



Los Angeles County  
DEPARTMENT OF MENTAL HEALTH

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

December 19, 2017

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:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

33 December 19, 2017

LORI GLASGOW  
EXECUTIVE OFFICER

**REQUEST APPROVAL TO EXTEND THE TERM OF EXISTING MEMORANDA OF UNDERSTANDING FOR COORDINATION OF EXPANDED MEDI-CAL MENTAL HEALTH SERVICES**

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

**SUBJECT**

Approve an extension of the existing Memoranda of Understanding term with Health Net Community Solutions, Inc., and L.A. Care Health Plan through December 31, 2018, to continue participation in the expansion of specialty and non-specialty mental health services available to Medi-Cal beneficiaries.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute amendments, substantially similar to Attachments I and II ("Amendments"), to extend the term of existing Memoranda of Understanding (MOUs) with Health Net Community Solutions, Inc., and L.A. Care Health Plan (Health Plans) for the coordination of specialty and non-specialty mental health services to Medi-Cal beneficiaries in Los Angeles County (County). The term will be extended from January 1, 2018, through December 31, 2018, while the parties negotiate the terms of new MOUs.

2. Delegate authority to the Director, or his designee, to execute amendments, including the extension of MOU terms for an additional six months through June 30, 2019, to the MOUs described in Recommendation 1 provided that any such amendment is necessary to improve care coordination, improve operational processes, meet State and/or Federal requirements related to the coordination

of medically necessary mental health services to Medi-Cal beneficiaries, and to make non-substantive changes to the MOU language, subject to review and approval as to form by County Counsel with notice to your Board and the Chief Executive Office (CEO).

3. Delegate authority to the Director, or his designee, to terminate any of the MOUs described in Recommendation 1 in accordance with the MOUs' termination provisions, including Termination for Convenience, subject to review and approval as to form by County Counsel with notice to your Board and the CEO.

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

The existing MOUs establish the mutual understandings, commitments, and protocols for the coordination and management of Medi-Cal funded mental health services to beneficiaries by DMH and the Health Plans, including services provided through the Health Plans' delegated provider groups and plans (i.e., Kaiser, Care 1st, Anthem Blue Cross, and others). The term of these MOUs will end on December 31, 2017.

Board approval of Recommendation 1 will allow DMH and the Health Plans to extend the term of their existing MOUs for the coordination of specialty and non-specialty mental health services to Medi-Cal beneficiaries throughout the County without a break in service until such time that new MOUs can be negotiated and executed.

Board approval of Recommendation 2 will allow DMH to execute amendments to the MOUs in Recommendation 1 in a timely manner, as necessary.

Board approval of Recommendation 3 will allow DMH to terminate the MOUs in Recommendation 1 in a timely manner, as necessary.

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

These recommendations support the County's Strategic Plan Goal I, "Make Investments That Transform Lives," and Strategic Plan Goal II, "Foster Vibrant and Resilient Communities."

### **FISCAL IMPACT/FINANCING**

Effective January 1, 2014, the California Department of Health Care Services required the Health Plans to cover and pay for mental health assessments for Medi-Cal beneficiaries and outpatient non-specialty mental health services, including individual and group mental health evaluation and treatment (psychotherapy), psychological testing, psychiatric consultation, outpatient services for the purposes of monitoring drug therapy, and outpatient laboratory, drugs, supplies, and supplements.

Medi-Cal specialty mental health services will continue to be funded by DMH for beneficiaries that meet medical necessity criteria utilizing Federal, State, and existing County funds.

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

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

On January 1, 2014, the Health Plans became responsible for the delivery of certain mental health services to Medi-Cal beneficiaries with mild to moderate impairment of mental, emotional, or

behavioral functioning resulting from a mental health disorder, as defined by the Diagnostic and Statistical Manual of Mental Disorders (DSM), that are outside of the primary care physician's scope of practice. The Coordinated Care Initiative, enacted through Senate Bill 1008, also required the Health Plans to provide initial mental health assessments to determine if clients should receive non-specialty mental health services from the Health Plans and/or their provider groups and plans, or if the client should be referred to DMH for specialty mental health services. Section 1915(b) Freedom of Choice waiver, entitled "Medi-Cal Specialty Mental Health Services," requires Medi-Cal beneficiaries to access specialty mental health services through DMH, which is the County's mental health plan.

DMH entered into MOUs with the Health Plans, effective June 2014 through December 31, 2017, which coordinated the expansion of integrated services provided to shared Medi-Cal beneficiaries throughout the County and established protocols and methods for the transfer of client information. DMH and the Health Plans are required to hold regularly scheduled meetings to ensure effective collaboration.

Attachments I and II are the amendments approved as to form by County Counsel with the Health Plans which will extend the term through December 31, 2018.

DMH program administration staff will administer and monitor adherence to the MOUs' provisions and performance outcomes at least semi-annually to ensure that quality of services is being provided in accordance with the terms and conditions of the MOUs.

Health Net's corporate office is located at 11971 Foundation Place, Rancho Cordova, CA 95670, which is located outside of County.

L. A. Care's corporate office is located at 1055 West 7th Street, Los Angeles, CA 90017, which is located in Supervisorial District 1.

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

Extending the term of these MOUs allows DMH and the Health Plans to continue to coordinate Medi-Cal benefits into the system of care to improve health outcomes, improve beneficiary satisfaction, and reduce health care cost.

The Honorable Board of Supervisors

12/19/2017

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JES', is centered on the page.

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

Director

JES:MM:SLD:SK:t

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Enclosures

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



AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this 19<sup>th</sup> day of December, 2017, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Health Net Community Solutions, Inc. (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Memorandum of Understanding, dated January 1, 2014, (hereafter "MOU"); and

WHEREAS, County and Contractor executed an MOU for the provision of coordinating specialty and non-specialty mental health services to Medi-Cal beneficiaries who reside throughout the County of Los Angeles; and

WHEREAS, County and Contractor intend to amend the MOU to correct a formatting error that included TERM OF MOU under Article 9. MEMBER AND PROVIDER EDUCATION.

WHEREAS, County and Contractor intend to amend the MOU to **extend** the term from January 1, 2018 to no later than December 31, 2018, so that services may continue uninterrupted.

NOW, THEREFORE, County and Contractor agree that the MOU shall be amended, effective January 1, 2018, only as follows:

1. Article 9. MEMBER AND PROVIDER EDUCATION shall be deleted in its entirety and the following substituted therefore:

"Article 9. **MEMBER AND PROVIDER EDUCATION**

- A. HN/MHN will develop, in collaboration with DMH, education materials that explain the mental health and substance abuse and physical health components of the Medi-Cal mental health services.
- B. HN/HMN will develop, in collaboration with DMH, a provider manual that addresses the mental health and **substance** abuse and physical components of the Medi-Cal mental health services.
- C. Each prospective Party shall provide educational information on referrals and coordination of care via FAQ on their respective websites.”

2. Article 14. TERM OF MOU shall be added to this MOU :

“Article 14. **TERM OF MOU**

“The effective date of this MOU is January 1, 2014 (“Effective Date”), and unless terminated earlier as provided herein, shall continue in effect until December 31, 2018.

- 3. This Amendment, when signed and delivered by each of the Parties, shall be effective as to all of the Parties as of the date first above written.
- 4. As amended by this Amendment, the MOU shall continue in full force and effect in accordance with its terms.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health, or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

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

Health Net Community Solutions, Inc.  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL



AMENDMENT NO. 1

THIS AMENDMENT is made and entered into this 19<sup>th</sup> day of December, 2017, by and between the COUNTY OF LOS ANGELES (hereafter "County") and L.A. Care Health Plan (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Memorandum of Understanding, dated January 1, 2014 (hereafter "MOU"); and

WHEREAS, County and Contractor executed the MOU for the provision of coordinating specialty and non-specialty mental health services to Medi-Cal beneficiaries who reside throughout the County of Los Angeles; and

WHEREAS, County and Contractor intend to amend the MOU to **extend** the term from January 1, 2018 to no later than December 31, 2018, so that services may continue uninterrupted to clients who reside throughout the County of Los Angeles.

NOW, THEREFORE, County and Contractor agree that the MOU shall be amended, effective January 1, 2018, only as follows:

1. Article 10. TERM OF MOU shall be deleted in its entirety and the following substituted therefore:

"Article 10. **TERM OF MOU**

The effective date of this MOU shall be January 1, 2014 ("Effective Date"), and unless terminated earlier as provided herein, shall continue in effect until December 31, 2018."

2. This Amendment, when signed and delivered by each of the Parties, shall be

effective as to all of the Parties as of the date first above written.

3. As amended by this Amendment, the MOU shall continue in full force and effect in accordance with its terms.

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COUNTY OF LOS ANGELES

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

\_\_\_\_\_  
L.A. Care Health Plan  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL