

# COUNTY OF LOS ANGELES

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

SUSAN KERR  
Chief Deputy Director

RODERICK SHANER, M.D.  
Medical Director



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## DEPARTMENT OF MENTAL HEALTH

<http://dmh.co.la.ca.us>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

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

September 30, 2004

**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

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OCT 12 2004

*Violet Varona-Lukens*  
VIOLET VARONA-LUKENS  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 8 TO  
DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENT  
WITH LOS ANGELES UNIFIED SCHOOL DISTRICT  
FOR TITLE XIX MEDI-CAL SERVICES  
FOR FISCAL YEAR 2003-2004  
(SUPERVISORIAL DISTRICT 2)  
(3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute Amendment No. 8, substantially similar to the Attachment, to the Department of Mental Health (DMH) Legal Entity (LE) Agreement No. DMH-01526 with the Los Angeles Unified School District (LAUSD) to increase LAUSD's Maximum Contract Amount (MCA) by \$715,211, from \$1,265,400 to \$1,980,611, fully funded by Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) - Federal Financial Participation (FFP) Medi-Cal revenue and EPSDT-State General Funds (SGF), as of June 30, 2004. This Amendment implements a technical adjustment to LAUSD's EPSDT-FFP Medi-Cal revenue and EPSDT-SGF funding sources, consistent with the level of Title XIX Medi-Cal services rendered by LAUSD in Fiscal Year (FY) 2003-2004.
2. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to this LE Agreement and establish as a new MCA the aggregate of the original Agreement and all amendments, provided that: 1) the County's total payments to the contractor under the Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable revised MCA; 2) any 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 or their designees is obtained prior to any such Amendment; 5) the parties may by written Amendment reduce programs or services and revise the applicable MCA; 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**

This Amendment increase exceeds the 20 percent MCA delegated authority language previously approved by your Board for the superseded DMH LE Agreements, effective FY 2003-2004. This LE Agreement was renewed, effective FY 2004-2005.

The purpose of Amendment No. 8 is to align LAUSD's FY 2003-2004 MCA with its EPSDT claims as of June 30, 2004. This Amendment implements a technical adjustment to the EPSDT funding sources by increasing LAUSD's MCA for FY 2003-2004 by \$715,211, from \$1,265,400 to \$1,980,611, consistent with the level of EPSDT program entitlement services rendered by LAUSD as of June 30, 2004. Between July 14, 2004 and July 20, 2004, after the financial closing of the fiscal year, DMH executed and processed four (4) consecutive amendments to LAUSD's Agreement No. DMH-01526, resulting in a MCA decrease for FY 2003-2004 which was lower than DMH's total payments to LAUSD.

In compliance with County Policy/Procedures for Timely Submission of Contracts for Board Approvals dated September 7, 2000, justification for Board approval meets exemption criteria No. 1 due to extenuating circumstances. Your Board's approval of Amendment No. 8 is critical to maintain the integrity of the collaborative partnership between DMH and LAUSD for the essential delivery of EPSDT program entitlement services to Seriously Emotionally Disturbed (SED) students and their families in the underserved LAUSD, which has a multi-culturally diverse student population.

Since the first phase of the redirection and expansion of the EPSDT program in June 2003, LAUSD has experienced a significant increase in demand for multi-disciplinary mental health treatment services in Supervisorial District 2. The provision of early diagnosis, timely intervention, and mental health treatment services is a vital component in the educational assessment and planning for SED children whose functional impairment interferes with classroom learning. The essential and uninterrupted provision of early intervention, treatment, and parent education enriches LAUSD's capacity to meet the needs of its underserved student population; assists parents and teachers to facilitate, support, and enhance the student's optimum development to lead productive lives; and minimizes the need for expensive long-term care.

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

The recommended Board actions are consistent with the County's Organizational Goal No. 4, "Fiscal Responsibility," and Programmatic Goal No. 5, "Children and Families' Well-Being," within the Countywide Strategic Plan. Board approval of this request will enable DMH to restore LAUSD's MCA to align FY 2003-2004 payments to LAUSD for EPSDT services provided under the terms of the LE Agreement and will also strengthen the mental health services delivery system and improve service accessibility.

### **FISCAL IMPACT/FINANCING**

There is no increase in net County cost. For FY 2003-2004, Amendment No. 8 to the LE Agreement No. DMH-01526 with LAUSD in the amount of \$715,211 will be funded by \$40,711 in FFP Medi-Cal and \$674,500 in EPSDT-SGF revenues included in DMH's FY 2003-2004 Adopted Budget. The revised MCA for LAUSD will be \$1,980,611 for FY 2003-2004. The restoration of the MCA is consistent with the level of EPSDT program entitlement services rendered by LAUSD in FY 2003-2004.

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

Board approval is required for Amendment No. 8 to restore LAUSD's MCA for FY 2003-2004 by \$715,211, from \$1,265,400 to \$1,980,611, consistent with the level of EPSDT program entitlement services rendered by LAUSD.

Since implementation of the Medicaid EPSDT Program in FY 1994-1995, the EPSDT program has enabled DMH to achieve a more 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 expansion of LAUSD's service capacity complies with DMH's guiding principles for EPSDT expansion by enhancing the availability and accessibility of mental health services in schools and underserved communities throughout Los Angeles County.

LAUSD provides culturally and linguistically appropriate mental health services to school-age children and their families to meet their specific needs and continually strives to develop services to address unmet needs.

The attached Amendment has been approved as to form by County Counsel. The Chief Administrative Office and DMH's Program and Fiscal Administrations have reviewed the proposed actions.

**CONTRACTING PROCESS**

Upon Board approval, DMH will execute Amendment No. 8 to LE Agreement No. DMH-01526 with LAUSD, increasing its FY 2003-2004 MCA by \$715,211, to authorize an increase in LAUSD's MCA for EPSDT services provided.

**IMPACT ON CURRENT SERVICES**

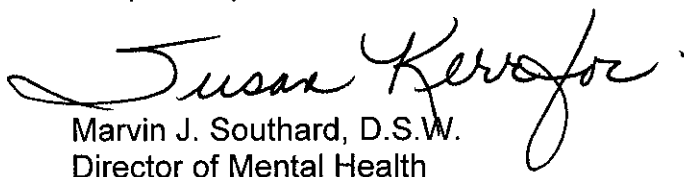
Your Board's approval of this Amendment will: 1) authorize DMH to make pass-through EPSDT-FFP Medi-Cal revenue and EPSDT-SGF payments to LAUSD, reimbursing the contractor for its billed and State-approved Medi-Cal services for FY 2003-2004, and 2) enable DMH to continue to augment current levels of EPSDT 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 Los Angeles County residents will be underserved.

**CONCLUSION**

The Department of Mental Health will need one (1) copy of the adopted Board's action. 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:MY:RK:KT:pp

Attachment

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

CONTRACT NO. DMH-01526

AMENDMENT NO. 8

THIS AMENDMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Los Angeles Unified School District (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated June 17, 2003, identified as County Agreement No. DMH- 01526, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2003-2004 only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, for Fiscal Year 2003-2004 only, the purpose of this Amendment is to make a technical correction to the Early and Periodic, Screening, Diagnosis and Treatment (EPSDT) – Federal Financial Participation (FFP) Medi-Cal revenue and EPSDT-State General Funds (SGF) funding sources, as Contractor provides its own local matching funds for the EPSDT Program, and, thereby, reform the contract in accordance with the parties' original understanding and intent; and

WHEREAS, the 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 SGF to the County of Los Angeles – Department of Mental Health to provide local match dollars to FFP Medi-Cal dollars used to fund full-scope Medi-Cal

beneficiaries under 21 years of age; and

WHEREAS, for Fiscal Year 2003-2004 only, County and Contractor intend to increase EPSDT-FFP in the amount of \$40,711 in order to implement the technical adjustment to the EPSDT-FFP funding source; and

WHEREAS, for Fiscal Year 2003-2004 only, County and Contractor intend to increase EPSDT-SGF in the amount of \$674,500 in order to implement the technical adjustment to the EPSDT-SGF funding source; and

WHEREAS, for Fiscal Year 2003-2004 only, a total increase of \$715,211 shall be added to the Maximum Contract Amount (MCA); and

WHEREAS, for Fiscal Year 2003-2004 only, the revised MCA shall be \$1,980,611.

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

1. Paragraph 4 (FINANCIAL PROVISIONS), Paragraph B (Reimbursement for Initial Period) shall be deleted in its 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 NINE HUNDRED EIGHTY THOUSAND SIX HUNDRED ELEVEN DOLLARS (\$1,980,611) 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 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 seventy-five 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 57 (NOTICES).

2. Financial Summary - Z for Fiscal Year 2003-2004 shall be deleted in its entirety and replaced with Financial Summary - 8 for Fiscal Year 2003-2004, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - Z for Fiscal Year 2003-2004 shall be deemed amended to state "Financial Summary - 8 for Fiscal Year 2003-2004."
3. Contractor shall provide services in accordance with Contractor's Fiscal Year 2003-2004 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.
4. 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.

APPROVED AS TO FORM:

COUNTY OF LOS ANGELES

OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Principal Deputy County Counsel

By \_\_\_\_\_  
MARVIN J. SOUTHARD, D.S.W.  
Director of Mental Health

Los Angeles Unified School District  
CONTRACTOR

By \_\_\_\_\_

Name Duane Johnson

Title Director of Contracts Administration

APPROVED AS TO CONTRACT  
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By \_\_\_\_\_  
Chief, Contracts Development  
and Administration Division



Categories	Maximum Funding Source Totals	
<b>A. Allocations:</b>		CR or NR
County General Fund (CGF) 1. EPSDT Baseline CGF Match	\$ -	
2. SB 90 (AB 3632) Baseline CGF Match	\$ -	
3. EPSDT Growth CGF Match	\$ -	
4. Healthy Families CGF Match	\$ 1,100	
5. Non EPSDT - FFP CGF Match	\$ -	
6. STOP CGF Match	\$ -	
<b>Sub-Total Categorical CGF</b>	<b>\$ 1,100</b>	
7. Other CGF		
<b>TOTAL CGF (1 through 7)</b>	<b>\$ 1,100</b>	
<b>TOTAL ALLOCATIONS (A)</b>	<b>\$ 1,100</b>	
<b>B. Pass Through:</b>		
FFP: 1. Healthy Families FFP	\$ 3,932	
2. Non EPSDT - FFP	\$ 30,679	
a. Medi-Cal Administrative Activities (MAA) FFP	\$ -	
3. EPSDT - FFP	\$ 1,036,100	
<b>TOTAL FFP</b>	<b>\$ 1,070,711</b>	
EPSDT - State General Fund (SGF)	\$ 908,800	
SB 90/IDEA (AB 3632)	\$ -	
<b>TOTAL PASS THROUGH (B)</b>	<b>\$ 1,979,511</b>	
<b>Maximum Contract Amount/Net Program Budget (A+B):</b>		<b>\$ 1,980,611</b>
<b>C. Third Party:</b>		
Medicare	\$ -	
Patient Fees	\$ -	
Insurance	\$ -	
Other	\$ 908,758	
<b>TOTAL THIRD PARTY (C)</b>	<b>\$ 908,758</b>	
<b>Gross Program Budget (A+B+C):</b>		<b>\$ 2,889,369</b>

Footnotes Section:

Amendment No. 8 performs a technical adjustment to restore EPSDT funding by increasing LAUSD's MCA for FY 2003-2004 by \$715,211 (\$40,711 in EPSDT-FFP and \$674,500 in EPSDT-SGF) to support payments for EPSDT services provided before the MCA was reduced after FY 2003-2004 ended. The MCA increases from \$1,265,400 to \$1,980,611 for FY 2003-2004.

