



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles Health and Mental Health Services

**DATE:** Wednesday, May 20, 2020  
**TIME:** 10:00 a.m.

**DUE TO CLOSURE OF ALL COUNTY BUILDINGS,  
MEETING WILL BE HELD BY PHONE.  
TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:  
DIAL-IN NUMBER: 1 (323) 776-6996  
CONFERENCE ID: 495545110#**

### **AGENDA**

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Three (3) minutes are allowed for each item.

- I. Call to order
- II. **NOTICE OF CLOSED SESSION – (Set for 9:30 am)**  
  
CS-1 CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION  
  
Government Code Section 54956.9(a)  
Fernando Gomez, et al vs. County of Los Angeles, et al.  
Los Angeles Superior Court Case No. 18STCV00943  
Department of Health Services
- III. **Information Item(s)** (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):
  - a. **DHS:** Approval of Amendments to Agreements for Trauma Center Services
  - b. **DHS:** Request to Accept Compromise Offers of Settlement for Patients Seen Under the Trauma Center Service Agreement
  - c. **DMH:** Hearing on Published Charges for Fiscal Year 2020-21 for Specialty Mental Health Services (for the 6/23/20 Public Hearing Board Date)

IV. **Presentation Item(s):**

- a. **DPW/DHS:** Construction-Related Contract Construction Management Core Service Area Olive View-UCLA Medical Center Fire Alarm/Nurse Call Systems Project Approve Design Service Amendment Authorize Issuance of Lease Revenue Obligation Notes
- b. **DMH:** Adopt a Resolution to Extend the Participation Agreement with the California Mental Health Services Authority to Fund the State Hospital Bed Procurement Program for Fiscal Year 2020-21

V. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting

VI. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda

VII. Public Comment

VIII. Adjournment

## BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

**II. RECOMMENDED ACTIONS** (summarized)

**III. COST AND FUNDING SOURCES**

Cost:

Funding:

**IV. BACKGROUND** (critical and/or insightful)

**V. POTENTIAL ISSUE(S)**

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**

June 2, 2020

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 OF AMENDMENTS TO AGREEMENTS FOR  
TRAUMA CENTER SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request the approval of a methodology to allocate trauma funding to non-County trauma hospitals for Fiscal Year 2019-20 including new one-time funding; delegate authority to execute an amendment to add the related payment provisions to the existing Trauma Center Services Agreements and extend the term for the period of July 1, 2020 to June 30, 2021; and approve an allocation of funds to County hospitals.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve the funding methodology and allocation for the Fiscal Year (FY) 2019-20 Trauma Center Services (TCS) Agreements, and delegate authority to the Director of Health Services (Director), or designee, to execute an amendment to the existing TCS Agreements with thirteen (13) non-County trauma hospitals to include the funding terms for the one-year period from July 1, 2019 through June 30, 2020, for a total County obligation of approximately \$49.83 million (comprised of \$45.38 million from the Measure B funds, \$3.50 million from the Maddy Emergency Medical Services Fund (Maddy Fund), and \$950,000 from the Richie's Fund), as set forth in Attachment A and described below.
2. Delegate authority to the Director, or designee, to execute Amendments with the TCS Agreement participants identified in Attachment A, to allocate additional one-time funding of \$7.25 million from prior year unallocated Measure B funds, as well as the associated federal matching for FY 2019-20.
3. Approve up to a maximum of \$39.99 million of Measure B funds to be used as an Intergovernmental Transfer (IGT) to the California Department of Health Care

Services to draw down federal matching dollars for supplemental Medi-Cal payments to eligible non-County trauma hospitals.

4. Approve the allocation of \$175,322 from Richie's Funds to the two (2) County Pediatric Trauma Centers listed in Attachment A.
5. Delegate authority to the Director, or designee, to execute an Amendment to the TCS Agreements with the non-County trauma hospitals, to extend the term for an additional one-year period, effective July 1, 2020 through June 30, 2021, with no financial terms for the extension period.
6. Delegate authority to the Director, or designee, to execute an Amendment to the TCS Agreements with the two designated County trauma hospitals, to extend the term for a one-year period, effective July 1, 2020 through June 30, 2021.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

On May 21, 2019, the Board of Supervisors (Board) approved the FY 2018-2019 funding methodology for payments to non-County trauma hospitals with a one-year extension period through June 30, 2020 to the existing TCS Agreements. This extension, however, did not include new funding provisions, but allowed for the continuation of the hospitals' trauma designation. This provided additional time for the non-County trauma hospitals and the Department of Health Services (DHS) to develop the funding methodology for FY 2019-20.

#### **Impact of Affordable Care Act (ACA) on Trauma Funds Distribution**

Prior to the implementation of the ACA in January 2014, trauma funding was distributed to the non-County trauma hospitals largely based on trauma claims for the uninsured population.

However, as the ACA's impact became more widespread, there was a significant reduction in the volume of uninsured trauma claims. Beginning in FY 2014-15, the number of uninsured trauma claims was too minimal to allow the full allocation of Measure B funds based on the traditional uninsured claims methodology. In view of the significant and continuing decrease in the number of uninsured, the non-County trauma hospitals expressed concerns and wanted to ensure they would continue to receive the same level of trauma funding as in previous years prior to the ACA. On May 3, 2016, the Board approved an amendment to the TCS Agreements for FY 2014-15 that continued trauma funding to the non-County trauma hospitals for the same funding amounts received by the trauma hospitals in FY 2013-14.

### Post-ACA Continuing Impact on Trauma Funds Distribution

Given the significant and continuing impact of the ACA, and to ensure prior funding levels would be maintained, the non-County trauma hospitals felt it was necessary that they develop a new basis for distributing trauma funds. Pursuant to discussions between the non-County trauma hospitals and DHS, a new funding methodology for FY 2015-16 was developed that incorporated new categories for reimbursement beyond the traditional basis of the volume of uninsured claims. The FY 2015-16 methodology was approved by the Board on November 1, 2016. During FY 2016-17, the same guiding principle was expressed by the non-County trauma hospitals (i.e., that funding levels should be maintained at levels similar to prior fiscal years), despite the severe decline in uninsured trauma patients. The funding methodology that was approved for that fiscal year was based on the following: the level of indigent services, the provision of base station services, and a flat amount to support infrastructure. In addition, recognizing the continuing ACA impact, the non-County trauma hospitals identified other add-on factors to be used as basis for distribution of the FY 2016-17 trauma funds at levels similar to prior years. The add-ons selected by the non-County trauma hospitals and approved by DHS were as follows: 1) an adjustment for the volume of trauma patients; 2) an adjustment for the level of acuity of trauma patients; and 3) an adjustment for the number of Medi-Cal days and visits, which serves as a proxy of the underinsured population. Lastly, to address concerns that application of the proposed FY 2016-17 formula would impact each hospital to a greater or lesser degree, a parity adjustment was made in proportion to the degree of positive or negative impact to assure that no hospital would be affected disproportionately. The FY 2016-17 methodology was approved by the Board on May 16, 2017.

