

Health Services
LOS ANGELES COUNTY

January 15, 2014

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: *MHK* Mitchell H. Katz, M.D.
Director

SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO EXECUTE AN AMENDMENT TO EXTEND A NO-COST GRANT AGREEMENT

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

This is to advise the Board that the Department of Health Services is exercising its delegated authority, approved on January 15, 2013 (attached), to extend Grant Agreement No. 07445 with First 5 LA for a Pediatric Oral Health and Nutrition Project from the current expiration date of January 31, 2014 to July 31, 2014. The extension will allow High Desert Multi-Service Ambulatory Care Center time to complete the necessary credentialing process for the dental providers and to finalize clinic policies and procedures. The targeted opening of the pediatric dental clinic is January 21, 2014.

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Los Angeles, CA 90012

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www.dhs.lacounty.gov

County Counsel has reviewed and approved the Amendment as to form.

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

If you have any questions or require additional information, please let me know.

MHK:adb

Attachment

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors



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January 15, 2013

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:

REQUEST APPROVAL OF A PEDIATRIC ORAL HEALTH PROGRAM AGREEMENT AND AUTHORITY TO AMEND A GRANT AGREEMENT (SUPERVISORIAL DISTRICT 5) (3 VOTES)

SUBJECT

Request approval of a new Proposition A Agreement with California Oral Health and Wellness, Inc. to implement a pediatric oral health program at High Desert Multi-Service Ambulatory Care Center and delegate authority to amend a Grant Agreement with First 5 LA.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Make a finding pursuant to Los Angeles County Code Section 2.121.420 that the pediatric oral health program, as described herein, can be performed more economically by an independent contractor.
2. Instruct the Chairman to execute an Agreement with California Oral Health and Wellness, Inc. (COHW) for a pediatric oral health program at High Desert Multi-Service Ambulatory Care Center (HD MACC), effective upon Board approval through June 30, 2014 with an estimated cost of \$1,291,668, with three one-year automatic renewals through June 30, 2017, with an estimated total cost of \$3,995,202 for the entire term of the Agreement.
3. Delegate authority to the Director of Health Services (Director), or his designee, to execute amendments to extend the term of the Agreement with COHW. up to an additional six months, for the period July 1, 2017 through December 31, 2017, under the same rates, at an estimated cost of \$450,589 for six months.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 January 15, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

4. Delegate authority to the Director, or his designee, to execute amendments to the Agreement to add and/or change certain non-substantive terms and conditions and to modify the scope of work to ensure compliance with First 5 LA requirements, subject to review and approval as to form by County Counsel with prior notice to the Board.
5. Authorize the Director, or his designee, to execute an amendment to First 5 LA Grant Agreement No. 07445 – HD MACC Oral Health Project (Grant) to extend the current end date of July 31, 2013 for six months to January 31, 2014, at no cost.
6. Delegate authority to the Director, or his designee, execute an amendment to the Grant Agreement for an additional no-cost extension, not to exceed an additional six month period, through July 31, 2014, subject to review and approval as to form by County Counsel and with prior notice to the Board.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Department of Health Services (DHS) previously received grant funding from First 5 LA's Oral Health and Nutrition Expansion and Enhancement Project with the goal of establishing a pediatric oral health program at HD MACC. Approval of the recommendations will enable DHS to implement this program with a contracted dental provider.

The First 5 LA grant funds have been used to purchase equipment, furniture, a dental practice management system, and oral health education software and training for the new dental clinic. A small portion of the funds are allocated for start-up costs for the contract with a dental provider. The Program is committed to providing 2,900 dental visits to 1,350 unduplicated children ages 0-5 during the grant period. Children ages 6-17 will be accommodated as clinic capacity permits during this period.

Approval of the first recommendation is necessary to comply with the Los Angeles County Code Section 2.121.420, which requires that contracting under Proposition A (Prop A) be cost-effective and operationally feasible. The Auditor-Controller did not perform a cost analysis since the annual Agreement cost does not meet the \$1,000,000 threshold for review. However, DHS prepared a Prop A cost analysis (Attachment A) in accordance with Auditor guidelines and methodologies, and has determined the Agreement to be cost-effective.

Approval of the second recommendation will authorize the Chairman to execute an Agreement (Exhibit I) with COHW to implement the pediatric oral health program at HD MACC effective upon Board approval through June 30, 2014 with three (3) automatic one-year renewals through June 30, 2017.

Under the proposed Agreement, COHW will provide on-site dental, support and administrative services at the HD MACC Pediatric Oral Health Program. The clinic will serve as a dental home to provide preventive and/or therapeutic oral health services which shall include, but are not limited to, comprehensive clinical oral examinations, treatment of identified dental disease, two visits per year for children with routine dental needs, preventive care, oral hygiene counseling and instruction, and ongoing dental care and follow up. Reimbursement is based on a per procedure rate using standardized Current Dental Terminology codes and up to \$15,000 for start-up costs paid for by unexpended First 5 LA start-up funds to be fully expended in Year 1 of the proposed Agreement. The Department will be responsible for billing Medi-Cal for visits provided under this Agreement using the cost-based reimbursement clinic methodology.

Approval of the third recommendation will authorize the Director, or his designee, to exercise the option to extend the term of this Agreement for up to six months. In compliance with Los Angeles County Code Section 2.121.300, the Agreement contains an express delegation of this authority to the Director.

Approval of the fourth recommendation will allow the Director, or his designee, to execute amendments which may add and/or change certain non-substantive terms and conditions during the Agreement term and any extension periods. The Department and COHW require flexibility to modify the scope of work to appropriately and satisfactorily implement all components of the pediatric oral health program to ensure compliance with First 5 LA requirements and to ensure that the County experiences the full benefit of its economies of scale and negotiated terms.

Approval of the fifth recommendation will authorize the Director, or his designee, to execute an amendment to the First 5 LA Grant Agreement to extend the current end date of July 31, 2013 for an additional six months through January 31, 2014. The extension will ensure that pediatric dental clinic services are operational for a minimum of one year during the term of the Grant, as required by First 5 LA. The new dental clinic is expected to open February 2013.

Approval of the sixth recommendation will allow the Director, or his designee, if required, to execute an amendment for an additional no-cost extension, not to exceed an additional six months, through July 31, 2014, subject to review and approval as to form by County Counsel and with prior notice to the Board. This recommendation will be used, if necessary, to ensure all grant funds are expended and all Agreement obligations are met.

Implementation of Strategic Plan Goals:

The recommended action supports Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost for the entire term of the Agreement is \$3,995,202. The estimated annual cost is \$901,178. The total estimated cost to extend the Agreement up to six months beyond the expiration date of June 30, 2017 is \$450,589. Based on the DHS cost analysis in Attachment A, the Department has determined the Agreement to be cost effective.

Funding to cover five months of operation for the dental clinic scheduled to open in February 2013 is included in the FY 2012-13 Final Budget and additional funding will be requested in the FY 2013-14 Supplemental Budget Resolution Request to allow sufficient time needed to assess the appropriate funding level.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

There is no employee impact as a result of this Agreement. This is a new pediatric oral health program at HD MACC. The award of this Agreement will not result in unauthorized disclosure of confidential information and will be in full compliance with all applicable federal and State statutes and regulations.

This Agreement may be terminated for convenience by the County upon 10 days' prior written notice to the Contractor.

The Agreement contains all Board of Supervisors' required provisions and includes the County's standard provisions as to indemnification and insurance to address tort liability.

County Counsel has reviewed and approved Exhibit I as to use and form.

Dental services fall under Prop A guidelines and are subject to the provisions of the County's Living Wage Program set forth in County Code Chapter 2.201. COHW, is in compliance with the Living Wage Program requirements. COHW meets the exemption guidelines of the Living Wage Ordinance at this time.

The Board accepted Grant No. 07445 from First 5 LA on January 19, 2010, in the amount of \$300,000 for start-up costs to establish a pediatric dental clinic at HD MACC to serve children referred from the Medical Hub and other HD MACC clinics. Subsequent no-cost extensions from the original grant were approved through July 31, 2013.

The Honorable Board of Supervisors
January 15, 2013
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CONTRACTING PROCESS

On March 1, 2012, DHS released a Request for Proposal (RFP) to identify the most qualified proposers to implement the Pediatric Oral Health Program at HD MACC. The RFP was posted on the County Website and advertised in local newspapers, and a Notice of Intent to issue an RFP was mailed to firms listed on the DHS vendors list.

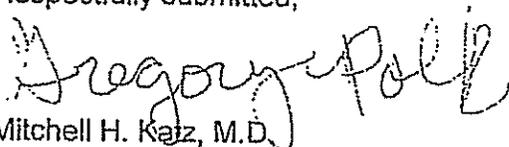
A mandatory proposers' conference and facility site visit was held at HD MACC on March 15, 2012. Two potential proposers attended this conference. By the proposal submission deadline of April 12, 2012, 12:00 noon, Pacific Time, DHS received one timely proposal. An additional proposal was received after the deadline and was rejected. The timely Proposal was evaluated using a two-phase selection process. Phase I was the Pass/Fail Evaluation of minimum mandatory requirements as stated in the RFP.

Phase II was an evaluation conducted by an Evaluation Committee comprised of DHS and Department of Public Health representatives familiar with dental services and subject matter experts. The informed averaging process was utilized and at the conclusion of the evaluation process, COHW was recommended for an Agreement. The Department has received a Letter of Intent from the recommended proposer.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no risk exposure to the County. Approval of the recommended Agreement will ensure the implementation of a program for pediatric dental services at HD MACC.

Respectfully submitted,


Mitchell H. Katz, M.D.
Director

MHK:ab

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors