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

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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
Fax: (213) 386-1297

February 21, 2012

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 AMEND THE TECHNOLOGICAL NEEDS FUNDING AGREEMENT WITH DIDI HIRSCH PSYCHIATRIC SERVICE (SUPERVISORIAL DISTRICTS: 2, 3 AND 5) (3 VOTES)

SUBJECT

Request approval to amend the Technological Needs Funding Agreement with Didi Hirsch Psychiatric Service to increase the Total Compensation Amount by $172,565 for the implementation of Information Technology projects at the newly acquired Glendale Facility.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute Amendment No.1 (Amendment) to the Technological Needs Funding Agreement (TNFA) No. MH100183,with Didi Hirsch Psychiatric Service (Didi Hirsch), substantially similar to the attached format (Attachment) to implement Information Technology projects. The Amendment will increase the Total Compensation Amount (TCA) by $172,565. The revised TCA will be $495,605, fully funded with Mental Health Services Act (MHSA) revenue, effective upon Board approval through June 30, 2016.

2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to Didi Hirsch's TNFA Agreement No. MH100183, provided that: 1) the County's total payments to Didi Hirsch does not exceed an increase of 10 percent from the last Board approved TCA; 2) any such increase is used to provide additional services or to reflect program or Board policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel, or designee, is obtained prior to any such amendment; 5) County and Didi Hirsch may by

written amendment reduce programs or services without reference to the 10 percent limitation and revise the applicable TCA; and 6) the Director will notify your Board and the Chief Executive Officer (CEO) of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will enable Didi Hirsch to continue the implementation of Information Technology projects consistent with the California Department of Mental Health MHSA Capital Facilities and Technological Needs Guidelines at the newly acquired Glendale Facility.

On May 3, 2011, the U.S. Bankruptcy Court authorized and approved the sale of Verdugo Mental Health's (VMH) assets, including the Glendale Facility, to Didi Hirsch. On May 21, 2011, pursuant to LE Agreement No. MH120620-Amendment No. 11, Didi Hirsch moved into VMH's Glendale Facility to continue the operations of VMH at the same site that is familiar to the clients in Glendale.

The Amendment amount of $172,565 was originally allocated to VMH for implementation of the Information Technological projects at the Glendale Facility. Board approval is required because the Amendment adds funding that will exceed the 20 percent Board delegated authority limit in the current Didi Hirsch TNFA TCA of $323,040.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal 4, Health and Mental Health.

FISCAL IMPACT/FINANCING

The total cost for this Agreement is $172,565 fully funded by MHSA Information Technology (IT) funds and is included in DMH's FY 2011-12 Final Adopted Budget. Didi Hirsch's revised TCA is $495,605. Funding for future years will be requested through DMH's annual budget request.

There is no net County cost associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 2, 2010, your Board approved the allocation of MHSA IT funds to 117 Legal Entity Contract Providers to assist these providers of mental health services with identifying, planning, and executing the tasks necessary to complete their transition from DMH's Direct Data Entry (DDE) claims processing system to Electronic Data Interchange (EDI) transactions consistent with the goals of MHSA. Didi Hirsh and VMH were among the 117 contractors contracted through a non-competitive process in which DMH limited distribution of MHSA IT funds to Legal Entity Short Doyle providers. DMH terminated VMH's TNFA on May 21, 2011, when Didi Hirsch closed escrow and acquired Glendale Facility from VMH.

The Amendment will enable Didi Hirsch to plan the IT projects at the Glendale Facility. Upon Board approval of the Amendment, Didi Hirsch will submit a Project Proposal budget to DMH-Chief

Information Office Bureau (CIOB) for review and approval describing how the $172,565 will be expended. Upon CIOB approval, another amendment in the form of a Change Notice will be executed.

The Amendment format has been approved as to form and use by County Counsel. The CEO has been advised of the recommended actions.

DMH CIOB will continue to administer and supervise the TNFA with Didi Hirsh and ensure that the agreement provisions and Departmental policies are being followed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the proposed actions will enable Didi Hirsch to pursue technology improvements, to prepare them for electronic health information exchange with DMH, and to support other MHSA activities at this newly acquired site.