### FY 2017-18 Distribution Methodology

DHS, in conjunction with all thirteen non-County trauma hospitals came to a consensus for utilizing the same components as the FY 2016-17 methodology for FY 2017-18, including a parity adjustment to reduce the decrease in funding received by a trauma hospital as compared to the prior fiscal year, with the modification that information on services to patients brought in by law enforcement was included with the Medi-Cal information to determine the component related to underinsured populations. Also different for FY 2017-18 was the distribution of pediatric trauma payments. The allocation to each pediatric hospital of Richie funds for pediatric trauma services was based on the facility type. Since Northridge Hospital Medical Center is the only pediatric hospital in Los Angeles County operating as a community hospital, it was given a larger allocation than the remaining pediatric hospitals which are tertiary hospitals.

#### FY 2018-19 Distribution Methodology

DHS and all thirteen non-County trauma hospitals listed in Attachment A, reached a consensus for utilizing the same components used in the FY 2017-18 methodology as for FY 2018-19. This year's funding also included a one-time allocation of unspent Measure B funds from FY 2017-18 for the non-County trauma hospitals, as recommended by the Measure B Advisory Board (MBAB).

#### FY 2019-20 Distribution Methodology

DHS again reached consensus with the thirteen non-County trauma hospitals to use the funding methodology for FY 2019-20 as was used in the previous FY, including a one-time allocation of unspent Measure B funds from FY 2018-19 as recommended by MBAB.

The proposed FY 2019-20 payments to each non-County trauma hospital are summarized in Attachment A.

#### Measure B Advisory Board Funding Proposals

On July 11, 2017, the Board approved and directed the implementation of the MBAB to advise it on options and/or recommendations for spending unallocated Measure B funds. On March 12, 2019, the Chief Executive Office (CEO) provided the first report to the Board regarding the work completed by the MBAB and provided recommendations for supplemental, one-time spending of unallocated Measure B funds from FY 2017-18.

As a result, DHS proceeded to implement the MBAB recommendations to fund the FY 2018-19 proposals approved by the Board, including the proposals of the non-County trauma hospitals.

#### FY 2019-20 Proposals

On February 4, 2020, CEO provided the second report to the Board regarding the work completed by the MBAB and provided recommendations for supplemental, one-time spending of approximately \$12.00 million in unallocated Measure B funds. Because the Board did not disapprove the recommendations by the February 28, 2020, deadline, DHS is proceeding to implement the MBAB recommendations.

Approximately \$7.25 million will be allocated for the non-County hospitals as follows: (i) \$5.75 million for inclusion in the IGT to draw down federal matching dollars to pay for the increased trauma program costs at the eleven (11) non County trauma centers that are classified as private hospitals, including the medical fees and pediatric call panel costs at Northridge Hospital Medical Center; (ii) approximately \$1.50 million for a direct payment

to two (2) public hospitals (that are ineligible to receive federal matching dollars) to pay for the increased trauma program costs.

Approval of Recommendations 1 through 4 will delegate authority to the Director, or designee, to execute an amendment to the existing TCS Agreements substantially similar to Exhibit I, to include financial terms for FY 2019-20 as well as one-time supplemental payments as set forth in this Board letter; allow DHS to process payments for FY 2019-20; and submit an IGT to draw down federal matching funds for those portions of the payments that are to be made as Medi-Cal supplements to ensure emergency room access to Medi-Cal beneficiaries.

Approval of Recommendation 5 will delegate authority to the Director, or designee, to execute amendments to the existing TCS Agreements with the non-County trauma hospitals, extending the term for an additional one-year period through June 30, 2021. This extension will ensure continuity of trauma hospital designation for the non-County trauma hospitals and allow sufficient time for development of a funding methodology for FY 2020-21.

Approval of Recommendation 6 will delegate authority to the Director, or designee, to execute amendments to the existing TCS Agreements with the two designated County trauma hospitals, extending the term for an additional one-year period through June 30, 2021 substantially similar to Exhibit I.

### **Implementation of Strategic Plan Goals**

The recommended actions support Strategy III.3 “Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability”, of the County’s Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The total maximum payment for the above six recommended actions under the amended TCS Agreements for FY 2019-20 is approximately \$97.25 million, including \$57.26 million of County funds (Measure B: \$52.63 million, which includes one-time supplemental funds; Maddy funds: \$3.50 million; Richie funds: \$1.13 million which includes funds for County hospitals) and \$39.99 million of federal matching funds. Funding for the County responsible portion of the TCS Agreements is included in DHS’ FY 2019-20 Final Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to the definitions under California Health and Safety (H&S) Code Section 1798.160, the County, through its Emergency Medical Services (EMS) Agency, maintains a network of designated trauma facilities as part of the regional trauma care system for



treatment of trauma cases (potentially seriously injured persons). Division 2.5 of the H&S Code authorizes the local EMS Agency to designate area hospitals as trauma facilities, commonly known as trauma centers, as part of the regional trauma care system. Since March 1, 2017, there have been thirteen non-County and two County-operated trauma centers.

The TCS Agreements are designed to provide supplemental funding to offset the significant expenses related to maintaining trauma designation and treating trauma patients. The FY 2019-20 TCS Agreements are funded by Measure B, Maddy Fund and Richie's Fund, and contemplate the State making IGT-funded supplemental Medi-Cal payments to non-public trauma hospitals in Los Angeles County.

### **Measure B Funds**

Measure B, passed by the voters on November 5, 2002, authorized the County to levy a tax on structural improvements within the County, in part, to provide funding to strengthen the Los Angeles County trauma network, particularly those trauma hospitals operated by the County, and expand it if possible; and to fund emergency medical services and bioterrorism preparedness. Subsequent to Measure B's passage, the Board approved multiple proposals to allocate Measure B funds among the non-County trauma hospitals. In addition, payments to reimburse trauma hospitals for costs associated with serving as a base hospital in the Emergency Medical Services system were also approved.

### **Maddy and Richie's Funds**

The County receives funds derived from penalties assessed on fines and bail forfeitures that the Superior Court collects for certain criminal offenses and motor vehicle violations. As permitted by California Government Code Section 76000.5 and H&S Code Section 1797.98a, these funds are placed in the County's Maddy Fund and used by DHS for trauma and emergency services. A portion of the Maddy Fund is designated by statute for support of pediatric trauma programs and is segregated as the Richie's Fund. The remaining Maddy Fund dollars are available to support trauma and emergency services provided by hospitals and physicians.

On February 18, 2020 the Board approved a motion to eliminate Los Angeles County Criminal System Administrative Fees which included fees for the Maddy Fund (SB 612 and 1773). Consequently, it is anticipated that Richie's Funds for pediatric trauma services and Maddy Funds that partially offset the unreimbursed cost of indigent trauma services will decrease in future years.

## **Medi-Cal Payments**

The California State Plan, starting at page 51 of Attachment 4.19B, permits the California Department of Health Care Services to make supplemental Medi-Cal payments to non-public trauma hospitals in Los Angeles County. The County makes recommendations regarding the amount of the supplemental payments and provides the funding for the non-federal share of such payments through an IGT.

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

## **CONTRACTING PROCESS**

The recommended actions will extend the current agreements.

