	2	MH120459	$18,272		
9	INTERCOMMUNITY CHILD GUIDANCE CTR	1	MH120460	$333,973		
10	SOCIAL MODEL	5	MH120477			$165,355
11	TELECARE CORP. (LA PAZ & LA CASA MENTAL HEALTH CTR)	N/A	MH120546	$629,390		

Item No.	Legal Entity Contract Agencies	Sup. Dist. HQ.	Current Contract No.	Offer to Transform to MHSA		
				FCCS	Wellness	IMD Step-Down
12	THE HELP GROUP C&F CTR (FORMELY LA CTR FOR THERAPY & ED)	3	MH120483	$223,467		
13	VERDUGO MENTAL HEALTH CENTER	5	MH120492		$655,167	
	TOTALS			$2,299,468	$655,167	$948,821