

COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.info>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

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

March 23, 2006

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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

37 APR - 4 2006

Joanne Sturges
JOANNE STURGES
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AMENDMENT TO EXISTING DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY AGREEMENT WITH
THE VILLAGE FAMILY SERVICES
FOR FISCAL YEAR 2005-2006
(SUPERVISORIAL DISTRICT 3)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health or his designee to prepare, sign, and execute Amendment No. 2, substantially similar to the Attachment, to the existing Legal Entity (LE) Agreement No. DMH-02367 with The Village Family Services for the provision of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Title XIX Medi-Cal services in Fiscal Year (FY) 2005-2006 through the term of the Agreement. This Amendment increases the Maximum Contract Amount (MCA) for FY 2005-2006 by \$206,329, from \$825,200, to \$1,031,529, fully funded by Sales Tax Realignment funds, \$18,838; EPSDT-Federal Financial Participation (FFP) Medi-Cal revenue, \$103,164; and EPSDT-State General Funds (SGF), \$84,327. The Department of Mental Health (DMH) will utilize \$206,329 of existing appropriation included in its FY 2005-2006 Adopted Budget to fund the increase in the MCA of the Agreement with The Village Family Services for FY 2005-2006. This Agreement will be effective upon the date of execution through June 30, 2006.
2. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the LE Agreement with The Village Family Services and establish as a new MCA the aggregate of the original Agreement and all amendments through and including this Amendment, provided

"To Enrich Lives Through Effective And Caring Service"

that: 1) the County's total payments to contractor under the Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer (CAO) or their designee is obtained prior to any such Amendment; 5) the parties may, by written Amendment, reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Amendment No. 2, which increases The Village Family Services' MCA by \$206,329 for FY 2005-2006, exceeds delegated authority as it represents a greater than 20 percent increase in the MCA previously approved by your Board on June 21, 2005 for this Contractor. Your Board's approval of this Amendment increase will enable the DMH to better align the actual demand for mandated EPSDT services with the Contractor's capacity to provide and be reimbursed timely for those services.

Since the Board renewed The Village Family Services Agreement effective July 1, 2005, The Village Family Services has experienced a significant increase in demand for EPSDT-funded services from the North Hollywood community in Service Area 2.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan, Organizational Goal No. 4, "Service Excellence," and Programmatic Goal No. 5, "Children and Families' Well-Being." Board approval of this Amendment will strengthen the mental health services delivery system and improve service accessibility within Service Area 2. The expansion of The Village Family Services' service capacity complies with DMH's guiding principles for EPSDT expansion by enhancing the availability of mental health services in a community that has limited resources.

FISCAL IMPACT/FINANCING

There is no increase in net County cost.

Amendment No. 2 to the existing LE Agreement with The Village Family Services increases the MCA in the amount of \$206,329 for FY 2005-2006, funded by Sales Tax Realignment funds, \$18,838; EPSDT-FFP Medi-Cal revenue, \$103,164; and EPSDT-

SGF, \$84,327, which is included in DMH's FY 2005-2006 Adopted Budget. The Village Family Services' revised MCA will total \$1,031,529 for FY 2005-2006.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Board approval is required for Amendment No. 2 to increase The Village Family Services' MCA for FY 2005-2006 by \$206,329, from \$825,200 to \$1,031,529, to enable DMH to better align the actual demand for mandated EPSDT services with the Contractor's capacity to provide and be reimbursed timely for those services. This Amendment increase exceeds the 20 percent MCA authority delegated to the Director of Mental Health or his designee by your Board on June 21, 2005.

Since the implementation of the Medicaid's EPSDT program in FY 1994-1995, DMH has been required to significantly increase the availability of mental health services to Medi-Cal eligible beneficiaries under 21 years of age and has, thus, been able to achieve a comprehensive system of care to Medicaid recipients. The EPSDT program provides medically necessary services to Medi-Cal eligible beneficiaries under 21 years of age to correct or ameliorate a physical or mental disability or condition.

The Board approved the first Agreement with The Village Family Services effective July 1, 2004. Since that time, The Village Family Services as a new Provider of EPSDT Medi-Cal services, has done exceptionally well meeting unmet needs in the North Hollywood area. The expansion of funds will permit the Provider to respond to the increasing demand for services. The expansion of The Village Family Services' service capacity complies with DMH's guiding principles for EPSDT expansion by enhancing the availability of mental health services in a community with limited resources.

The Village Family Services is located at 5437 Laurel Canyon Boulevard, North Hollywood, CA 91607, in Supervisorial District 3. The Village Family Services provides culturally and linguistically appropriate services to children and families in settings that meet their specific needs. This is a Provider that continually strives to expand services to address unmet needs and high demands in this Service Area. This agency is one of the few in Service Area 2 with the capacity to meet the increasing demand for bilingual Spanish-speaking services. This is reflected in their staffing pattern where more than 90 percent are Spanish speaking. The Village Family Services is also the only agency in Service Area 2 that specializes in services to Latino Gay and Lesbian Transitional Age Youth. Without the requested expansion, a substantial number of children, adolescents, and their families who have been identified as in need of services will be adversely impacted.