## **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will assure continued participation of non-County trauma hospitals in the County's trauma network and continue trauma funding for FY 2019-20.

Respectfully submitted,

Christina R. Ghaly, M.D.  
Director

CRG:MD:JW

Enclosures

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

## COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES

## LOS ANGELES COUNTY TRAUMA CARE SYSTEM

## PROPOSED PAYMENTS TO NON-COUNTY TRAUMA HOSPITALS

## FISCAL YEAR 2019-20

Hospitals	Patient-Based	Pediatric	Designation Support		Add-Ons				MBAB		Total Payment (1) thru (10)
	(1) UNINSURED (Volume)	(2) PEDIATRIC TRAUMA (Fixed Rate)	(3) BASE STATION (Fixed Rate)	(4) INFRASTRUCTURE (Fixed Rate)	(5) TRAUMA (Volume)	(6) ACUITY (Adjustment)	(7) UNDERINSURED (Adjustment)	(8) PARITY (Adjustment)	(9) MBAB (Increased Cost)	(10) MBAB (Community Hospital)	
Antelope Valley Hospital	\$ 286,782	\$ -	\$ 700,000	\$ 1,200,000	\$ 1,178,112	\$ 474,497	\$ 1,839,512	\$ (182,073)	\$ 727,449		\$ 6,224,279
California Hospital Medical Center	1,833,629	-	700,000	1,200,000	1,761,377	747,061	4,909,341	73,404	1,485,487		12,710,298
Cedars-Sinai Medical Center	465,846	87,661	700,000	1,200,000	1,760,324	917,075	1,737,746	96,887	910,216		7,875,755
Children's Hospital Los Angeles	-	87,661	-	1,200,000	481,142	163,857	762,896	382,370	395,731		3,473,657
Henry Mayo Newhall Memorial	476,495	-	700,000	1,200,000	818,045	316,606	640,075	(200,381)	522,853		4,473,693
Huntington Memorial Hospital	196,837	-	700,000	1,200,000	1,298,134	462,058	1,224,002	22,375	675,383		5,778,790
Long Beach Memorial Medical Center	408,102	87,661	700,000	1,200,000	1,566,604	623,228	2,166,567	25,676	885,376		7,663,214
Northridge Hospital Medical Center	1,311,954	600,000	700,000	1,200,000	1,211,802	471,720	1,367,878	(315,232)	787,173	2,000,000	9,335,296
Pomona Valley Hosp. Medical Center	320,267	-	700,000	1,200,000	1,707,966	720,871	2,470,338	(481,728)	878,433		7,516,147
Providence Holy Cross Medical Center	1,663,785	-	700,000	1,200,000	1,302,345	507,604	2,196,045	757,824	1,102,072		9,429,675
Ronald Reagan UCLA Medical Center	242,855	87,661	700,000	1,200,000	1,304,451	673,004	2,224,820	(489,949)	774,873		6,717,715
St. Francis Medical Center	1,031,094	-	700,000	1,200,000	1,719,264	823,233	4,180,836	252,980	1,311,143		11,218,549
St. Mary Medical Center	91,621	-	700,000	1,200,000	595,900	247,557	1,216,282	57,847	543,811		4,653,018
<b>Subtotal</b>	<b>\$ 8,329,267</b>	<b>\$ 950,644</b>	<b>\$ 8,400,000</b>	<b>\$ 15,600,000</b>	<b>\$ 16,705,466</b>	<b>\$ 7,148,371</b>	<b>\$ 26,936,338</b>	<b>\$ 0</b>	<b>\$ 11,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 97,070,086</b>
<b>County Hospitals</b>											
LAC+USC Medical Center	\$ -	\$ 87,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,661
Harbor-UCLA Medical Center	-	87,661	-	-	-	-	-	-	-	-	87,661
<b>Subtotal</b>	<b>\$ -</b>	<b>\$ 175,322</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 175,322</b>
<b>Grand Total</b>	<b>\$ 8,329,267</b>	<b>\$ 1,125,966</b>	<b>\$ 8,400,000</b>	<b>\$ 15,600,000</b>	<b>\$ 16,705,466</b>	<b>\$ 7,148,371</b>	<b>\$ 26,936,338</b>	<b>\$ 0</b>	<b>\$ 11,000,000</b>	<b>\$ 2,000,000</b>	<b>\$ 97,245,408</b>

**Notes:**

Col (1) - Payment is based on each hospital's share in the total value of the FY 18-19 indigent claims submitted by non-County trauma hospitals to the County (net of FY 17-18 disallowed claims), multiplied by the total funding allocated for this category.

Col (2) - Payment is based on facility type. Northridge Hospital Medical Center receives a larger allocation due to its State-designated status as a Pediatric Community Hospital.

Col (3) - Fixed payment for each hospital that provides base hospital service meeting the requirement of County's Emergency Medical Services Agency.

Col (4) - Infrastructure is a fixed payment for each trauma hospital to defray the trauma call panel, specialist physicians and trauma program costs.

Col (5) - Trauma payment is based on each hospital's percentage in the total trauma patient volume of non-County trauma hospitals (reported by County's TEMIS for CY 2018) multiplied by the total funding allocated for this category.

Col (6) - Acuity payment is based on each hospital's percentage in the total patient days of non-County trauma hospitals (reported by County's TEMIS for CY 2018) that are adjusted for severity factors, multiplied by the total funding allocated for this category.

Col (7) - Under-insured payment is based on each hospital's percentage in the total Medi-Cal and In-Custody patient days of non-County trauma hospitals (reported by County's TEMIS for CY 2018), multiplied by the total funding allocated for this category.

Col (8) - Parity adjustment is to redistribute a portion of the surplus of payments received by some hospitals, to mitigate the loss of payments experienced by other hospitals. Each hospital's surplus or loss is determined by the difference between its current year and prior year payments.

Col (9) - Measure B Advisory Board (MBAB) recommended one-time funding to cover the increased trauma program costs, totaling \$11 million (Measure B, \$6.25 million; Federal match, \$4.75 million). Funding for each hospital is allocated proportional to its share in the total payments columns 1 and 3 through 8.

Col (10) - MBAB recommended one-time payment to Northridge Hospital Medical Center to defray its Pediatric Trauma Center's operating losses, totaling \$2 million (Measure B, \$1 million; Federal match, \$1 million).

## BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

**II. RECOMMENDED ACTIONS** (summarized)

**III. COST AND FUNDING SOURCES**

Cost:

Funding:

**IV. BACKGROUND** (critical and/or insightful)

**V. POTENTIAL ISSUE(S)**

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**

June 2, 2020

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 TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT  
FOR PATIENTS SEEN UNDER THE  
TRAUMA CENTER SERVICE AGREEMENT  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

To request Board approval for the Director of Health Services, or designee, to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of Health Services (Director), or designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts:

Patients who received medical care at County facilities:

Olive View UCLA Medical Center – Account Number 297-74-24 in the amount of \$2,500.00

Harbor UCLA Medical Center – Account Number 101536319 in the amount of \$3,000.00

Harbor UCLA Medical Center – Account Number 100980038 in the amount of \$422,666.84

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Patients who received medical care at County facilities: The compromise offer of settlement for these patient accounts is recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department of Health Services (DHS) was able to negotiate or was offered.

The best interest of the County would be served by approving the acceptance of these compromises, as it will enable the DHS to maximize net revenue on these accounts.

### **Implementation of Strategic Plan Goals**

The recommended actions will support Strategy III.3 “Pursue for Operational Effectiveness, Fiscal Responsibility, and Accountability” of the County’s Strategic Plan.

### **FISCAL IMPACT/FINANCING**

This will expedite the County’s recovery of revenue totaling approximately \$428,166.84  
There is no net cost to the County.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under County Code Chapter Section 2.76.046, the Director, or designee, has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director’s, or designee’s, authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director, or designee, authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, the Board approved a revised ordinance granting the Director, or designee, authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

The Honorable Board of Supervisors  
June 2, 2020  
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**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Funds.

Respectfully submitted,

Christina R. Ghaly, M.D.  
Director

CRG: ANW:VP

Enclosures (3)

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

**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
TRANSMITTAL 20-3-A

Amount of Aid	\$27,960.00	Account Number	297-74-24
Amount Paid	0.00	Name	Adult Female
Balance Due	\$27,960.00	Service Date	8/29/15 - 02/02/16
Compromise Amount Offered	\$2,500.00	Facility	Olive View UCLA Medical Center
Amount to be Written Off	\$25,460.00	Service Type	Inpatient

**JUSTIFICATION**

The patient was treated at Olive View UCLA Medical Center at a total cost of \$27,960.00.

The attorney has settled the case in the amount of \$15,000.00. Due to the low recovery and the insufficient funds to fully satisfy all liens the attorney proposes the following disbursement:

<b>Disbursements</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
Attorney Fees	\$5,000.00	\$5,000.00	33.00%
Attorney Cost	\$496.78	\$496.78	3.00%
Other lien holders	\$9,416.53	\$4,270.00	28.00%
Los Angeles Department of Health Services	\$27,960.00	\$2,500.00	17.00%
Net to Client (Heirs)	\$0.00	\$2,733.22	18.00%
<b>Total</b>	<b>\$42,873.31</b>	<b>\$15,000.00</b>	<b>100.00%</b>



**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
TRANSMITTAL 20-3-B

Amount of Aid	\$109,734.00	Account Number	101536319
Amount Paid	0.00	Name	Adult Male
Balance Due	\$109,734.00	Service Date	03/19/19 & 5/13/19
Compromise Amount Offered	\$3,000.00	Facility	Harbor UCLA Medical Center
Amount to be Written Off	\$106,734.00	Service Type	Inpatient

**JUSTIFICATION**

The patient was treated at Harbor UCLA Medical Center at a total cost of \$109,734.00.

The attorney has settled the case in the amount of \$15,000.00. Due to the low recovery and the insufficient funds to fully satisfy all liens the attorney proposes the following disbursement:

<b>Disbursements</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement</b>
Attorney Fees	\$6,000.00	\$6,000.00	40.00%
Attorney Cost	\$1,027.00	\$1,027.00	6.85%
Other lien holders	\$2,423.00	\$66.12	0.44%
Los Angeles Department of Health Services	\$109,734.00	\$3,000.00	20.00%
Net to Client (Heirs)	\$0.00	\$4,906.88	32.71%
<b>Total</b>	<b>\$119,184.00</b>	<b>\$15,000.00</b>	<b>100.00%</b>

**DATA FOR COMPROMISE SETTLEMENT**

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES  
TRANSMITTAL 20-3-C

Amount of Aid	\$608,694.00	Account Number	100980038
Amount Paid	0.00	Name	Adult Male
Balance Due	\$608,694.00	Service Date	04/13/2017 – 05/08/2017
Compromise Amount Offered	\$422,666.84	Facility	Harbor UCLA Medical Center
Amount to be Written Off	\$186,027.16	Service Type	Inpatient

**JUSTIFICATION**

The patient was treated at Harbor UCLA Medical Center at a cost of \$608,694.00. The account was referred to the County vendor whom was able to negotiate the payment of \$422,666.84 for this account.

This compromise offer of settlement is recommended because it represents the maximum amount the County vendor was able to negotiate with the insurance company.

## BOARD LETTER FACT SHEET

# DRAFT

Agenda Review Date: May 20, 2020  
Board Meeting Date: June 23, 2020  
Sup. Dist. / SPA No.: ALL

**DEPARTMENT:** *Mental Health*

**SUBJECT:** Request approval to establish Fiscal Year 2020-21 Published Charges for the provision of specialty mental health services provided by the Department of Mental Health's directly operated clinics.

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

Approval of the recommended action will allow Department of Mental Health (DMH) to make effective its proposed Published Charges for use in billing the general public and third party payers for specialty mental health services provided by DMH directly operated clinics, as permitted by law.

### II. RECOMMENDED ACTIONS (summarized)

Approve the DMH's proposed FY 2020-21 Published Charges effective July 1, 2020.

### III. COST AND FUNDING SOURCES

Cost: There is no net County cost impact associated with the recommended action.

Funding: N/A

### IV. BACKGROUND (critical and/or insightful)

The State Plan provides that Short-Doyle/Medi-Cal (SD/MC) services are to be paid at the lower of actual costs or customary charges, which is consistent with federal Medicaid rules. The State has implemented such provision in the California Code of Regulations Title 9 and in its cost reporting instructions. The term customary charges is synonymous with the term Published Charges, which is defined as the usual and customary charges prevalent in the public mental health sector that are used to bill the general public, insurers, and other non-Title XIX payers.

DMH's Published Charges are determined annually based on the most recent Annual Cost Report, projected cost increases, estimated service delivery, and are adjusted by the Centers for Medicare and Medicaid Services Market Basket Index Levels.

### V. POTENTIAL ISSUE(S)

N/A

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

DMH:	Kimberly Nall	KNall@dmh.lacounty.gov	(213) 738-4625
County Counsel:	Vicki Kozikoujekian	VKozikoujekian@counsel.lacounty.gov	(213) 738-2881



## DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.  
Director

Curley L. Bonds, M.D.  
Chief Medical Officer  
Clinical Operations

Gregory C. Polk, M.P.A.  
Chief Deputy Director  
Administrative Operations

June 23, 2020

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:

**HEARING ON PUBLISHED CHARGES FOR FISCAL YEAR 2020-21  
FOR SPECIALTY MENTAL HEALTH SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to establish Fiscal Year 2020-21 Published Charges for the provision of specialty mental health services provided by the Department of Mental Health's directly operated clinics.

**IT IS RECOMMENDED THAT YOUR BOARD, AFTER THE PUBLIC HEARING,**

Approve the Department of Mental Health's (DMH) proposed FY 2020-21 Published Charges, effective July 1, 2020.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended action will allow DMH to make effective its proposed Published Charges, reflected in Attachment I, for use in billing the general public and third party payers for specialty mental health services provided by DMH directly operated clinics, as permitted by law.

**Implementation of Strategic Plan Goals**

The recommended action is consistent with the County's Strategic Plan Goal III, Realize Tomorrow's Government Today, specifically Strategy 111.3 - Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

### **FISCAL IMPACT/FINANCING**

Approval of the requested action will enable DMH to establish a reasonable approximation of actual costs for specialty mental health services rendered.

There is no net County cost impact associated with the recommended action.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The State Plan provides that Short-Doyle/Medi-Cal (SD/MC) services are to be paid at the lower of actual costs or customary charges, which is consistent with federal Medicaid rules. The State has implemented such provision in the California Code of Regulations Title 9 and in its cost reporting instructions. The term customary charges is synonymous with the term Published Charges, which is defined as the usual and customary charges prevalent in the public mental health sector that are used to bill the general public, insurers, and other non-Title XIX payers.

DMH contracts with the State Department of Health Care Services (DHCS) as the local Mental Health Plan (MHP) and provides specialty mental health services to Medi-Cal beneficiaries under a Section 1915(b) waiver. DHCS claims federal reimbursement for Medi-Cal specialty mental health services based on public expenditures certified by the MHPs. When a MHP submits an interim claim for reimbursement it should either reflect the MHP's actual cost or a reasonable approximation of the MHP's actual cost. When the claim for reimbursement is for a specialty mental health service rendered by a county owned and operated facility, the MHP is not expected to know its actual cost. The MHP will not know its actual cost until the fiscal year is over and it has completed its cost finding and cost allocation through the specialty mental health services cost report. Consequently, the interim claim for reimbursement of services rendered by county-owned and operated providers will be based upon a reasonable approximation of the MHP's actual cost, which are typically the lower of 1) Published Charges or the 2) County Interim Rates, which are set by DHCS and based on the most recent certified cost report submitted by the MHP. DHCS will settle these interim payments to actual cost when the MHP files its certified cost report.

DMH's Published Charges are determined annually based on the most recent Annual Cost Report, projected cost increases, estimated service delivery, and are adjusted by the Centers for Medicare and Medicaid Services Market Basket Index Levels.

In accordance with Government Code Section 66018, a public hearing will be held as required, prior to the approval of a change to an existing fee. Special notice of that public hearing (Attachment II), in compliance with Government Code Section 6062a, has been published by the Executive Office.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended FY 2020-21 Published Charges will become effective on July 1, 2020. This increase is not expected to negatively impact mental health services to the public. With the application of the Uniform Method of Determining Ability to Pay, as established by State law, all uninsured DMH patients will most likely pay less than the Published Charges. Subsequently, there is no anticipated impact on current services.

Respectfully submitted,

JONATHAN E. SHERIN, M.D., Ph.D.  
Director of Mental Health

JES:GP:SK:mm

Attachments

c:     Executive Officer, Board of Supervisors  
          Chief Executive Office  
          County Counsel  
          Auditor-Controller  
          Chairperson, Mental Health Commission

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
FISCAL YEAR 2020-21 PUBLISHED CHARGES  
EFFECTIVE JULY 01, 2020

SERVICE DESCRIPTION	MODE	SERVICE FUNCTION CODE	SERVICE UNIT	NON-MEDI-CAL FY 2020-21 RATES <sup>1</sup>	MEDI-CAL FY 2020-21 RATES <sup>2</sup>
Crisis Stabilization: Urgent Care	10	25-29	Hour	882.51	772.93
Day Treatment Intensive: Half Day (3-4 hours)	10	81-84	Half Day	272.21	238.41
Full Day (more than 4 hours)	10	85-89	Full Day	338.75	296.69
Day Rehabilitation: Half Day (3-4 hours)	10	91-94	Half Day	140.55	123.10
Full Day (more than 4 hours)	10	95-99	Full Day	219.43	192.18
Targeted Case Management	15	01-09	Minute	4.38	3.84
Mental Health Services	15	10-59	Minute	5.61	4.91
Medication Support Services	15	60-69	Minute	11.24	9.84
Crisis Intervention	15	70-79	Minute	9.03	7.91
Mental Health Promotion <sup>3</sup>	45	10-19	Staff Hour	226.19	N/A
Community Client Services <sup>3</sup>	45	20-29	Staff Hour	226.19	N/A
Conservatorship: Investigation <sup>3</sup>	60	20-29	Staff Hour	224.09	N/A
Administration <sup>3</sup>	60	30-39	Staff Hour	212.27	N/A
Life Support /Board & Care <sup>3</sup>	60	40-49	Day	43.40	N/A
Case Management Support <sup>3</sup>	60	60-69	Staff Hour	268.89	N/A

Footnote(s)

<sup>1</sup> Non-Medi-Cal rates include departmental administrative overhead costs.

<sup>2</sup> Medi-Cal rates do not include administrative overhead costs since reimbursement for such costs are claimed through a separate process.

<sup>3</sup> Services are non-Medi-Cal only.

**NOTICE OF HEARING ON PUBLISHED CHARGES FOR  
PATIENT CARE SERVICES FOR FISCAL YEAR 2020-21**

Notice is hereby given that a public hearing will be held by the Board of Supervisors, establishing proposed rates for Fiscal Year (FY) 2020-21. It is proposed that such rates for FY 2020-21 be effective July 1, 2020.

Said hearing will be held on June 23, 2020, at 1:00 p.m., in the Hearing Room of the Board of Supervisors, Room 381, Kenneth Hahn Hall of Administration, 500 West Temple Street (the corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider and may adopt the Published Charges. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Any person wishing to be heard on this matter may appear and make a presentation before the Board of Supervisors, at such time, regarding the proposed Published Charges. Written comments may be sent to the Executive Office of the Board of Supervisors at the above address.

The proposed Published Charges will be on file and available for review at the Clerk of the Board, Room 383, Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012, or at the Department of Mental Health, Accounting Division, 8<sup>th</sup> Floor, 550 South Vermont Avenue, Los Angeles, California 90020, from 8:00 a.m. to 5:00 p.m.

For further information regarding this matter, please telephone the County of Los Angeles, Department of Mental Health, Office of the Chief Deputy Director at (213) 738-4926.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (213) 738-4926.

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CELIA ZAVALA  
EXECUTIVE OFFICER  
Board of Supervisors



## BOARD LETTER FACT SHEET

Agenda Review Date: May 20, 2020

Board Meeting Date: June 9, 2020

Sup. Dist. / SPA No.: 3rd and 5th

**DEPARTMENT:** PUBLIC WORKS

**SUBJECT:** Olive View-UCLA MC Fire Alarm & Nurse Call Systems

### I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

- a. Mandated. Replacement of the Fire Alarm and Nurse Call systems will bring the hospital to full compliance with all current regulations and meet the accreditation requirements of the Joint Commission for hospitals.

### II. RECOMMENDED ACTIONS (summarized)

- a. Public Works is seeking Board approval to amend to an architect/engineer agreement, approve an appropriation adjustment, authorization to issue short-term notes and to use Job Order Contracts to perform necessary make-ready work for the Olive View-UCLA Medical Center Fire Alarm/Nurse Call Systems project.

### III. COST AND FUNDING SOURCES

Cost: \$43,737,000 (preliminary estimate)

Funding: \$264,000 DHS' Operating Budget, \$2,347,000 NCC, and the remainder of \$41,126,000 is proposed to be debt-financing

### IV. BACKGROUND (critical and/or insightful)

#### a. BACKGROUND/DESCRIPTION

On March 6, 2018, the Board approved the OV-UCLA MC Fire Alarm/Nurse Call Systems Capital Project, and authorized the Director of Public Works to execute an agreement with c|a ARCHITECTS, Inc. (c|a ARCHITECTS) to provide pre-design and schematic design services for the OV-UCLA MC Fire Alarm/Nurse Call Systems project.

The existing fire alarm and nurse call systems at OV-UCLA MC were installed over 30 years ago and are now obsolete. The manufacturer for both systems no longer supports repair of the existing systems and parts are no longer available to make repairs to the systems, when necessary. The project will affect approximately 564,000 square feet of the hospital and central plant.

### V. POTENTIAL ISSUE(S)

- a. None

### VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

\* DPW: Andy Moey (626) 300-2300 | Health Services: Phillip Franks (213) 288-8076 | County Counsel: Mike Simon (213) 974-1943

June 9, 2020

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:

**CONSTRUCTION-RELATED CONTRACT  
CONSTRUCTION MANAGEMENT CORE SERVICE AREA  
OLIVE VIEW-UCLA MEDICAL CENTER  
FIRE ALARM/NURSE CALL SYSTEMS PROJECT  
APPROVE DESIGN SERVICE AMENDMENT  
AUTHORIZE ISSUANCE OF LEASE REVENUE OBLIGATION NOTES  
APPROVE RELATED APPROPRIATION ADJUSTMENT  
CAPITAL PROJECT NOS. 87382, 87394, AND 89117  
(SUPERVISORIAL DISTRICTS 3 AND 5)  
(4 VOTES)**

**SUBJECT**

Public Works is seeking Board approval for an amendment to an architect/engineer agreement, approve an appropriation adjustment, authorization to issue short-term notes and to use Job Order Contracts to perform necessary make-ready work for the Olive View-UCLA Medical Center Fire Alarm/Nurse Call Systems project.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the recommended actions related to the project are within the scope of the previous finding of exemption for the project for the reasons stated in the Board letter and in the record of the project.
2. Approve and authorize the Director of Public Works or his designee to execute an amendment to Agreement PW-15147 with c/a ARCHITECTS, Inc., in the amount of \$2,188,871 for a revised total not-to-exceed amount of \$2,616,280 to complete design-build scoping documents, construction documents for the make-ready work, and related professional services.
3. Authorize the Director of Public Works or his designee to deliver the Olive View-UCLA Medical Center Fire Alarm/Nurse Call Systems project make-ready scope at approximately \$4,123,000 using Job Order Contracts.

4. Authorize the issuance of short-term notes through the Los Angeles County Capital Asset Leasing Corporation's Lease Revenue Obligation Notes Program (previously known as Commercial Paper Program) in the amount of \$8,000,000 and approve an appropriation adjustment to fund the above actions including project management costs.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Approval of the recommended actions will authorize the issuance of short-term Lease Revenue Obligation Notes; approve an appropriation adjustment; approve an amendment to the architect/engineer (A/E) services agreement; authorize Public Works to use Job Order Contracts (JOCs) for the make-ready construction work; and find that the recommended actions are within the scope of the previous finding of exemption for the project under the California Environmental Quality Act (CEQA).

On March 6, 2018, the Board approved the OV-UCLA MC Fire Alarm/Nurse Call Systems Capital Project, and authorized the Director of Public Works to execute an agreement with c|a ARCHITECTS, Inc. (c|a ARCHITECTS) to provide pre-design and schematic design services for the OV-UCLA MC Fire Alarm/Nurse Call Systems project.

#### **Fire Alarm System**

In December 2017, the existing fire alarm system, originally installed over 30 years ago, failed and the hospital is currently on a 24/7 fire watch to ensure continued safe use and operation of the medical center.

Replacing the fire alarm system is needed to bring the hospital to full compliance with all current regulations.

In order to meet current code and be compatible with the technology of the new fire alarm system, existing smoke dampers throughout the hospital need to be replaced. Replacing the smoke dampers is expected to be complicated and must be conducted through a phased approach during off hours to avoid disruptions to the operations of the medical center. Public Works is proposing that the dampers replacement scope to be performed as make-ready work using JOCs, which is estimated at \$4,123,000.

The preliminary total cost estimate for the fire alarm system and the smoke dampers replacement component is \$23,618,000.

### Nurse Call System

The nurse call system needs to be replaced to comply with the current code and the accreditation requirements of the Joint Commission for hospitals.

The scope of work for the nurse call system component consists of installation of a new nurse call and code blue system and upgrade of the existing paging system. The new system is expected to provide advanced communications and integrated reporting that will best serve staff and patient needs.

The preliminary total cost estimate for the nurse call system component is \$20,119,000.

### Current Status

c/a ARCHITECTS has performed the necessary pre-design and schematic design services for the fire alarm and nurse call systems and the proposed amendment with c/a ARCHITECTS will provide for completion of design-build scoping documents, construction documents for the make-ready work, and related professional services to deliver the project through the design-build method. Upon approval of this recommended action, the value of the contract with c/a ARCHITECTS will increase from \$427,409 to \$2,616,280.

The existing fire alarm and nurse call systems at OV-UCLA MC were installed over 30 years ago and are now obsolete. The manufacturer for both systems no longer supports repair of the existing systems and parts are no longer available to make repairs to the systems, when necessary. The project will affect approximately 564,000 square feet of the hospital and central plant. Public Works proposes to replace both systems using a design-build contracting method.

Once proposals are solicited, received, scored, and an apparent successful proposer is identified, Public Works will return to the Board to award the design-build agreement for the proposed project and seek the Board's approval of the project budget.

### Green Building/Sustainable Design Program

The project will support the Board's Green Building/Sustainable Design Program by incorporating into the design and construction, recyclable materials, features to optimize energy and water use, and by maximizing the use of sustainable and local resources during construction.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: Strategy II.2, Support the Wellness of Our Communities; Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability; and Objective III.3.2, Manage and Maximize County Assets, by replacing existing building support systems that have exceeded their useful lives and can no longer be supported or maintained. The new replacement systems will enhance operational efficiency and support the wellness of our communities through improved delivery of comprehensive and seamless healthcare services to the residents of the County seeking healthcare assistance.

### **FISCAL IMPACT/FINANCING**

The preliminary combined total project cost for the OV-UCLA MC Fire Alarm/Nurse Call Systems project, Capital Project (C.P.) Nos. 87382, 87394, and 89117, is estimated at \$43,737,000, which includes programming, pre-development activities, scoping documents, permits, construction, make-ready work, change order allowance, consultant services, inspection services, and County services. Funding sources of the project budget consists of \$264,000 from DHS' operating budget, \$2,347,000 of prior year net County cost, and the remainder of \$41,126,000 is proposed to be debt-financing.

Approval of the enclosed appropriation adjustment (Enclosure A) in the amount of \$8,000,000, to be financed with short-term borrowing through the Lease Revenue Obligation Notes Program, will partially fund the project. The costs of financing through the Note Program include interest, insurance, and letter of credit fees, which would be funded from DHS' operating budget.

