



**LOS ANGELES COUNTY
DEPARTMENT OF MENTAL HEALTH**

JONATHAN E. SHERIN, M.D., Ph.D., Director
ROBIN KAY, Ph.D., Chief Deputy Director
RODERICK SHANER, M.D., Medical Director



June 06, 2017

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

29 June 6, 2017

LORI GLASGOW
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO AMEND FOUR EXISTING LEGAL ENTITY AGREEMENTS
FOR THE EXPANSION OF MENTAL HEALTH SERVICES
FOR FISCAL YEAR 2016-17
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to amend four existing Department of Mental Health Legal Entity Agreements for the provision of mental health services for Fiscal Year 2016-17.

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 Attachment I, for the existing Department of Mental Health (DMH) Legal Entity (LE) Agreements as listed on Attachment II to provide additional mental health services. The Amendments will be effective upon your Board's approval and will increase various categories of funded programs in the total amount of \$3,445,040 for the LE contractors. The increases to the Contractors' Maximum Contract Amounts (MCAs) are listed on Attachment II for Fiscal Year (FY) 2016-17.
2. Authorize the Director, or his designee, to consent to the acceptance by LE Provider, Hillside, of the assignment of rights and delegation of duties and obligations under Agreement No. MH121248 from LE Provider Bienvenidos Children's Center, Inc. (Bienvenidos). Bienvenidos' duties, obligations, and rights will be assigned to Hillside, as the surviving LE, under Agreement No. MH121272.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of this Recommendation will enable DMH to amend its LE Agreements with each contractor listed on Attachment II beyond the 25 percent delegated authority previously granted by your Board on June 21, 2016, for FY 2016-17.

Implementation of Strategic Plan Goals

The recommended action is consistent with the County's Strategic Plan Goal III, Realize Tomorrow's Government Today, via Strategy III.3 Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The total increase of the four amendments is \$3,445,040, which is fully funded by federal, State, and local revenues. Funding for these amendments is included in DMH's FY 2016-17 Final Adopted Budget.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In accordance with Los Angeles County Board of Supervisors' (Board) Policy No. 5.120, DMH notified your Board of its intent to request delegated authority for a percentage increase exceeding 10 percent of the total contract amount on May 16, 2016. Your Board's subsequent approval of this request on June 21, 2016, granted DMH authority to exceed the FY 2016-17 total contract amounts by up to 25 percent. As it appears DMH will need to further exceed the 25 percent previously approved for four LE contractors, DMH is returning to your Board to seek additional delegated authority as previously indicated.

Two of the four LE contractors, Optimist Boys' Home and Ranch, Inc. (Optimist), and Hillsides, have LE Agreements that will require amendments that will exceed 25 percent of their Board-approved MCAs because of business mergers with other LEs whose LE Agreements will be subsumed into the surviving LE Agreements.

On May 4, 2017, the DMH notified your Board that Pacific Lodge Youth Services, Inc. (Pacific Lodge) merged with Optimist, resulting in Optimist, as the surviving LE, accepting the assignment of rights and delegation of duties and obligations of the Pacific Lodge LE Agreement. As a result of the business merger, by which the MCA of the non-surviving Pacific Lodge LE Agreement is subsumed into the surviving Optimist LE Agreement, the MCA will exceed DMH's 25 percent delegated authority, thus requiring your Board's authority to amend the MCA of the Optimist LE Agreement.

Additionally, Bienvenidos merged with Hillsides and, as a result, Hillsides is the surviving LE, which has accepted the assignment of rights and delegation of duties and obligations of the Bienvenidos LE Agreement. Your Board's approval will allow the MCA of the non-surviving Bienvenidos LE Agreement to be subsumed into the surviving Hillsides LE Agreement, which would otherwise exceed the MCA of the Hillsides LE Agreement by more than 25 percent.

A third LE, Eldorado Community Services Center (Eldorado), received a one-time Medicaid Expansion (MCE) to provide services to 15 additional clients in FY 2015-16, based on Eldorado's past utilization and DMH's projection for FY 2015-16. In order to maintain the same level of services for these 15 clients, an increase of MCE funds is necessary for FY 2016-17, which will increase the MCA in an amount exceeding DMH's 25 percent delegated authority.