MENTAL HEALTH SERVICES		Mode of Service	Service Function Code (SFC) Range	Provisional Rates Negotiated NR	Provisional Rates Cost Reimb CR	Provider Numbers
<b>A. 24 - HOUR SERVICES :</b>						
Hospital Inpatient		05	10 - 18			
Hospital Administrative Day		05	19			
Psychiatric Health Facility (PHF)		05	20 - 29			
SNF Intensive		05	30 - 34			
IMD/STP Basic (No Patch)	Beds 1-59	05	35			
	Beds 60 & over	05	35			
Patch for IMD		05	36 - 39			
Mentally Ill Offenders	Indigent	05	36 - 39			
	Regular	05	36 - 39			
IMD - Like		05	36 - 39			
IMD (W/Patch) Sub-Acute (60 days)		05	38			
Adult Crisis Residential		05	40 - 49			
Residential Other		05	60 - 64			
Adult Residential		05	65 - 79			
Semi - Supervised Living		05	80 - 84			
Independent Living		05	85 - 89			
MH Rehab Centers		05	90 - 94			
<b>B. DAY SERVICES :</b>						
Vocational Services		10	30 - 39			
Socialization		10	40 - 49			
SNF Augmentation		10	60 - 69			
Day Treatment Intensive: Half Day		10	81-84			
Day Treatment Intensive: Full Day		10	85-89			
Day Rehabilitative : Half Day		10	91-94			
Day Rehabilitative : Full Day		10	95-99			
<b>C. OUTPATIENT SERVICES :</b>						
Targeted Case Management Services (TCMS), formerly Case Management Brokerage		15	01 - 09	\$1.71		7211
Mental Health Services		15	10 - 19 /30-59	\$2.20		7211
Therapeutic Behavioral Services (TBS)		15	58			
Medication Support		15	60 - 69	\$4.09		7211
Crisis Intervention		15	70 - 79	\$3.29		7211
<b>D. OUTREACH SERVICES :</b>						
Mental Health Promotion		45	10 - 19			
Community Client Services		45	20 - 29			
<b>E. SUPPORT SERVICES :</b>						
Life Support/Board & Care		60	40 - 49			
Case Management Support		60	60 - 69			
Flexible Funding (Cost Reimbursement)		60	64			
<b>F. Medi-Cal Administrative Activities (MAA):</b>						
MAA		55	01-35			

### DMH Summary of Amendment Changes

LEGAL ENTITY NAME: Los Angeles Unified School District

Contract No.: DMH-01526

Legal Entity No.: 00315

Amendment No.: 8

#### LISTING OF FUNDING SOURCES

	<b>Realignment/CGF</b>	12	DCFS AB 3632 Family Preservation	24	PATH/McKinney
1	EPSDT Baseline CGF Match	13	DHS/ADPA (Sidekick)	25	AB 2994
2	SB 90 (AB 3632) Baseline CGF Match	14	DCFS Star View	26	AB 2034: Services
3	EPSDT Growth CGF Match	15	DPSS CalWORKs		AB 2034: Client Supportive Services
4	Healthy Families CGF Match	16	DPSS GROW	27	SAMHSA/AB 3015
5	Non EPSDT-FFP CGF Match	17	DHS Lamp		SAMHSA: Flex Funds
6	STOP CGF Match	18	DHS Social Model	28	State HIV/AIDS
7	Other CGF	19	DCFS STOP	29	SB 90 (AB 3632)
8	DHS/ADPA AB 2034	20	DCFS Hillview/Transitional Living	30	Healthy Families FFP
9	DHS/ADPA Dual Diagnosis	21	Probation Schiff-Cardenas	31	Non EPSDT-FFP
10	DCFS Family Preservation	22	DHS/ADPA Dual Diagnosis (BHS)	32	EPSDT-FFP
11	DCFS AB 1733 Child Abuse	23	DCFS THP	33	EPSDT-SGF

**FUNDING SOURCE(S):**

(Select from Funding Sources listed above.)

**AMOUNT**  
Increase/Decrease

**FISCAL YEAR**

**MCA**

32	EPSDT-FFP
33	EPSDT-SGF

\$	40,711	2003-2004	\$ 1,980,611
\$	674,500		

**AMENDMENT ACTION(S):**

**BOARD ADOPTED DATE:** \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

Amendment No. 8 performs a technical adjustment to restore EPSDT funding by increasing LAUSD's MCA for FY 2003-2004 by \$715,211 (\$40,711 in EPSDT-FFP and \$674,500 in EPSDT-SGF) to support payments for EPSDT services provided before the MCA was reduced after FY 2003-2004 ended. The MCA increases from \$1,265,400 to \$1,980,611 for FY 2003-2004.

New Headquarters Address: \_\_\_\_\_

N/A

Sup. Dist.: 2

Svc. Area: 6

ADD OR DELETE SERVICE SITE(S):

N/A

Name	Address	Sup. Dist.	Svc. Area	Prov. No.