The short-term borrowing through the Lease Revenue Obligation Notes Program will eventually be refinanced through the issuance of long-term bonds. The proceeds from the sale of bonds will be used to refinance outstanding Lease Revenue Obligation Notes that were used as the initial funding vehicle for the construction and capital improvements of the project. The annual repayment of the bond issued will be paid from DHS' operating budget.

The project will be funded with various funding sources, and the expenditures of those funding sources will need to be tracked separately. Three C.P. numbers were issued for this project: C.P. Nos. 87382, 87394, and 89117 to track expenditures funded by DHS, prior year net County cost and Lease Revenue Obligation Notes, respectively.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The A/E amendment will be in the form previously approved by County Counsel. The recommended contract was solicited in an open competitive basis in accordance with applicable Federal, State, and County requirements.

The agreement also included a provision requiring the consultant firm to track subcontractor's utilization of Local Small Business Enterprise, Disabled Veterans Business Enterprise, and Social Enterprise Businesses.

The agreement contains terms and conditions supporting the Board's ordinances and policies, including but not limited to: Child Support Compliance Program; Contractor Responsibility and Debarment; Contractor Employee Jury Service Program; Defaulted Property Tax Reduction Program; County's Greater Avenues for Independence and General Relief Opportunities for Work Policies; Reporting of Improper Solicitations; Contract Language to Assist in Placement of Displaced County Workers; and Notice to Contract Employees of Newborn Abandonment Law (Safely Surrendered Baby Law).

## **ENVIRONMENTAL DOCUMENTATION**

On March 6, 2018, the Board approved the OV-UCLA MC Fire Alarm/Nurse Call Systems project and found that it was categorically exempt from CEQA. The currently proposed actions are within the scope of the previous finding of exemption and there have been no changes to the previously approved project. A Notice of Exemption was filed with the County Clerk on March 9, 2018.

Upon the Board's approval of the recommended actions, Public Works will file a Notice of Exemption with the Registrar-Recorder/County Clerk in accordance with Section 21152 of the Public Resources Code.

## **CONTRACTING PROCESS**

On March 6, 2018, the Board authorized Public Works to award and execute an A/E services agreement for OV-UCLA MC Fire Alarm/Nurse Call Systems project for a \$427,409 not-to-exceed fee. The recommended amendment with c/a ARCHITECTS for a \$2,188,871 not-to-exceed fee will increase the value of Agreement PW-15147 from \$427,409 to \$2,616,280.

Public Works will use a Board-approved JOC to perform the make-ready work associated with the smoke dampers replacement. Public Works reviewed the dampers replacement scope and determined that JOC is the most appropriate procurement method due to the

The Honorable Board of Supervisors  
June 9, 2020  
Page 6

complexity of the work. Upon completion of the County's design-build Request for Proposals process, we will return to the Board to recommend award of a design-build contract for the final design and construction of the fire alarm and nurse call systems.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Public Works will work with DHS to minimize construction impacts and disruptions at the facilities. The hospital will remain fully operational during construction and will remain on 24-hour fire watch until the completion and acceptance of the new fire alarm replacement system.

**CONCLUSION**

Please return one adopted copy of this Board letter to Public Works, Project Management Division I.

Respectfully submitted,

MARK PESTRELLA  
Director of Public Works

MP:AM:cg

Enclosures

c: Department of Arts and Culture  
Auditor-Controller  
Chief Executive Office (Capital Programs Division)  
County Counsel  
Executive Office  
Department of Health Services (Capital Projects Division)

The Honorable Board of Supervisors  
June 9, 2020  
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## BOARD LETTER FACT SHEET

# DRAFT

Agenda Review Date: May 20, 2020

Board Meeting Date: June 2, 2020

Sup. Dist. / SPA No.: All Supervisorial Districts

DEPARTMENT: **Mental Health**

**SUBJECT:**

Adopt a resolution to extend the Participation Agreement with the California Mental Health Services Authority to fund the State Hospital Bed Procurement Program for Fiscal Year 2020-21

**I. PUBLIC BENEFIT** (precise description, mandated or non-mandated)

The California Mental Health Services Authority (CalMHSA) negotiates on behalf of counties to develop an agreement with the California Department of State Hospitals (DSH) regarding the use and cost of State hospital beds, and is responsible for fiscal accountability, ensuring quality of care, and development of alternatives to State hospitals.

**II. RECOMMENDED ACTIONS** (summarized)

Adopt a resolution and approval to allow the Chief Medical Officer of the Department of Mental Health to execute an amendment to the Participation Agreement to enable continued participation in CalMHSA's State Hospital Bed Procurement Program effective July 1, 2020 through June 30, 2021 with a one year optional extension for FY 2021-22; to execute future amendments; and to withdraw from, cancel, or terminate the Participation Agreement in accordance with the Agreements' termination provisions.

**III. COST AND FUNDING SOURCES**

Cost: \$269,000 for Administrative Services

Funding: 2011 Realignment-Mental Health

**IV. BACKGROUND** (critical and/or insightful)

CalMHSA was formed in July 2009 for the purpose of jointly developing and funding mental health services and education programs on a statewide, regional, or local basis. CalMHSA provides a mechanism to facilitate the efficient use of resources for multiple counties by maximizing group purchasing power for products, jointly developing requests for proposals and establishing contracts with providers to accomplish mutual goals, such as the reduction of administrative overhead, the centralization of compliance with reporting requirements, sharing research information and strategies, and negotiation of cost-effective rates with various subcontractors Statewide.

The Agreement is due to expire on June 30, 2020. The State has been unable to complete negotiations with CalMHSA due to its own logistically administrative and staffing challenges, and most recently, the COVID-19 public health crisis. Therefore, the extension to the Agreement is necessary to provide uninterrupted procurement and use of State hospital beds.

**V. POTENTIAL ISSUE(S)**

N/A

**VI. DEPARTMENT & COUNTY COUNSEL CONTACTS**

DMH: Amanda Ruiz, [amaruiz@dmh.lacounty.gov](mailto:amaruiz@dmh.lacounty.gov)

County Counsel: Vicki Kozikoujekian., [vkozikoujekian@counsel.lacounty.gov](mailto:vkozikoujekian@counsel.lacounty.gov)



## DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.  
Director

Curley L. Bonds, M.D.  
Chief Medical Officer  
Clinical Operations

Gregory C. Polk, M.P.A.  
Chief Deputy Director  
Administrative Operations

June 2, 2020

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:

**ADOPT A RESOLUTION TO EXTEND THE PARTICIPATION AGREEMENT WITH  
THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY TO FUND THE  
STATE HOSPITAL BED PROCUREMENT PROGRAM FOR FISCAL YEAR 2020-21  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request adoption of a resolution approving an extension of the Participation Agreement with the California Mental Health Services Authority to continue participation in the State Hospital Bed Procurement Program for Fiscal Year 2020-21.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Adopt and instruct the Chair of your Board to sign a resolution (Attachment I), authorizing the Chief Medical Officer to sign Amendment No. 238-2016-SHB-LA-A2 (Attachment II) to extend the term of the County's Participation Agreement (Agreement) with the California Mental Health Services Authority (CalMHSA) for the continued use of State hospital beds for Fiscal Year (FY) 2020-21 with an additional one year optional extension while CalMHSA finishes procurement negotiations on behalf of the County for State hospital beds. The Agreement is funded by 2011 Realignment-Mental Health (MH) revenue with an annual Total Contract Amount (TCA) of \$269,000, which includes a daily administrative rate of \$3.68 per bed. The cost of the Participation Agreement does not include the actual cost of the State hospital beds.
2. Delegate authority to the Chief Medical Officer, or his designee, to prepare, sign, and execute future amendments to the Agreement in the first Recommendation; revise the

TCA; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the County's total payment will not exceed an increase of more than 10 percent of the TCA approved by your Board; 2) sufficient funds are available; and 3) the amendments are subject to prior review and approval as to form by County Counsel, with written notification to your Board and the Chief Executive Officer (CEO).

