



FESIA A. DAVENPORT
Chief Executive Officer

County of Los Angeles Health and Mental Health Services

DATE: Wednesday, April 7, 2021
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: 479494149#**

[MS Teams link](#) (Ctrl+Click to Follow Link)

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO
UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

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. **Information Item(s)** (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):
 - a. **DPW:** MLK Behavioral Health Center Renovation Project – Approve Construction Change Orders (DHS/DMH/DPH/Probation/WDACS)
 - b. **DHS:** Authorize the Acquisition of Radiology Equipment for Harbor-UCLA Medical Center and Olive View-UCLA Medical Center
 - c. **DHS:** Request Approval 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
 - d. **DHS:** Approval to Exercise an Existing Contract Extension to Sole Source Agreement No. HA-707648 with Gartner, Inc. for Specialized Information Technology Consulting Services

- e. **DMH:** Approval Of A Sole Source Contract Extension For Pharmacy Benefit Management Services With Magellan Pharmacy Solutions

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

- a. **DMH:** Approval to Execute Future Agreements and/or Memoranda of Understanding with Various Governmental Entities and Other Institutions that Allow for Collaboration on Mental Health Activities

- IV. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- V. 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
- VI. Public Comment
- VII. Adjournment

BOARD LETTER FACT SHEET

Agenda Review Date: April 7, 2021

Board Meeting Date: April 20, 2021

Sup. Dist. / SPA No.: 2

DEPARTMENT: Public Works

SUBJECT: Martin Luther King, Jr. Behavioral Health Center Renovation Project - Approve Construction Change Orders

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

- a. Non-mandated. The Project is a collaborative effort among the Departments of Mental Health, Public Health, Health Services, Probation, and Workforce Development, Aging, and Community Services, to provide clinical and patient care services.

II. RECOMMENDED ACTIONS (summarized)

Public Works is seeking Board approval to execute two construction change orders with Bernards Bros. Inc., for the Martin Luther King, Jr. Medical Campus Behavioral Health Center Renovation Project.

III. COST AND FUNDING SOURCES

- Cost:** The total Board-approved Project Budget is \$335,714,000. The change order amount combined is not-to-exceed \$1,440,200. Sufficient funds for the recommended change orders are available within the \$20,057,418 total change order contingency of the Board-approved project budget.
- Funding:** The project is funded from the operating budgets of the participating departments as follows: Department of Mental Health - \$15,100,000; Department of Health Services - \$26,823,000; and Probation Department - \$33,211,000. The remaining amount of the total project cost of \$260,580,000 is funded initially with short-term notes through the Lease Revenue Note Program and ultimately refinanced through the issuance of long-term bonds. The annual repayment of the bond issued will be paid from the participating departments' operating budgets.

IV. BACKGROUND (critical and/or insightful)

- a. On September 3, 2019, the Board approved the revised project budget of \$335,714,000 for the MLK BHC Renovation Project and authorized Public Works to award and execute a Design-Build (D-B) agreement with the most qualified bidder, Bernards, to provide design and construction services. Construction began in January 2020 and is currently 90 percent complete.
- b. Proposed Change Orders:
- 1) Façade Access Equipment System (window washing equipment and system) Upgrade: During the D-B construction, it was determined that the existing façade access equipment system on the roof, which includes the original anchor bolts does not meet current code and is structurally inadequate to maintain the building exterior. The scope of work is a jurisdictional requirement for the renovation and future occupation of the building. The estimated design and construction costs for the upgrade of the façade access equipment system has been negotiated for a not-to-exceed cost of \$810,200.
- c. 2) Exterior Monument Signage Modifications: An assessment of the campus signage for wayfinding and overall consistency was completed. As part of the assessment, a campus signage rebranding effort was developed and included a new campus brand and preparation of conceptual schemes for existing and new monuments to improve wayfinding on the campus. Implementation of the new conceptual schemes requires revisions to the design-builder's original scope of work. The estimated design and construction costs to modify the scope of work for the exterior monument signage has been negotiated for a not-to-exceed cost of \$630,000.

V. POTENTIAL ISSUE(S)

None

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

- * DPW: Esther Diaz (626) 300-2333 | Health Services: Stephen Scott (323) 409-4358
- * County Counsel: Talin Halabi (213) 974-8948



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

MARK PESTRELLA, Director

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **PMI-2**

April 20, 2021

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 CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
MARTIN LUTHER KING, JR. MEDICAL CAMPUS
BEHAVIORAL HEALTH CENTER RENOVATION PROJECT
APPROVE CONSTRUCTION CHANGE ORDERS
CAPITAL PROJECT NOS. 87446, 87487, 87488, AND 89107
SUPERVISORIAL DISTRICT 2
FISCAL YEAR 2020-21
(4 VOTES)**

SUBJECT

Public Works is seeking Board approval to execute two construction change orders with Bernards Bros. Inc., for the Martin Luther King, Jr. Medical Campus Behavioral Health Center Renovation Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the recommended actions are within the scope of the environmental impacts analyzed in the previously certified Addendum to the Final Environmental Impact Report for the Martin Luther King, Jr. Behavioral Health Center Renovation Project and the previously certified Environmental Impact Report for the Martin Luther King, Jr. Medical Center Campus Redevelopment Project.

2. Approve and authorize the Director of Public Works or his designee to finalize and execute a change order with Bernards Bros. Inc., for a not-to-exceed amount of \$810,200, to install a façade access equipment system upgrade for the building.
3. Approve and authorize the Director of Public Works or his designee to finalize and execute a change order with Bernards Bros. Inc., for a not-to-exceed amount of \$630,000, to install new and upgrade existing exterior campus monument signage modifications in accordance with the campus rebranding effort.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will find that the revised scope of work is within the scope of the previously certified Addendum and the certified Final Environmental Impact Report (FEIR) for the Martin Luther King, Jr. (MLK) Medical Center Campus Redevelopment Project, prepared pursuant to the California Environmental Quality Act (CEQA), and authorize the Director of Public Works to execute two change orders totaling a not-to-exceed amount of \$1,440,200 with Bernards Bros. Inc., at the MLK Behavioral Health Center (BHC) Renovation Project.

Background

On December 11, 2018, the Board certified the Addendum to the FEIR and approved the MLK BHC Renovation Project.