Respectfully submitted,

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

MJS:MM:RK:RG

Enclosures

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

ATTACHMENT

CONTRACT NO. MH100183

AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this ___ day of _____, 2012, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Didi Hirsch Psychiatric Service (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated November 23, 2010, identified as County Technological Needs Funding Agreement No. MH100183, (hereafter "Agreement"); and

WHEREAS, on September 8, 2010, County and Verdugo Mental Health (VMH) , a former DMH Legal Entity (LE) Short Doyle Contractor, entered into a Technological Needs Funding Agreement (TNFA) No. MH100221; and

WHEREAS, on March 25, 2011, VMH filed case no. 2:11-BK-22739-PC, in the U.S. Bankruptcy Court for the Central District of California Los Angeles Division; VMH delivered mental health services at a facility located at 1540 East Colorado Street, Glendale, CA 91205 (Glendale Facility); and

WHEREAS, on May 3, 2011, the U.S. Bankruptcy Court authorized and approved the sale of VMH assets, including the Glendale Facility, to Contractor; the sale closed escrow on May 21, 2011; and

WHEREAS, on May 21, 2011, pursuant to LE Agreement No. MH120620-Amendment No. 11, Contractor moved into the Glendale Facility to continue the operations of VMH at the same site that is familiar to the clients in the Glendale area; and

WHEREAS, DMH terminated VMH TNFA No. MH100221 on May 21, 2011 when Contractor closed escrow on the acquisition of Glendale Facility; and

WHEREAS, for Fiscal Year (FY) 2011-12 and any subsequent fiscal years during the term of the Agreement, County and Contractor intend to amend the Agreement only as described hereunder; and

WHEREAS, for FY 2011-12 and any subsequent fiscal years, County and Contractor intend to increase the Total Compensation Amount (TCA) in the amount of $172,565 to support information technological project needs at the Glendale Facility; and

WHEREAS, for FY 2011-12 and any subsequent fiscal years, the revised TCA will be $495,605.

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

1. Paragraph 3.0 (ADMINISTRATION OF AGREEMENT - CONTRACTOR), Subparagraph 3.1 shall be deleted in its entirety and the following substituted therefor:

"3.0 ADMINISTRATION OF AGREEMENT – CONTRACTOR:

3.1 Contractor's Project Director: Contractor's Project Director for this Agreement shall be the following person:

Matthew Meyer, Ph.D.
Vice President, Best Practices
Didi Hirsch Psychiatric Service
dba "Didi Hirsch Community Mental Health Center" and Didi Hirsch Mental Health Services"
4760 S. Sepulveda Blvd., Culver City, CA 90230
Phone: (310) 751-5447
Fax: (310) 398-5690
Email: MMeyer@didihirsch.org"

2. Paragraph 7.0 (COMPENSATION), Subparagraphs 7.3 and 7.4 shall be deleted in their entirety and the following substituted therefor:

"7.0 COMPENSATION:

7.3 The TCA for all work furnished hereunder shall not exceed the sum of FOUR HUNDRED NINETY-FIVE THOUSAND SIX HUNDRED FIVE DOLLARS ($495,605).

7.4 In no event shall County pay Contractor more than FOUR HUNDRED NINETY-FIVE THOUSAND SIX HUNDRED FIVE DOLLARS ($495,605). Payment to Contractor shall be only upon written approval of the invoice by County's Project Manager or his/her designated representative."

3. Paragraph 10.0 (INDEMNIFICATION AND INSURANCE), Subparagraphs 10.2.3 and 10.2.4 shall be deleted in their entirety and the following substituted therefor:

"10.0 INDEMNIFICATION AND INSURANCE:

10.2.3 **Cancellation of or Changes in Insurances**

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

10.2.4 **Failure to Maintain Insurance**

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement."

4. 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 on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

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

Didi Hirsch Psychiatric Service
CONTRACTOR

By _____

Name John P. McGann

Title Vice President of Finance and Administration
(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

BL didi hirsch TNfa amend attach (01-25-12)