3. Delegate authority to the Chief Medical Officer, or his designee, to withdraw from, cancel, or terminate the Agreement in accordance with the Agreement's provisions. The Chief Medical Officer, or his designee, will notify your Board and CEO, in writing, of such action.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

Adoption of the resolution and approval of the first Recommendation will allow Department of Mental Health (DMH), through the CalMHSA State Hospital Bed Procurement Program, to extend the term of the Agreement, which is set to expire on June 30, 2020. Extension of the Agreement will enable DMH to join other counties in negotiations with California Department of State Hospitals (DSH) regarding the use and cost of State hospital beds. CalMHSA acts on behalf of member counties in the development of an annual joint purchase agreement with DSH for statewide utilization of State hospital beds, and will be responsible for fiscal accountability, ensuring quality of care, and the development of alternatives to State hospitals.

Approval of the second Recommendation will allow DMH to amend the Agreement with CalMHSA as needed, including revising the TCA by no more than 10 percent in the event of an increase in use of State hospital beds.

Approval of the third Recommendation will allow DMH to withdraw from the Agreement in accordance with the Agreement's withdrawal provision.

The Agreement authorizes CalMHSA to contract on behalf of the county.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

These recommendations support the County's Strategic Plan Goal I, Make Investments that Transform Lives, via Strategy I.1, Increase Our Focus on Prevention Initiatives, and Strategy I.2, Enhance Our Delivery of Comprehensive Interventions, by delivering comprehensive and seamless services to those seeking assistance from the County.

### **FISCAL IMPACT/FINANCING**

The Agreement with CalMHSA for FY 2020-21 is funded by 2011 Realignment-MH revenue in the amount of \$269,000, which is included in the FY 2020-21 Recommended Budget.

Funding for future fiscal years will be requested through DMH's annual budget process.

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

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Welfare and Institutions Code (WIC) Section 17601 requires cities and counties to reimburse the State for their use of State hospital beds. WIC Sections 4330 through 4335 allow counties, including those counties acting jointly, to contract with the DSH for use of State hospital facilities.

CalMHSA was formed in July 2009 for the purpose of jointly developing and funding mental health services and education programs on a statewide, regional, or local basis. Under the Government Code, the Joint Powers Authority is to support and provide administrative and fiscal services to counties and cities with mental health programs, and to address common interests in the administration of such programs. Los Angeles County is a member county of CalMHSA.

CalMHSA provides a mechanism to facilitate the efficient use of resources for multiple counties by maximizing group purchasing power for products, jointly developing requests for proposals and establishing contracts with providers to accomplish mutual goals, such as the reduction of administrative overhead, the centralization of compliance with reporting requirements, sharing research information and strategies, and negotiation of cost-effective rates with various subcontractors Statewide.

The amendment to the Agreement has been approved as to form by County Counsel.

The Director of DMH currently serves on the Board of Directors of CalMHSA Joint Exercise of Powers Agreement, but is not compensated and does not benefit financially in any way from serving in that position. Additionally, the Director did not participate in the approval process for this amendment to the Agreement with CalMHSA.

### **CONTRACTING PROCESS**

Statutory authority permits counties acting singularly or in combination with other counties to contract with DSH for State hospital beds. On May 21, 2019, your Board approved a one-year extension to the Agreement. Since that extension, the State has been unable to complete negotiations with CalMHSA due to its own logistically administrative and

The Honorable Board of Supervisors  
06/02/2020  
Page 4

staffing challenges, and most recently, the COVID-19 public health crisis. Therefore, the extension to the Agreement is necessary to provide uninterrupted procurement and use of State hospital beds. There are currently 54 CalMHSA member counties, including Los Angeles.

### **IMPACT ON CURRENT SERVICES OR PROJECTS**

The recommended actions will allow DMH to continue utilizing CalMHSA to negotiate for the use of State hospital beds and authorize execution of the Agreement for FY 2020-21.

### **CONCLUSION**

DMH requires three original executed resolutions. It is requested that the Executive Office, Board of Supervisors, notify the DMH Contracts Development and Administration Division at (213) 738-4023 when the documents are available.

Respectfully submitted,

Curley L. Bonds, M.D.  
Chief Medical Officer, Clinical Operations

GP:ES:SK:al

Attachments

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

**RESOLUTION OF  
THE BOARD OF SUPERVISORS OF  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA**

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors (Board) of the County of Los Angeles (County) does hereby approve and authorize the Chief Medical Officer of Mental Health to sign Participation Agreement Amendment No. 238-2016-SBH-LA-A2 entered into by and between the County and the California Mental Health Services Authority. It is further resolved that the Board approves and authorizes the Chief Medical Officer of the Department of Mental Health to sign future Amendments or modifications to Agreement No. 238-2016-LA for Fiscal Year (FY) 2020-21 and FY 2021-22.

CELIA ZAVALA,  
Executive Officer-Board of Supervisors of  
the County of Los Angeles

By \_\_\_\_\_  
Chair, Board of Supervisors

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM  
OFFICE OF THE COUNTY COUNSEL

By Vicki Kozikoujekian  
Deputy County Counsel

Agreement No. 238-2016-SHB-LA-A2

**CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY  
PARTICIPATION AGREEMENT AMENDMENT  
COVER SHEET**

1. Los Angeles County ("Participant") desires to participate in the Program identified below.  
Name of Program: State Hospitals Program
2. This Participation Agreement Amendment extends the current term for one additional fiscal year, from 7/1/2020 to 6/30/2021, for a funding amount not to exceed \$269,000.00.
3. All other terms of Participation Agreement 238-2016-SHB-LA and Agreement Amendment 238-2016-SHB-LA-A1 shall remain in full force and effect.
4. Authorized Signatures:

**CalMHSA**

Signed: \_\_\_\_\_ Name (Printed): John E. Chaquica, CPA, MBA, ARM  
Title: Interim Executive Director Date: \_\_\_\_\_

**Participant: LOS ANGELES COUNTY**

Signed: \_\_\_\_\_ Name (Printed): Curley L. Bonds, M.D.  
Title: Chief Medical Officer Date: \_\_\_\_\_