On September 3, 2019, the Board approved the revised project budget of \$335,714,000 for the MLK BHC Renovation Project and authorized Public Works to award and execute a Design-Build (D-B) agreement with the most qualified bidder, Bernards, to provide design and construction services. Construction began in January 2020 and is currently 90 percent complete with an anticipated completion date of June 2021.

On May 12, 2020, the Board approved the execution of four construction change orders totaling a not-to-exceed amount of \$4,283,000 due to unforeseen conditions. On November 24, 2020, the Board approved the execution of a construction change order for a not-to-exceed amount of \$550,000 to install additional security devices at various locations throughout the building to meet the operational programmatic needs of the various tenant departments.

Proposed Change Orders

Façade Access Equipment System (window washing equipment and system) Upgrade:
During the D-B construction, it was determined that the existing façade access equipment

system on the roof, which includes the original anchor bolts does not meet current code and is structurally inadequate to maintain the building exterior. The scope of work is a jurisdictional requirement for the renovation and future occupation of the building. The estimated design and construction costs for the upgrade of the façade access equipment system has been negotiated for a not-to-exceed cost of \$810,200. To avoid delays to the overall project schedule, Public Works, under delegated authority, issued a proceed order for a not-to-exceed \$330,000, which allowed Bernards to commence this work, while the final change order amount was being negotiated and finalized.

Exterior Monument Signage Modifications: Prior to the implementation of the monument signs for the project, Public Works completed an assessment of the campus signage for wayfinding and overall consistency. It was determined that the existing MLK naming convention on campus needed to be reevaluated to provide a consistent standard that will improve campus wayfinding. As part of the assessment, a campus signage rebranding effort was developed and included a new campus brand and preparation of conceptual schemes for existing and new monuments to improve wayfinding on the campus.

The D-B's original scope of work for the monument signs is to modify the panel on seven existing signs, to demolish and replace-in-kind three monument signs, and to construct four new monument signs, for a total of fourteen monument signs. However, implementation of the new conceptual schemes under the campus signage rebranding project requires additional work to the monument signs in the D-B's original scope.

The scope of work includes providing design services for the 14 monument sign schemes that were approved by the tenant departments and the Chief Executive Office. In addition, the scope includes replacement of ten monument sign cabinets, which includes demolition of the existing sign panels and concrete wall, and installation of new sign cabinets with internal illumination for the ten monument signs. Two monument signs require modifications to the foundation system. Additionally, the scope includes revising the sign cabinets for four new monument signs to be constructed under the D-B's original scope. The estimated design and construction costs to modify the exterior monument signage has been negotiated for a not-to-exceed cost of \$630,000. To avoid delays to the overall project schedule, Public Works, under delegated authority, issued two proceed orders for a total of \$73,000, which allowed Bernards to commence design work, the value of which is included in the estimated cost.

Green Building/Sustainable Design Program

On December 20, 2016, the Board adopted a new Leadership in Energy and Environmental Design policy. The MLK BHC Renovation Project supported the Board's policy by providing a cost-benefit assessment for the renovation project. The cost-benefit assessment determined that it makes environmental and fiscal sense to retrofit the

existing building to achieve Leadership in Energy and Environmental Design Silver Certification.

Implementation of Strategic Plan Goals

These recommendations support the County Strategic Plan: Strategy II.1, Drive Economic and Workforce Development in the County; Strategy II.2, Support the Wellness of our Communities; and Strategy III.3, Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability by supporting the wellness of our communities and enhancing the delivery of behavioral healthcare services that will in turn benefit the common good by driving the development of the workforce and the economic development of the County.

FISCAL IMPACT/FINANCING

The estimated cost for executing the two change orders with Bernards is for a combined total not-to-exceed amount of \$1,440,200, which constitutes 0.6 percent of the original contract amount. To date, Public Works has executed change orders in the total amount of \$7,109,637 that will increase to \$8,549,837 upon the Board's approval of the proposed change orders, which is 42.6 percent of the total change order contingency and constitutes 3.5 percent of the original contract amount. Sufficient funds for the recommended change orders are available withing the \$20,057,418 total change order contingency of the Board-approved project budget of \$335,714,000. The Project Budget Summary is enclosed.

Funding is provided by each Departments of Mental Health; Public Health; Probation; Health Services; and Workforce Development, Aging, and Community Services are as follows: 59.9 percent, 20.8 percent, 9.9 percent, 8.0 percent, and 1.4 percent, respectively, as approved by each department. Additionally, the change order amounts are being tracked and allocated to the respective tenant departments. At the completion of the project, the final cost allocations will be adjusted based on the change orders amounts allocated to each department.

The project is funded from the operating budgets of the participating departments as follows: Department of Mental Health (Capital Project [CP] No. 87488) - \$15,100,000; Department of Health Services (CP No. 87446) - \$26,823,000; and Probation Department (CP No. 87487) - \$33,211,000.

The remaining amount of the revised total project cost of \$260,580,000 is funded initially with short-term notes through the Los Angeles County Capital Asset Lease Corporation Lease Revenue Note Program. The short-term borrowing through the Note Program will eventually be refinanced through the issuance of long-term bonds. The annual

repayment of the bond issued will be paid from the participating departments' operating budgets.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with the Board's Civic Art Policy, the project budget includes one percent of the design and construction costs to be allocated to the Civic Art fund. The eligible Civic Art Allocation remains at \$1,000,000.

In accordance with the Board's consolidated Local and Targeted Worker Hire Policy adopted on September 6, 2016, the project continues to require that at least 30 percent of the total California craft worker hours for construction of the project be performed by Local Residents and at least 10 percent be performed by Targeted Workers facing employment barriers.

Section 20137 of the Public Contract Code allows the Board, with a four-fifths vote, to authorize an individual change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The two change orders, hereunder, are within the statutory threshold.

ENVIRONMENTAL DOCUMENTATION

On October 11, 2011, the Board approved the MLK Medical Center Campus Redevelopment (Tier II) Project and certified the FEIR for the MLK Medical Center Campus Redevelopment Project. On January 15, 2013, the Board of Supervisors adopted the MLK Campus Master Plan as a policy document to serve as a guideline for the future development of facilities and services at the campus and found that the master plan is within the scope of the previously conceptually approved Tier II development.