Exodus Foundation (Exodus) provides crisis stabilization services. Crisis stabilization services that are not covered by Medi-Cal are reimbursable through the Mental Health Services Act (MHSA) Crisis Stabilization Services program. On July 20, 2016, the State Department of Health Care Services issued Information Notice 16-034, which allows counties to use MHSA funds to pay up to 3 hours, 59 minutes of crisis stabilization services beyond the 20 billable hours allowed under Medi-Cal. Before Information Notice 16-034 was issued, Exodus had been absorbing the cost for hours in excess of the 20 billable hours paid through Medi-Cal. The additional source of funds will enable Exodus to submit a supplemental claim for MHSA funds for clients who receive crisis stabilization services in excess of the 3 hours, 59 minutes that are not reimbursable by Medi-Cal. In addition, Exodus will require additional funds to meet the need of increased referrals for indigent and MCE eligible clients from hospitals, law enforcement, directly-operated clinics, contract providers, and walks-ins in need of crisis stabilization services provided at Urgent Care Centers.

Attachment II shows the last Board-approved MCA, the current MCA, the allocations for each LE, and the revised MCA for each LE Agreement.

The attached amendment format (Attachment I) has been approved as to form by County Counsel. DMH clinical and administrative staff will administer and monitor the agreements, evaluate the programs to ensure that quality services are being provided to clients, and make certain that agreement provisions and departmental policies are followed.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the proposed action will allow the LE contractors to continue their provision of mental health services in the County of Los Angeles.

The Honorable Board of Supervisors

6/6/2017

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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:RC;j

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Enclosures

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

CONTRACT NO. MH121XXX

AMENDMENT NO. xx

THIS AMENDMENT is made and entered into this ___th day of ____, 2017, by and between the COUNTY OF LOS ANGELES (hereafter “County”) and PROVIDER NAME (hereafter “Contractor”).

WHEREAS, County and Contractor have entered into a written Agreement, dated July 1, 2014 **OR** July 1, 2015, (choose whichever is applicable) identified as County Agreement No. MH121____, and as subsequently amended (hereafter collectively “Agreement”); and

WHEREAS, for Fiscal Year (FY) 2016-17, **OR** for Fiscal Year (FY) 2016-17 and any subsequent fiscal years (choose whichever is applicable), County and Contractor intend to amend this Agreement only as described hereunder; and

WHEREAS, for FY 2016-17, and any subsequent fiscal years, County and Contractor intend to amend this Agreement to **increase** Specialized Foster Care – DCFS MAT Non-Medi-Cal (Non-MC) Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, and any subsequent fiscal years, County and Contractor intend to amend this Agreement to **increase** Specialized Foster Care Enhanced Mental Health Services Medi-Cal (MC) Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, and any subsequent fiscal years, County and Contractor intend to amend this Agreement to **increase** Specialized Foster Care MAT MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, and any subsequent fiscal years, County and Contractor intend to amend this Agreement to **increase** Specialized Foster Care Wraparound MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, County and Contractor intend to amend this Agreement to **increase** Group Home Aftercare Services Non-Medi-Cal (Non-MC) Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, County and Contractor intend to amend this Agreement to **increase** Group Home Aftercare Services MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, **OR** for Fiscal Year (FY) 2016-17 and any subsequent fiscal years (choose whichever is applicable), County and Contractor intend to amend this Agreement to **increase** DMH Mental Health Services Medi-Cal (MC) Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, **OR** for Fiscal Year (FY) 2016-17 and any subsequent fiscal years (choose whichever is applicable), County and Contractor intend to amend this Agreement to **increase** Mental Health Services Act (MHSA) Field Capable Clinical Services (FCCS) MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, **OR** for Fiscal Year (FY) 2016-17 and any subsequent fiscal years (choose whichever is applicable), County and Contractor intend to amend this Agreement to **increase** MHSA Prevention & Early Intervention (PEI) Non-MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, **OR** for Fiscal Year (FY) 2016-17 and any subsequent fiscal years (choose whichever is applicable), County and Contractor intend

to amend this Agreement to **increase** MHSA PEI Invoice Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, **OR** for Fiscal Year (FY) 2016-17 and any subsequent fiscal years (choose whichever is applicable), County and Contractor intend to amend this Agreement to **increase** MHSA PEI MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, County and Contractor intend to amend this Agreement to **increase** SB82 Mobile Triage – Crisis Transition Specialist Medical (MC) Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, County and Contractor intend to amend this Agreement to **increase** Mental Health Services Act (MHSA) Urgent Care Center Non-MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, County and Contractor intend to amend this Agreement to **increase** MHSA Urgent Care Center MC Funded Program funds; and (if applicable)

WHEREAS, for FY 2016-17, **OR** for FY 2016-17 and any subsequent fiscal years as a result of the above changes in funded programs, the Maximum Contract Amount (MCA) will **increase**.

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

1. For FY 2016-17, **OR** for FY 2016-17 and any subsequent fiscal years (choose whichever is applicable), Specialized Foster Care – DCFS MAT Non-MC Funded Program funds are **increased** by \$_____ to \$_____, (if applicable) Specialized Foster Care Enhanced Mental Health Services MC Funded Program funds are

increased by \$____ to \$____, (if applicable) Specialized Foster Care MAT MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) Specialized Foster Care Wraparound MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) Group Home Aftercare Services Non-MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) Group Home Aftercare Services MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) DMH Mental Health Services MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) MHSA FCCS MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) MHSA PEI Non-MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) MHSA PEI Invoice Funded Programs funds are **increased** by \$____ to \$____, (if applicable) MHSA PEI MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) SB82 Mobile Triage – Crisis Transition Specialist MC Funded Program funds are **increased** by \$____ to \$____, (if applicable) MHSA Urgent Care Center Non-MC Funded Programs funds are **increased** by \$____ to \$____, (if applicable) and MHSA Urgent Care Center MC Funded Programs funds are **increased** by \$____ to \$____. (if applicable)

2. For FY 2016-17, the MCA is **increased** by \$____ and the revised MCA is \$_____.
3. For FY 2017-18, the MCA is **increased** by \$____ and the revised MCA is \$_____.
(if applicable)
4. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph D (1) and (2) (REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED) shall be deleted in their entirety and the following substituted therefor:

“D. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED

(1) Reimbursement For First Automatic Renewal Period: The MCA for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed _____

DOLLARS (\$_____) and shall consist of Funded Programs as shown on the Financial Summary.”

(2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed _____

_____ DOLLARS (\$_____) and shall consist of Funded Programs as shown on the Financial Summary.” **OR**

5. Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (2) (REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED) shall be deleted in its entirety and the following substituted therefor:

“D. REIMBURSEMENT IF AGREEMENT IS AUTOMATICALLY RENEWED

(2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) of the DMH Legal Entity Agreement shall not exceed _____

DOLLARS (\$_____) and shall consist of Funded Programs as shown on the Financial Summary.” (choose whichever is applicable)

6. Financial Summary (Attachment III) - ___ for FY 2016-17, shall be deleted in its entirety and replaced with Financial Summary (Attachment III) - ___ for FY 2016-

17 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary (Attachment III) - ___ for FY 2016-17, shall be deemed amended to state “Financial Summary (Attachment III) – ____ for FY 2016-17.”

7. Financial Summary (Attachment III) - ___for FY 2017-18, shall be deleted in its entirety and replaced with Financial Summary (Attachment III) - _____ for FY 2017-18 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary (Attachment III) - ___ for FY 2017-18, shall be deemed amended to state “Financial Summary (Attachment III) – __ for FY 2017-18.” (if applicable)
8. Contractor shall provide services in accordance with Contractor’s FY 2016-17 Negotiation Package for this Agreement and any addenda thereto approved in writing by the County’s Director of Mental Health or his designee.
9. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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

COUNTY OF LOS ANGELES

By _____
Jonathan E. Sherin, M.D., Ph.D.
Director of Mental Health

CONTRACTOR

By _____

Name _____

Title _____

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

COUNTY OF LOS ANGELES
DEPARTMENT OF MENTAL HEALTH
FY 2016-17

Attachment II

No.	Legal Entity (LE) Name/Address LE Number	Supervisory District (HQ)	Last Board Approved MCA	Current MCA	Amendment Amount	Revised MCA
1	Eldorado Community Service Center 26460 Summit Circle Avenue Santa Clarita, CA 91350 LE No. 00695	5	\$618,356	\$772,945	\$53,416	\$826,361
2	Optimist Boys' Home and Ranch, Inc. 6957 N. Figueroa Street Los Angeles, CA 90041-1076 LE No. 00781	1	\$7,153,134	\$9,470,338	\$2,210,384	\$11,680,722
3	Exodus Foundation 9808 Venice Blvd., Suite # 700 Culver City, CA 90232 LE No. 01915	2	\$7,521,512	\$9,401,890	\$632,387	\$10,034,277
4	Hillsides 815 Colorado Blvd. Los Angeles, CA 90041 LE No. 00321	1	\$16,468,862	\$18,462,869	\$548,853	\$19,011,722
Total Increase of Amendments					\$3,445,040	