

**COUNTY OF LOS ANGELES**

MARVIN J. SOUTHARD, D.S.W.  
Director

ROBIN KAY, Ph.D.  
Chief Deputy Director

RODERICK SHANER, M.D.  
Medical Director



BOARD OF SUPERVISORS

GLORIA MOLINA  
MARK RIDLEY-THOMAS  
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DON KNABE  
MICHAEL D. ANTONOVICH

**DEPARTMENT OF MENTAL HEALTH**

<http://dmh.lacounty.gov>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601  
Fax: (213) 386-1297

May 29, 2012

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

40 May 29, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

**APPROVAL TO AMEND SPECIALIZED INDIGENT ACUTE PSYCHIATRIC INPATIENT  
HOSPITAL SERVICES AGREEMENTS WITH  
AURORA CHARTER OAK, LLC, AND COLLEGE HOSPITAL-CERRITOS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to amend the Specialized Indigent Acute Psychiatric Inpatient Hospital Services Agreements with Aurora Charter Oak, LLC, and College Hospital-Cerritos to purchase beds for use by indigent individuals in need of hospitalization who have been discharged from prison or State hospitals under Assembly Bill 109, "Post-Release Community Supervision."

**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 (Amendment), substantially similar to Attachment I, to the Specialized Indigent Acute Psychiatric Inpatient Hospital Services Agreements (Agreement) with Aurora Charter Oak, LLC, and College Hospital-Cerritos for Fiscal Year (FY) 2011-12 to purchase a total of 18 beds (nine beds for each provider) for indigent individuals in need of hospitalization who have been discharged from prison or State hospitals under Post-Release Community Supervision (PCS). These Amendments will be effective upon your Board's approval and will add \$15,000 to the Maximum Contract Amount (MCA) of each contract Agreement for FY 2011-12, increasing the MCA of Aurora Charter Oak, LLC, and College Hospital-Cerritos Agreements to \$1,759,800 and \$1,331,400, respectively.

2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future Amendments to the Agreements, and establish as new MCAs the aggregate for each of the original Agreements and all Amendments, provided that: 1) the County's total payments to the contract provider for each fiscal year will not exceed an increase of twenty percent from the last Board approved MCA; 2) any such increase will be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) County and Contractor may, by written Amendments, reduce programs or services and revise the applicable MCA, provided that any Amendments which reduce programs or services will be consistent with the principles agreed to in Department of Mental Health's (DMH) stakeholders' process; 5) approval of County Counsel, or his designee, is obtained prior to any such Amendment; and 6) the Director notifies your Board and the Chief Executive Office (CEO) of Agreement changes in writing within 30 days after execution of each Amendment.

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

Board approval of the recommended actions is required in order to purchase private psychiatric inpatient hospital beds for the treatment of prison and State hospital inmates discharged to Los Angeles County under the provisions of Assembly Bill (AB) 109.

The County estimates that in FY 2011-12, 9,000 low-level offenders, of which approximately 30 percent are anticipated to require mental health services, will be released to Los Angeles County under PCS. A significant number of these individuals will likely have co-occurring mental health and substance abuse disorders. Based on its experience with PCS to date, DMH anticipates that these individuals will need a full range of mental health treatment options, including inpatient and Institutions for Mental Diseases (IMD) beds, residential treatment, and various levels of outpatient services.

In order to accommodate the additional need for indigent beds in private psychiatric hospitals and in order to divert these individuals from County Emergency Rooms and inpatient beds, the Department proposes to purchase 18 additional beds for FY 2011-12. Aurora Charter Oak, LLC, and College Hospital-Cerritos are the only two Short-Doyle private psychiatric inpatient hospitals that have law enforcement drop-off beds.

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

The recommended actions are consistent with County Strategic Plan Goal 4, Health and Mental Health.

### **FISCAL IMPACT/FINANCING**

The amendments in the amount of \$15,000 for Aurora Charter Oak, LLC, and College Hospital-Cerritos are fully funded by FY 2011-12 Realignment-AB 109 revenue, and are included in DMH's FY 2011-12 Adjusted Allowance Budget.

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

On August 23, 2011, the Community Corrections Partnership (CCP) presented to your Board a plan to implement Public Safety Realignment as a result of ABs 109 and 117, which transfer certain State responsibilities within the criminal justice system to the counties. The recent passage of AB 109 has resulted in a significant number of prison inmates no longer being released to traditional State Parole. Effective October 1, 2011, upon completion of their prison term, certain offenders of non-violent, non-serious, non-sex crimes were released and continue to be released to PCS. As part of the CCP plan, DMH performs key roles in PCS that are required under AB 109.

Aurora Charter Oak, LLC: Since 1994, DMH has contracted for inpatient mental health services with Aurora Charter Oak, LLC, a private, free-standing acute care psychiatric inpatient facility in the San Gabriel Valley that specializes in psychiatric treatment for children, adolescents, and adults. DMH purchases acute inpatient services for uninsured individuals, including adults, taken to the hospital by law enforcement and children/youth in need of hospitalization at any given time.