On December 11, 2018, the Board, acting as lead agency under CEQA, certified an Addendum to the certified FEIR for the MLK Medical Campus Redevelopment Project when it approved the MLK BHC Renovation Project.

The recommended actions are within the scope of the impacts analyzed in the previously certified Addendum and FEIR, and there have been no substantial changes to the project or to the circumstances under which it will be undertaken that require further findings under CEQA. The Mitigation Monitoring and Reporting Program, Environmental Findings of Fact, and Statement of Overriding Considerations, adopted at the time of FEIR certification will continue to apply.

The Addendum and Environmental Impact Report are available and can be viewed online at <http://file.lacounty.gov/SDSInter/bos/supdocs/130391.pdf>. The location and custodian of the environmental documents and other materials constituting the record of the proceedings upon which the Board's decision is based in this matter is with the Section Head at Los Angeles County Public Works, Project Management Division I, 900 South Fremont Avenue, Alhambra, California, 91803.

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

CONTRACTING PROCESS

On September 3, 2019, the Board authorized the award of a D-B contract to Bernards for an amount of \$243,467,582 plus a \$1,000,000 design completion allowance and a \$500,000 medical equipment allowance. To date, Public Works has executed three allowance reallocation orders in the total amount of \$1,235,626. Of the \$20,057,418 change order contingency of the Board-approved budget, Public Works has also executed 32 change orders under the delegated authority of the Director of Public Works pursuant to Public Contract Code Sections 20142 and 20145, and five change orders approved by the Board in the combined amount of \$7,109,637. The executed allowance reallocation orders and change orders increased the total contract amount by \$8,345,263.

Approval of the recommended actions to issue two construction change orders to Bernards will increase the contract amount by a \$1,440,200 not-to-exceed amount, for a revised total contract amount of \$253,253,045. Including these two change orders, the total change orders represent 4.0 percent of the total design-build agreement. We expect to complete the project within the approved project budget and schedule.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will have no impact on current services at the campus. Patient care services on campus will remain fully operational during construction.

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

EM:jc

Enclosures

c: Department of Arts and Culture
Chief Executive Office (Capital Programs Division)
County Counsel
Executive Office
Department of Health Services (Capital Projects Division)
Department of Mental Health
Probation Department
Department of Public Health
Workforce Development, Aging, and Community Services

DRAFT

April 20, 2021

**CONSTRUCTION CONTRACT
CONSTRUCTION MANAGEMENT CORE SERVICE AREA
MARTIN LUTHER KING, JR. MEDICAL CAMPUS
BEHAVIORAL HEALTH CENTER RENOVATION PROJECT
APPROVE CONSTRUCTION CHANGE ORDERS
CAPITAL PROJECT NOS. 87446, 87487, 87488, AND 89107
SUPERVISORIAL DISTRICT 2
FISCAL YEAR 2020-21
(4 VOTES)**

I. PROJECT SCHEDULE SUMMARY

Project Activity	Scheduled Completion Date
Behavioral Health Center Make-Ready	
Construction Documents	May 14, 2019 (Actual)
Jurisdictional Approvals	June 17, 2019 (Actual)
Construction Award	September 5, 2019 (Actual)
Substantial Completion	January 13, 2020 (Actual)
Behavioral Health Center Renovation	
Scoping Documents	April 18, 2019 (Actual)
Design-Build Award	September 24, 2019 (Actual)
Jurisdictional Approvals	June 16, 2020 (Actual)
Partial Completion (Phase 1)	October 15, 2020 (Actual)
Substantial Completion (Phase 2)	June 2021
Project Acceptance	September 2021

II. PROJECT BUDGET SUMMARY

Project Budget Category	Board Approved Budget	Changes Since Previous Board Approval	Revised Project Budget
Construction	\$251,812,845	\$1,440,200	\$253,253,045
Allowances Budget	\$ 264,374	\$0	\$ 264,374
Make-Ready Construction	\$ 19,375,000	\$0	\$ 19,375,000
Change Order Contingency	\$ 12,947,781	(\$1,440,200)	\$ 11,507,581
Construction Subtotal	\$284,400,000	\$0	\$284,400,000
Civic Art	\$ 1,000,000	\$0	\$ 1,000,000
Hard Cost Subtotal	\$285,400,000	\$0	\$285,400,000
Plans and Specifications	\$ 10,000,000	\$0	\$ 10,000,000
Consultant Services	\$ 11,260,000	\$0	\$ 11,260,000
Miscellaneous Expenditures	\$ 194,000	\$0	\$ 194,000
Jurisdictional Review	\$ 3,150,000	\$0	\$ 3,150,000
County Services	\$ 25,710,000	\$0	\$ 25,710,000
Soft Cost Subtotal	\$ 50,314,000	\$0	\$ 50,314,000
TOTAL PROJECT COST	\$335,714,000	\$0	\$335,714,000

BOARD LETTER FACT SHEET

Agenda Review Date: April 7, 2021

Board Meeting Date: April 20, 2021

Sup. Dist. / SPA No.: 2 & 5

CEO DA Approval

DEPARTMENT: **Health Services**

SUBJECT: **AUTHORIZE THE ACQUISITION OF RADIOLOGY EQUIPMENTS FOR HARBOR-UCLA MEDICAL CENTER AND OLIVE VIEW-UCLA MEDICAL CENTER**

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

Authorize the Director of the Internal Services Department, as the County Purchasing Agent, to proceed with the sole source acquisition of three 3Dimensions Mammography Systems from Hologic for the DHS' Harbor-UCLA Medical Center & Olive View-UCLA Medical.

II. RECOMMENDED ACTIONS (summarized)

Authorize the Director of the Internal Services Department, as the County's Purchasing Agent, to proceed with the sole source acquisition of three 3Dimensions Mammography System from Hologic for Department of Health Services' (DHS) Harbor-UCLA Medical Center (H-UCLA MC) and Olive View-UCLA Medical Center (OV-UCLA MC), with a total estimated cost of approximately \$1,587,000. This will allow H-UCLA MC and OV-UCLA MC to replace end-of-life mammography systems and DHS to continue its acquisition strategy to standardize, replace, and update radiology equipment.

III. COST AND FUNDING SOURCES

Cost: \$ 1,587,000

Funding: Funding is included in DHS Fiscal Year 20-21 Final Budget

IV. BACKGROUND (critical and/or insightful)

The Board of Supervisors instructed the Director on February 5, 2013 to report back within 30 days on DHS protocols for prioritizing medical equipment purchases, maintenance & replacement throughout all of its facilities. On March 5, 2013, the Director provided his report to the Board, which described the criteria used to determine the priority & timing for replacement of medical equipment at all DHS facilities. Beginning in FY 2013-14, the Department established a \$10 million ongoing revolving fund to purchase & install the radiology equipment & make the necessary room alterations required to accommodate such equipment throughout DHS. DHS subsequently convened a group of subject matter expert radiologists & supply chain staff to assess DHS patient care needs for the future & thoroughly review available imaging technology in an effort to standardize imaging care across DHS, which will also provide the opportunity for group purchasing discounts; & ensure consistent integration with ORCHID. This acquisition will continue service levels that provide advanced diagnostic mammography exams for patients & be used to address an increasing demand of screening & diagnostic mammograms of empaneled patients. The new technology will be able to provide high-quality images that will be used to provide timely and effective life-saving interventions when abnormalities are detected in patients. This will ensure the provision of standardized radiologic services across DHS & will enable DHS to provide high quality and responsive care to its patients, as well as to meet regulatory standards for access to radiologic studies.

V. POTENTIAL ISSUE(S)

If UCLA MC and OV-UCLA MC's end of life mammography are not replaced, the facilities will not be able to meet the screening and diagnostic mammogram workload.

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Department of Health Services, Jason Ginsberg, jginsberg@dhs.lacounty.gov, (323) 914-7926
Department of Health Services, Azar Kattan, akattan@dhs.lacounty.gov, (424) 306-6312
Department of Health Services, Jessica Kuo, jkuo@dhs.lacounty.gov, (424) 306-6337
County Counsel, Kelly Hassel, khassel@counsel.lacounty.gov, (213) 974-1803

April 20, 2021

DRAFT
DHS Letterhead

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:

**AUTHORIZE THE ACQUISITION OF RADIOLOGY EQUIPMENTS FOR HARBOR-
UCLA MEDICAL CENTER AND OLIVE VIEW-UCLA MEDICAL CENTER
(SUPERVISORIAL DISTRICTS 2 & 5)
(3 VOTES)**

SUBJECT

Authorize the Director of the Internal Services Department, as the County Purchasing Agent, to proceed with the sole source acquisition of three 3Dimensions Mammography Systems from Hologic for the Department of Health Services' Harbor-UCLA Medical Center and Olive View-UCLA Medical Center.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Director of the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the sole source acquisition of three 3Dimensions Mammography System from Hologic for Department of Health Services' (DHS) Harbor-UCLA Medical Center (H-UCLA MC) and Olive View-UCLA Medical Center (OV-UCLA MC), with a total estimated cost of approximately \$1,587,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will authorize ISD, as the County's Purchasing Agent, to proceed with the sole source acquisition of three 3Dimensions Mammography Systems for H-UCLA MC and OV-UCLA MC with a total estimated cost of \$1,587,000. This will allow H-UCLA MC and OV-UCLA MC to replace end-of-life mammography systems and DHS to continue its acquisition strategy to standardize, replace, and update radiology equipment.

By way of background, the Board of Supervisors instructed the Director on February 5, 2013 to report back within 30 days on DHS protocols for prioritizing medical equipment purchases, maintenance and replacement throughout all of its facilities. On March 5,

2013, the Director provided his report to the Board, which described the criteria used to determine the priority and timing for replacement of medical equipment at all DHS facilities. Beginning in FY 2013-14, the Department established a \$10 million ongoing revolving fund to purchase and install the radiology equipment and make the necessary room alterations required to accommodate such equipment throughout DHS. DHS subsequently convened a group of subject matter expert radiologists and supply chain staff to assess DHS patient care needs for the future and thoroughly review available imaging technology in an effort to standardize imaging care across DHS, which will also provide the opportunity for group purchasing discounts; and ensure consistent integration with the Online Realtime Centralized Health Information Database system (ORCHID, formerly referred to as the Electronic Health Record Information System).

DHS intends to purchase proprietary Breast tomosynthesis (3D) mammography equipment from Hologic to continue service levels that provide advanced diagnostic mammography exams for patients at H-UCLA MC and OV-UCLA MC. Such equipment is identical to the sole source purchase of equipment approved by the Board on December 10, 2019 for LAC+USC Medical Center. The mammography equipment will be used by H-UCLA MC and OV-UCLA MC to address an increasing demand of screening and diagnostic mammograms of empaneled patients. The new technology will be able to provide high-quality images that will be used to provide timely and effective life-saving interventions when abnormalities are detected in patients. Hologic's mammography equipment matches end user requirements with superior Acquisition Time needed to improve patient throughput; includes smart curve stabilizations system with curved paddles for improved patient comfort; has the lowest radiation dose delivery in comparison to other systems; provides superior tomosynthesis resolution and improved diagnostic evaluations; and superior imaging for dense breasts.

The department will seek Board approval to establish the capital project for the room alterations to accommodate the equipment in a separate Board Action.

Implementation of Strategic Plan Goals

This recommendation support Goal II.2 "Support the Wellness of Our Communities" and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost for the 3Dimensions Mammography Systems for DHS' H-UCLA MC and OV-UCLA MC is approximately \$1,587,000. Funding is included in the DHS Fiscal Year 2020-21 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring County departments to obtain Board approval to acquire or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to ISD.

CONTRACTING PROCESS

The acquisition of equipment falls under the statutory authority of the County Purchasing Agent and will be accomplished in accordance with the County's purchasing policies and procedures for sole source purchases.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will ensure the provision of standardized radiologic services across DHS and will enable DHS to provide high quality and responsive care to its patients, as well as to meet regulatory standards for access to radiologic studies.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:jc

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Internal Services Department

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

April 20, 2021

DRAFT
DHS Letterhead

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 authorized 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 authorized 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:

LAC+USC Medical Center – Account Number 100866953 in the amount of \$666.66

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 \$666.66
There is no net cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director, or authorized 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 authorized designee’s, authority requires Board approval.