The Honorable Board of Supervisors
March 23, 2006
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Clinical and administrative staff of DMH will continue to administer and supervise the agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that Agreement provisions and Departmental policies are being followed.

The attached Amendment format has been approved as to form by County Counsel, and includes Board-mandated contract language regarding "Delegation and Assignment By Contractor." The CAO has reviewed the proposed actions.

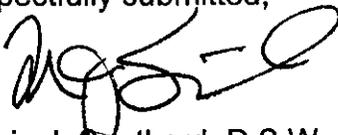
IMPACT ON CURRENT SERVICES

Board approval of this Amendment will enable DMH to continue to augment current levels of EPSDT program entitlement services in critically-needed areas throughout Los Angeles County. Without Board approval, access to EPSDT Title XIX Medi-Cal services will be restricted, and the residents of the North Hollywood community will continue to be seriously underserved.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board actions. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:EC:RK:YL

Attachment

c: Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT

CONTRACT NO. DMH-02367

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day of _____, 2006, by and between the COUNTY OF LOS ANGELES (hereafter "County") and The Village Family Services (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated June 21, 2005, identified as County Agreement No. DMH-02367, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Years (FYs) 2005-2006 and 2006-2007, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program is a Federal entitlement for children and youth who are Medicaid beneficiaries and provides specialty mental health services that maintain severely emotionally disturbed (SED) children and youth in the community and/or least restrictive setting. The State Department of Mental Health allocates State General Fund (SGF) to the County of Los Angeles – Department of Mental Health to provide local match dollars to Federal Financial Participation (FFP) Medi-Cal dollars used to fund full-scope Medi-Cal beneficiaries under 21 years of age; and

WHEREAS, for FYs 2005-2006 and 2006-2007, County and Contractor intend to amend Agreement to increase EPSDT-CGF funds in the amount of \$18,838, EPSDT-FFP Medi-Cal funds in the amount of \$103,164, and EPSDT-SGF funds in the amount of \$84,327, for a combined total increase of \$206,329 to the Maximum Contract Amount

(MCA) for the delivery of countywide, community-based children's mental health care services; and

WHEREAS, for FYs 2005-2006 and 2006-2007, the MCA will be increased with a revised MCA of \$1,031,529; and

WHEREAS, for FYs 2005-2006 and 2006-2007, County and Contractor intend to amend Agreement to add revised Board-mandated contract language in regards to "Delegation and Assignment."

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

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraphs B (Reimbursement For Initial Period) and C (Reimbursement If Agreement Is Automatically Renewed), Section (1) (Reimbursement For First Automatic Renewal Period) shall be deleted in their entirety and the following substituted therefor:

"B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed ONE MILLION THIRTY-ONE THOUSAND FIVE HUNDRED TWENTY-NINE DOLLARS (\$1,031,529) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate Service Function Code (SFC) units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for

Contractor's performance hereunder during the Initial Period. Furthermore, Contractor shall inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 60 (NOTICES).

C. Reimbursement If Agreement Is Automatically Renewed:

(1) Reimbursement For First Automatic Renewal Period: The Maximum Contract Amount for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed ONE MILLION THIRTY-ONE THOUSAND FIVE HUNDRED TWENTY-NINE DOLLARS (\$1,031,529) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate Service Function Code (SFC) units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the First Automatic Renewal Period. Furthermore, Contractor shall inform County when up to 75 percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 60 (NOTICES)."

2. Paragraph 27 (DELEGATION AND ASSIGNMENT) shall be deleted in its entirety and the following substituted therefor:

"27. DELEGATION AND ASSIGNMENT BY CONTRACTOR:

- A. Contractor shall not assign its rights or delegate its duties under this Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to this Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims which Contractor may have against County.
- B. Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of this Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.
- C. Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same

by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor."

3. Financial Summary - for Fiscal Year 2005-2006 shall be deleted in its entirety and replaced with Financial Summary - 2 for Fiscal Year 2005-2006, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary for Fiscal Year 2005-2006 shall be deemed amended to state "Financial Summary - 2 for Fiscal Year 2005-2006."
4. Financial Summary for Fiscal Year 2006-2007 shall be deleted in its entirety and replaced with Financial Summary - 2 for Fiscal Year 2006-2007, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary for Fiscal Year 2006-2007 shall be deemed amended to state "Financial Summary - 2 for Fiscal Year 2006-2007."
5. Contractor shall provide services in accordance with the Contractor's Fiscal Year 2004-2005 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

The Village Family Services
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

H: yI EPSDT Increase. Amend FY 05-06