College Hospital-Cerritos: Since 2001, DMH has contracted for inpatient mental health services with College Hospital-Cerritos, a private, free-standing acute care psychiatric inpatient facility in the City of Cerritos that specializes in psychiatric treatment for children, adolescents, and adults. DMH purchases acute inpatient services for uninsured individuals, including adults, taken to the hospital by law enforcement in need of hospitalization at any given time. College Hospital-Cerritos also participates in the Psychiatric Diversion Program (PDP) as part of the Psychiatric Emergency Services (PES) Relief Plan. Through PDP, DMH is able to purchase acute inpatient services at College Hospital-Cerritos for uninsured individuals when County PES is at capacity.

In accordance with your Board Policy Manual, Section 5.120, Authority to Approve Increases to Board Approved Contract Amounts, DMH notified your Board on March 13, 2012, (Attachments IIA and IIB) of its intent to request delegated authority of more than ten percent with Aurora Charter Oak, LLC and College Hospital-Cerritos, respectively. This authority will allow DMH greater capacity to amend the Agreements and implement additional needs and/or services in a timely and expeditious manner.

The Attached Amendment format has been approved as to form by County Counsel.

Clinical and administrative staff of DMH will continue to administer and monitor the contractors' adherence to the Agreement and evaluate the program to ensure that the quality of services provided to clients remains acceptable. As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all contract terms and performance standards.

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

Board approval of the proposed actions will enable the Department to provide psychiatric hospitalization and treatment for indigent AB 109 individuals being released into Los Angeles County from prison who require acute psychiatric care. These individuals have histories of crimes, some of which are quite serious in nature. Although, they may be released under AB 109 because the crime for which they were convicted was not of a serious nature, some individuals have quite extensive histories of violent criminal behavior making the availability of adequate psychiatric care essential.

The Honorable Board of Supervisors

5/29/2012

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Approval of the requested actions will also enhance the Department's efforts to alleviate overcrowding in the County hospitals' PES.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mg Southard". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

MARVIN J. SOUTHARD, D.S.W.

Director of Mental Health

MJS:MM:RK:yl

Enclosures

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

CONTRACT NO. \_\_\_\_\_

AMENDMENT NO. \_\_\_\_\_

THIS AMENDMENT is made and entered into this \_\_\_\_ day of \_\_\_\_, 2012, by and between the COUNTY OF LOS ANGELES (hereafter "County") and \_\_\_\_\_ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated \_\_\_\_\_, identified as County Agreement No. \_\_\_\_\_, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year (FY) 2011-12 only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, effective October 1, 2011, Assembly Bill (AB) 109 transfers responsibility for supervising inmates who are released from prison after serving a sentence for a non-violent, non-serious, non-sex offense from the State of California (State) to the County of Los Angeles; and

WHEREAS, the State law requires counties to establish a Community Corrections Partnership (CCP) and the Department of Mental Health (DMH) is a member of CCP in Los Angeles County; and

WHEREAS, the CCP implemented Public Safety Realignment as a result of AB 109; and

WHEREAS, as part of the CCP plan, DMH will perform key roles in the Post-Release Community Supervision (PCS); and

WHEREAS, the County estimates that 8,000 to 9,000 low-level offenders will be released to Los Angeles County under PCS in FY 2011-12, of which approximately 30 percent are anticipated to require mental health services including inpatient and Institutions for Mental Diseases (IMD) beds, residential treatment and various levels of outpatient services; and

WHEREAS, County and Contractor intend to amend Agreement to add to the Maximum Contract Amount (MCA) to enable Contractor to expand outpatient mental health services and/or to provide inpatient and IMD Step-Down services/needs; and

WHEREAS, for FY 2011-12 only, County and Contractor intend to amend Agreement to add Post-Release Community Supervision-Community Reintegration Program (Non Medi-Cal/Non Healthy Families) funds in the amount of \$15,000; and

WHEREAS, for FY 2011-12, the Maximum Contract Amount (MCA) will increase by \$ 15,000 and the revised MCA will be \$ \_\_\_\_\_.

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

1. For FY 2011-12 only, Post-Release Community Supervision-Community Reintegration Program (Non Medi-Cal/Non Healthy Families) funds in the amount of \$15,000 added to this Agreement for this fiscal year, to allow Contractor to expand outpatient mental health services and/or provide inpatient and IMD Step-Down services. For FY 2011-12, the MCA will increase by \$15,000.
2. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph C shall be deleted in its entirety and the following substituted therefore:

"C. REIMBURSEMENT FOR INITIAL PERIOD

(1) The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed \_\_\_\_\_  
\_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.”