On January 15, 2002, the Board adopted an ordinance granting the Director, or authorized 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 authorized 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.

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

The Honorable Board of Supervisors
April 20, 2021
Page 3

CRG:ANW:VP

Enclosures (1)

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

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
TRANSMITTAL 21-3-A

Amount of Aid	\$23,730.00	Account Number	100866953
Amount Paid	0.00	Name	Adult Female
Balance Due	\$23,730.00	Service Date	12/07/2016 – 04/25/2018
Compromise Amount Offered	\$666.66	Facility	LAC+USC Medical Center
Amount to be Written Off	\$23,063.34	Service Type	Inpatient

JUSTIFICATION

The patient was treated at LAC+USC Medical Center at a total cost of \$23,730.00.

The attorney has settled the case in the amount of \$7,500.00. Due to the low recovery and the insufficient funds to fully satisfy all liens the attorney proposes the following disbursement:

Disbursements	Total Claim	Proposed Settlement	Percent of Settlement
Attorney Fees	\$3,000.00	\$3,000.00	40.0%
Attorney Cost	\$1,208.00	\$1,208.00	16.11%
Other lien holders	\$449.25	\$449.25	5.99%
Los Angeles Department of Health Services	\$23,730.00	\$666.66	8.89%
Net to Client (Heirs)	\$0.00	\$2,176.09	29.01%
Total	\$28,387.25	\$7,500.00	100.00%

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

May 4, 2021

DRAFT
DHS Letterhead

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:

**APPROVAL TO EXERCISE AN EXISTING CONTRACT EXTENSION TO
SOLE SOURCE AGREEMENT NO. HA-707648 WITH GARTNER, INC. FOR
SPECIALIZED INFORMATION TECHNOLOGY CONSULTING SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approval of delegated authority to the Director of Health Services (Director), or designee, to extend sole source Agreement No. HA-707648 with Gartner, Inc. for specialized information technology consulting services.

The Department of Health Services recommends:

Delegate authority to the Director or designee, to amend the sole source Agreement No. HA-707648 (Agreement) with Gartner, Inc. (Gartner) for specialized information technology (IT) consulting services to exercise the second of three one-year extensions for the period of June 1, 2021 through May 31, 2022 with no increase to the current \$5,956,000 Maximum Agreement Sum, subject to prior review and approval as to form by County Counsel.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the recommendation will provide the Department of Health Services (DHS) with the authority to exercise the second one-year extension to the Agreement to give DHS the ability to utilize the IT consulting services, if necessary. In light of the pandemic and related activities, DHS did not contract for any new projects with Gartner in the current one-year extension period. As a result, DHS does not need to increase the Maximum Agreement sum for this extension period and instead DHS will use the existing funds from the approved Maximum Agreement sum.

Over the term of the Agreement, Gartner has provided DHS with subject matter expertise in several critical areas, such as electronic health record system implementation, data and analytics, cybersecurity, enterprise program and project management oversight, risk assessment, quality assurance, and technology solution sourcing and procurement. During this extension, DHS will evaluate its need for additional projects similar to those undertaken during the electronic health record system implementation, including baseline and ongoing project risk assessment and reporting, ongoing quality control and quality assurance services to monitor compliance with projects and corresponding agreements; project monitoring and tracking; program management support; strategic assessments; and knowledge transfer, and project spin-up and capacity building services for several large system implementations. In addition, DHS may engage Gartner to provide advice related to data analytics and data management as DHS reviews its systems to consider the most efficient and productive use of its extensive data repositories. There are currently no resources in the County that have the knowledge, skills, and abilities to perform these specialty IT consulting services on simultaneous critical projects.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2 "Support the Wellness of Our Communities" and III.3 "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

Funding is included in the DHS Fiscal Year 2020-21 Final Budget and will be requested in future years' budget, as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 8, 2018, the Board approved the Agreement with three (3) one-year optional extensions. The Board requested that DHS return for authority to exercise each extension. The amendment is subject to prior review and approval as to form by County Counsel. The Chief Information Officer (CIO) has reviewed the Board Letter and recommends approval. The CIO further determined that a CIO Analysis is not required for the recommended action. The Sole Source Checklist (Attachment I) has been approved by the Chief Executive Office.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will enable Gartner to continue providing IT consulting services under the Agreement.

Respectfully submitted,

Reviewed By:

Christina R. Ghaly, M.D.
Director

William S. Kehoe
Chief Information Officer

Honorable Board of Supervisors

May 4, 2021

Page 3

CRG:JA

Enclosures

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

SOLE SOURCE CHECKLIST

Department Name: _____

☐ New Sole Source Contract

☐ Existing Sole Source Contract Date Sole Source Contract Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
	➤ Compliance with applicable statutory and/or regulatory provisions.
	➤ Compliance with State and/or federal programmatic requirements.
	➤ Services provided by other public or County-related entities.
	➤ Services are needed to address an emergent or related time-sensitive need.
	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Erika Bonilla

Chief Executive Office

Date

BOARD LETTER FACT SHEET

Agenda Review Date: April 7, 2021

Board Meeting Date: April 20, 2021

Sup. Dist. / SPA No.: All

DRAFT

CEO DA Approval

DEPARTMENT: *Mental Health*

SUBJECT: Approval of a sole source contract extension for pharmacy benefit management services with Magellan Pharmacy Solutions (Magellan).

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

This is an entitlement program for the provision of pharmacy services to DMH clients.

II. RECOMMENDED ACTIONS (summarized)

Authorize the Director of Mental Health to extend the Contract with Magellan Pharmacy Solutions for the term of July 1, 2021 - June 30, 2022 for the continued provision of pharmacy benefit management services. Delegate authority to Director to execute future amendments and to reaffirm the authority delegated by the Board on January 10, 2017. Delegate authority to Director to terminate the contract in accordance with termination provisions.

III. COST AND FUNDING SOURCES

Cost: \$7,200,000

Funding: Mental Health Services Act and 2011 Sales Tax Realignment revenues

IV. BACKGROUND (critical and/or insightful)

Magellan currently provides pharmacy benefit management services to clients as DMH maintains financial responsibility for uninsured clients who require pharmacy services. Services include contracting with retail pharmacies for filling prescriptions and processing drug claims for uninsured DMH clients. Additionally, Magellan operates a customer service call center to answer questions posed by participating pharmacies, DMH staff, contracted clinic staff, and uninsured DMH clients. The Contract is being extended to allow DMH the appropriate amount of time to complete a new Proposition A solicitation for contract award.

V. POTENTIAL ISSUE(S)

N/A

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Susana Sou, Pharmacy Chief, SKSou@dmh.lacounty.gov - (213) 738-4725

Emily Issa, County Counsel, Elssa@counsel.lacounty.gov, - (213) 974-1827



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

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

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

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

Lisa H. Wong, Psy.D.
Senior Deputy Director

April 20, 2021

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 A SOLE SOURCE CONTRACT EXTENSION FOR PHARMACY BENEFIT MANAGEMENT SERVICES WITH MAGELLAN PHARMACY SOLUTIONS

**(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of a Sole Source Contract extension with Magellan Pharmacy Solutions for the continued provision of pharmacy benefit management services for the term of July 1, 2021 – June 30, 2022.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute an amendment (Attachment I) to extend the Contract with Magellan Pharmacy Solutions (Magellan) for the term of July 1, 2021 – June 30, 2022, with an option to extend the Contract one additional fiscal year, as necessary, for the continued provision of pharmacy benefit management (PBM) services. There is no Total Contract Amount for this Contract, and the estimated annual cost for the management of the Department of Mental Health's (DMH) prescription drug services is \$7,200,000 fully funded by Mental Health Services Act (MHSA) and 2011 SalesTax Realignment revenues.

2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the Contract in Recommendation 1, to reaffirm the authority delegated by the Board on January 10, 2017, provided that: sufficient funds are available and any amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and Chief Executive Officer (CEO).
3. Delegate authority to the Director, or his designee, to terminate the Contract described in Recommendation 1 in accordance with the termination provisions, including Termination for Convenience. The Director, or his designee, will notify the Board and CEO, in writing, of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of Recommendation 1 will allow for the continued provision of prescription drug services to DMH uninsured clients via Magellan's network of 1,700 contracted pharmacies. It is projected that DMH clients will utilize at least 481 of the network's pharmacies during the extension period.

Board approval of Recommendation 2 will allow DMH to amend the Contract in Recommendation 1, to extend the term for an additional year and reaffirm previously approved delegated authority so that the agreement may be amended, as necessary, for the continuous provision of prescription drug services without interruption to clients who are in need of these services.

Board approval of Recommendation 3 will allow DMH to terminate the Contract in accordance with the termination provisions, including Termination for Convenience, in a timely manner, as necessary.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions are consistent with the County's Strategic Plan Goal I, Make Investments that Transform Lives, specifically Strategy 1.1 — Increase Our Focus on Prevention Initiatives, and Strategy 1.2 — Enhance Our Delivery of Comprehensive Interventions.

FISCAL IMPACT/FINANCING

For Fiscal Year (FY) 2021-22, the total estimated annual cost for this Contract is \$7,200,000, fully funded by MHSA and 2011 Sales Tax Realignment revenues. Funding will be included in the DMH's annual budget request process for FY 2021-22.

There is no increase in net County costs associated with the recommended actions.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DMH maintains financial responsibility for uninsured clients who require pharmacy services. DMH is extending the Contract to allow time for the completion of a solicitation which will result in a new PBM Contract.

Magellan currently provides the following PBM services: (1) contracting with retail pharmacies to fill prescriptions for uninsured DMH clients; (2) processing prescription drug claims submitted electronically to Magellan by retail pharmacies; (3) reimbursing retail pharmacies for prescription drugs dispensed to uninsured DMH clients; (4) operating a customer service call center to answer questions posed by participating pharmacies, DMH staff, contracted clinic staff, and uninsured DMH clients; (5) maintaining updates to DMH's drug formulary; (6) providing administrative oversight of a pharmacy network; (7) negotiating discounts and rebates with drug manufacturers; and (8) providing clinical services, such as prior authorizations, which are required when prescribers prescribe a medication that is not on the DMH formulary, and handling client appeals.

In compliance with Los Angeles County Code Section 2.121.420, DMH conducted a Proposition (Prop) A cost analysis prior to execution of this Contract and determined that it was cost effective to have the PBM services provided by Magellan. For the requested extension period, the Auditor Controller advised that a new Prop A analysis was not required, as there is no change to the estimated annual Contract amount or the services provided.

Under Board Policy No. 5.100 (Sole Source Contracts), DMH is required to notify your Board six months in advance of amending existing Contracts when DMH does not have delegated authority to extend the current Contract. On October 1, 2020 (Attachment II),

DMH notified your Board of its intent to execute a Sole Source Contract extension with Magellan for the continued provision of PBM to uninsured clients throughout the County via its contracted network of retail pharmacies while DMH completes a new solicitation for contract award. As required by the policy, attached for reference is the signed Sole Source Checklist (Attachment III) approved by the CEO.

As mandated by your Board, Magellan's performance will continue to be evaluated by DMH on an annual basis to ensure Magellan's compliance with all Contract terms and performance standards, including compliance with the requirements of the Living Wage Program (Los Angeles County Code Chapter 2.201).

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will ensure that uninsured DMH clients will continue to have access to a large number of licensed pharmacies throughout Los Angeles County for their pharmaceutical needs.

Respectfully submitted,

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

JES:GCP:SK
MP:atm

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

AMENDMENT NO. 5

THIS AMENDMENT is made and entered into this 1st day of July 2021, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Magellan Pharmacy Solutions (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "Department of Mental Health Pharmacy Benefit Management Contract," dated January 17, 2017, and further identified as County Contract No. MH190143, and any amendments thereto (hereafter collectively "Contract"); and

WHEREAS, on April 13, 2021, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to extend the Contract for Fiscal Year (FY) 2021-22 for the continued provision of pharmacy benefit management services; and

WHEREAS, on January 10, 2017, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Contract; and

WHEREAS, said Contract provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it continues to possess the competence, expertise, and personnel necessary to provide services consistent with the requirements of this Contract and consistent with the professional standard of care for these services.