3. Financial Summary for FY 2011-12, shall be deleted in its entirety and replaced with Financial Summary - \_ for FY 2011-12 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary for FY 2011-12, shall be deemed amended to state “Financial Summary - \_ for FY 2011-12.”
4. Financial Summary for FY 2012-13, shall be deleted in its entirety and replaced with Financial Summary - \_ for FY 2012-13 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary for FY 2012-13, shall be deemed amended to state “Financial Summary - \_ for FY 2012-13.”
5. Contractor shall provide services in accordance with Contractor’s FY \_\_\_\_\_ Negotiation Package for this Agreement and any addenda thereto approved in writing by director.
6. 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 in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
MARVIN J. SOUTHARD, D.S.W.  
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





MARVIN J. SOUTHARD, D.S.W.  
Director

ROBIN KAY, Ph.D.  
Chief Deputy Director

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Medical Director

DEPARTMENT OF MENTAL HEALTH

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550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601  
Fax: (213) 386-1297

March 15, 2012

TO: Each Supervisor

FROM: *Robin Kay for*  
Marvin J. Southard, D.S.W.  
Director

SUBJECT: **REQUEST TO INCREASE DELEGATED AUTHORITY PERCENTAGE FOR INDIGENT ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES AGREEMENT WITH AURORA CHARTER OAK, LLC, FOR FISCAL YEAR 2011-12**

This memorandum is to comply with Board Policy Manual, Section 5.120, Authority to Approve Increases to Board Approved Contract Amounts. The Policy mandates that any department requesting a percentage increase in delegated authority exceeding ten percent of the total contract amount must provide a detailed justification and advance written notice to your Board, with a copy to the Chief Executive Officer, at least two weeks prior to the Board Meeting at which the proposed contract is to be presented.

The Department of Mental Health (DMH) requests an additional ten percent for a total of twenty percent delegated authority for the Indigent Acute Psychiatric Inpatient Hospital (Indigent) services Agreement with Aurora Charter Oak, LLC. DMH will perform key roles in the Post-Release Community Supervision (PCS) required under Assembly Bill (AB) 109. Responsibility for supervising inmates who are released from prison after serving a sentence for non-violent, non-serious, non-sex offenses will be transferred to Los Angeles County as part of AB 109. Currently, the County estimates that 8,000 to 9,000 low-level offenders will be released to Los Angeles County under PCS in Fiscal Year 2011-12, of which approximately thirty percent are anticipated to require mental health services. A significant number of these clients will likely have co-occurring mental health and substance abuse disorders.

Based on experience with the Non-Revocable Parolee population and information on the general parole population, DMH anticipates that PCS clients will need a full range of mental health treatment options – including inpatient and Institutions for Mental Diseases (IMD) beds, residential treatment, and various levels of outpatient services.

Each Supervisor  
March 15, 2012  
Page 2

Should there be a need to exceed the twenty percent delegated authority, DMH will return to your Board with a request for authority to amend the Indigent Agreement accordingly.

If you have any questions or concerns, please contact me, or your staff may contact Richard Kushi, Chief, Contracts Development and Administration Division, at (213) 738-4684.

MJS:MM:RK:mm

c: Executive Officer, Board of Supervisors  
Chief Executive Officer  
County Counsel  
Robin Kay, Ph.D.  
Margo Morales  
Deputy Directors  
District Chiefs  
Kimberly Nall  
Richard Kushi

COUNTY OF LOS ANGELES

Attachment IIB

MARVIN J. SOUTHARD, D.S.W.  
Director

ROBIN KAY, Ph.D.  
Chief Deputy Director

RODERICK SHANER, M.D.  
Medical Director



BOARD OF SUPERVISORS  
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DEPARTMENT OF MENTAL HEALTH

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Reply To: (213) 738-4801  
Fax: (213) 386-1297

March 13, 2012

TO: Each Supervisor  
*Robin Kay for*  
FROM: Marvin J. Southard, D.S.W.  
Director

SUBJECT: **REQUEST TO INCREASE DELEGATED AUTHORITY PERCENTAGE FOR INDIGENT ACUTE PSYCHIATRIC INPATIENT HOSPITAL SERVICES AGREEMENT WITH COLLEGE HOSPITAL - CERRITOS FOR FISCAL YEAR 2011-12**

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The Department of Mental Health (DMH) requests an additional ten percent for a total of twenty percent delegated authority for the Indigent Acute Psychiatric Inpatient Hospital services (Indigent) Agreement with College Hospital - Cerritos. DMH will perform key roles in the Post-Release Community Supervision (PCS) required under Assembly Bill (AB) 109. Responsibility for supervising inmates who are released from prison after serving a sentence for a non-violent, non-serious, non-sex offenses will be transferred to Los Angeles County as part of AB 109. Currently, the County estimates that 8,000 to 9,000 low-level offenders will be released to Los Angeles County under PCS in Fiscal Year 2011-12, of which approximately thirty percent are anticipated to require mental health services. A significant number of these clients will likely have co-occurring mental health and substance abuse disorders.

Based on experience with the Non-Revocable Parolee population and information on the general parole population, DMH anticipates that PCS clients will need a full range of mental health treatment options – including inpatient and Institutions for Mental Diseases (IMD) beds, residential treatment and various levels of outpatient services.

*"To Enrich Lives Through Effective And Caring Service"*

Each Supervisor  
March 13, 2012  
Page 2

Should there be a need to exceed the twenty percent delegated authority, DMH will return to your Board with a request for authority to amend the Indigent Agreement accordingly.

If you have any questions or concerns, please contact me, or your staff may contact Richard Kushi, Chief, Contracts Development and Administration Division, at (213) 738-4684.

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