NOW, THEREFORE, County and Contractor agree as follows:

1. This Amendment is effective July 1, 2021 through June 30, 2022.

2. Exhibit A-4 (BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT OF 1996 ("HIPAA")) shall be deleted in its entirety and replaced with "Exhibit A-5 (BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT OF 1996 ("HIPAA"))", attached hereto and incorporated by reference. All references to Exhibit A-4 shall be deemed amended to state "Exhibit A-5 (BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY ACCOUNTABILITY ACT OF 1996 ("HIPAA"))".
3. Exhibit A-1-4 (INFORMATION SECURITY CONTRACT/AGREEMENT) shall be deleted in its entirety and replaced with "Exhibit A-1-5 (INFORMATION SECURITY AND PRIVACY REQUIREMENTS FOR CONTRACTS)", attached hereto and incorporated by reference. All references to Exhibit A-1-4 shall be deemed amended to state "Exhibit A-1-5 (INFORMATION SECURITY AND PRIVACY REQUIREMENTS FOR CONTRACTS)".
4. Exhibit A-2-4 (AGREEMENT FOR ACCEPTABLE USE AND CONFIDENTIALITY OF COUNTY INFORMATION ASSETS) shall be deleted in its entirety.
5. Exhibit A-3-4 (CONFIDENTIALITY OATH) shall be deleted in its entirety and replaced with "Exhibit A-3-5 (CONFIDENTIALITY OATH)", attached hereto and incorporated by reference. All references to Exhibit A-3-4 shall be deemed amended to state "Exhibit A-3-5 (CONFIDENTIALITY OATH)".
6. Exhibit A-4-4 (DMH BUSINESS ASSOCIATE/CONTRACTOR'S COMPLIANCE WITH INFORMATION SECURITY REQUIREMENTS EXHIBIT) shall be deleted in its entirety and replaced with "Exhibit A-4-5 (DMH CONTRACTOR'S COMPLIANCE WITH INFORMATION SECURITY REQUIREMENTS)", attached

hereto and incorporated by reference. All references to Exhibit A-4-4 shall be deemed amended to state "Exhibit A-4-5 (DMH CONTRACTOR'S COMPLIANCE WITH INFORMATION SECURITY REQUIREMENTS)".

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

DRAFT

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

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

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: Emily D. Issa
Deputy County Counsel



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

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

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

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

Lisa H. Wong, Psy.D.
Senior Deputy Director

October 1, 2020

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Jonathan E. Sherin, M.D., Ph.D.
Director

SUBJECT: **NOTICE OF INTENT TO EXECUTE A SOLE SOURCE CONTRACT
EXTENSION WITH MAGELLAN PHARMACY SOLUTIONS FOR
PHARMACY BENEFIT MANAGEMENT SERVICES**

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.100 (Sole Source Contracts), the Department of Mental Health (DMH) is notifying your Board of our Department's intent to execute a sole source contract extension amendment with Magellan Pharmacy Solutions (Magellan) for the continued provision of Pharmacy Benefit Management (PBM) to administer medication prescriptions to uninsured DMH clients throughout the County through its contracted network retail pharmacies.

JUSTIFICATION

The current contract with Magellan expires June 30, 2021, and the sole source contract extension will allow for the continued uninterrupted provision of prescription drug services to DMH's uninsured clients for one year, with an optional one-year extension, while the department develops and issues a new solicitation for PBM services.

The services provided under the PBM contract are considered Proposition A services, and as such, DMH is currently conducting a financial analysis along with the Auditor-Controller, per Los Angeles County Code Section 2.121.420, for this extension.

DMH maintains financial responsibility for uninsured clients, and as such, these clients are dispensed approximately 5,000 prescriptions monthly by PBM contracted network retail pharmacies.

The PBM services provided by Magellan include: (1) contracting with retail pharmacies to fill prescriptions for uninsured DMH clients; (2) processing prescription drug claims submitted electronically to Magellan by retail pharmacies; (3) reimbursing retail pharmacies for prescription drugs dispensed to uninsured DMH clients; (4) operating a customer service call center to answer questions posed by participating pharmacies, DMH staff, contracted clinic staff, and uninsured DMH clients; (5) maintaining updates to DMH's drug formulary; (6) providing administrative oversight of a pharmacy network; (7) negotiating discounts and rebates with drug manufacturers; and (8) providing clinical services, such as prior authorizations which are required when prescribers prescribe a medication that is not on the DMH formulary, and handling client appeals.

NOTIFICATION TIMELINE

Pursuant to Board Policy No. 5.100 (Sole Source Contracts), DMH is required to notify your Board six months prior to executing a sole source extension amendment. If requested by a Board office or the Chief Executive Office, DMH will place this item on the Health and Mental Health Services Cluster Agenda.

Unless otherwise instructed by your Board office within four weeks of this notice, DMH will present your Board a letter for approval, prior to the end of Fiscal Year 2020-21, to execute a sole source contract extension amendment for the continued provision of prescription drug services.

If you have any questions or concerns, please contact me at (213) 738-4601, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at (213) 738-4023.

JES:GCP:ES:SK
MP:atm

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

SOLE SOURCE CHECKLIST

Department Name: Mental Health

- ☐ New Sole Source Contract
- ☒ Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved:

January 17, 2017

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>“Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist.”</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
<input checked="" type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

January 17, 2017

Chief Executive Office

Date

BOARD LETTER FACT SHEET

Agenda Review Date: April 7, 2021

Board Meeting Date: April 20, 2021

Sup. Dist. / SPA No.: All

DRAFT

CEO DA Approval

DEPARTMENT: *Department of Mental Health*

SUBJECT: Approval to execute future agreements and/or Memoranda of Understanding with various governmental entities and other institutions that allow for collaboration on mental health activities

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

Approval of the recommended actions will support DMH's efforts to expedite the execution of Agreements and MOUs that support the provision of mental health activities for Los Angeles County

II. RECOMMENDED ACTIONS (summarized)

Authorize the Director of Mental Health to execute future Agreements, MOUs, or MOAs with governmental and public entities for collaboration on mental health activities; execute future data use and/or non-funded Agreements, MOUs, or MOAs with non-governmental entities for collaboration on mental health activities that include data sharing; execute future amendments to the Agreements, MOUs, or MOAs to extend the length of the term, which may include adjusting the term to complete project activities, provide for increases or decreases in funding, as necessary, to change or add activities required for the project, and/or reflect other necessary modifications; to accept funds from partnering entities that support mental health services/programs; terminate any of the Agreements or MOUs mentioned in accordance with the Termination provisions

III. COST AND FUNDING SOURCES

Cost: N/A

Funding: N/A

IV. BACKGROUND (critical and/or insightful)

Government Code Section 31000 authorizes your Board to enter into service contracts with entities that possess the competence, expertise, and personnel necessary to provide specific services in consideration of payments. Unlike service contracts, these Agreements are used to collaborate with other entities on a variety of mental health projects and activities. These projects and activities vary in scope and require collaboration with specific entities to further DMH's mission to optimize the hope, wellbeing and life trajectory of Los Angeles County's most vulnerable through access to care and resources that promote not only independence and personal recovery but also connectedness and community reintegration.

V. POTENTIAL ISSUE(S)

This Board action will allow DMH to streamline the process and execute these Agreements, MOUs, or MOAs for collaboration on mental health activities without having to return to the Board for each of these types of Agreements.

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Stella Krikorian, Contracts Division Manager, (213) 738-4023, SKrikorian@dmh.lacounty.gov
Emily Issa, Deputy County Counsel, (213) 974-1827, Elssa@counsel.lacounty.gov



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

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

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

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

Lisa H. Wong, Psy.D.
Senior Deputy Director

April 20, 2021

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 EXECUTE FUTURE AGREEMENTS AND/OR MEMORANDA OF
UNDERSTANDING WITH VARIOUS GOVERNMENTAL ENTITIES AND OTHER
INSTITUTIONS THAT ALLOW FOR COLLABORATION ON MENTAL HEALTH
ACTIVITIES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to execute future agreements and/or memoranda of understanding/agreement with various entities that allow for collaboration on mental health activities.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of Mental Health (Director), or designee, to execute future memoranda of understanding (MOUs), memoranda of agreement (MOAs), and/or other like agreements (collectively, Agreements) with governmental and public entities, including but not limited to cities, counties, State entities, federal entities, school districts, and other educational institutions that allow for collaboration on mental health activities. These Agreements, MOUs, and MOAs will be effective for the applicable project periods, and may include monetary compensation of up to \$150,000 annually or per project period, and revisions to the County's standard provisions for indemnification, subject to review and approval by Chief Executive Office (CEO) Risk Management (as needed) and County Counsel. Department of

Mental Health (DMH) will provide your Board and the CEO an annual report listing of executed Agreements, MOUs, and MOAs, including information on the project, term, and amount, if applicable.

2. Delegate authority to the Director, or his designee, to execute future data use and/or non-funded MOUs, MOAs, and/or other like Agreements with non-governmental entities that allow for collaboration on mental health activities that include data sharing. These Agreements, MOUs, and MOAs will be effective for the applicable project periods, may include revisions to the County's standard provisions for indemnification, and will be subject to review and approval by CEO Risk Management (as needed) and County Counsel. DMH will provide your Board and the CEO an annual report listing of executed Agreements, MOUs, and MOAs, including information on the project and term.
3. Delegate authority to the Director, or his designee, to execute amendments to the Agreements and MOUs in Recommendations 1 and 2 that extend the length of the term, which may include adjusting the term to complete project activities; provide for increases or decreases in funding, as necessary, to change or add activities required for the project; and/or reflect other necessary modifications, subject to review and approval by County Counsel.
4. Delegate authority to the Director, or his designee, to accept funds from partnering entities that support mental health services/programs, provided that: 1) any funding received will be used for administration of the Agreements or to reflect program and/or Board policy changes, and 2) the Director notifies your Board and CEO in writing.
5. Delegate authority to the Director, or his designee, to terminate any of the Agreements or MOUs described in Recommendations 1 and 2 in accordance with the Termination provisions. The Director, or his designee, will notify the Board and CEO, in writing, of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Government Code Section 31000 authorizes your Board to enter into service contracts with entities that possess the competence, expertise, and personnel necessary to provide specific services in consideration of payments. Unlike service contracts, these Agreements are used to collaborate with other entities on a variety of mental health projects and activities. These projects and activities vary in scope and require collaboration with specific entities to further DMH's mission to optimize the hope, wellbeing, and life trajectory of Los Angeles County's most vulnerable through access to care and resources that promote not only independence and personal recovery but also connectedness and community reintegration.

Board approval of Recommendation 1 will enable DMH to execute future Agreements and MOUs with cities, counties, State entities, federal entities, school districts, and other educational institutions.

Board approval of Recommendation 2 will enable DMH to execute future data use and/or non-funded Agreements and MOUs with non-governmental entities.

Board approval of Recommendation 3 will enable DMH to execute amendments to these Agreements and MOUs that extend the term and/or reflect other necessary modifications in a timely manner.

Board approval of Recommendation 4 will allow DMH to accept funds, when necessary, that will support the key objectives of each project.

Board approval of Recommendation 5 will enable DMH to terminate the Agreements or MOUs in accordance with the termination provisions, in a timely manner, as necessary.

Approval of the recommended actions will streamline processes and ensure more expedient execution of these Agreements and MOUs that support DMH's mission.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support the County's Strategic Plan Goal I via Strategy I.2, Enhance Our Delivery of Comprehensive Interventions, and Strategic Plan Goal II via Strategy II.2, Support the Wellness of Our Communities.

FISCAL IMPACT/FINANCING

For Agreements or MOUs that include cost, DMH will identify the amount in the annual report to your Board.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

DMH will work with County Counsel to determine the appropriateness of entering into these types of Agreements or MOUs to establish working relationships and/or partnerships with external entities to collaborate on specific mental health activities. As such, certain Agreements or MOUs may include provisions for mutual indemnification, and DMH will work with CEO Risk Management, as needed, to determine any associated risks in light of the need for the services and the resulting benefit to the mental health community.

DMH will return to your Board to request approval of any Agreement or MOU with external entities that exceed \$150,000 annually, or those that County Counsel determines do not

fall within the delegated authority described in the scope of the above recommendations and require Board approval.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will support DMH's efforts to expedite the execution of Agreements or MOUs that support the provision of mental health activities for Los Angeles County.

Respectfully submitted,

Jonathan E. Sherin, M.D., Ph.D.
Director

JES:GCP:SK
YY:atm

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