

BOARD LETTER – SUMMARY SHEET

HEALTH AND MENTAL HEALTH SERVICES CLUSTER

AGENDA REVIEW	5/25/16
BOARD MEETING	6/14/16
SUPERVISORIAL DISTRICT	4 AND 5
DEPARTMENT	Mental Health
SUBJECT	APPROVAL TO ENTER INTO TWO SOLE SOURCE INDIGENT - ACUTE PSYCHIATRIC INTENSIVE INPATIENT HOSPITAL SERVICES AGREEMENTS (SUPERVISORIAL DISTRICTS 4 AND 5) (THREE VOTES)
PROGRAM	Countywide Resource Management
DEADLINES	N/A
COST & FUNDING	The total cost of the Agreement with Aurora Charter Oaks, LLC for FY 2016-17 is \$1,794,800, fully funded by \$1,744,800 in 2011 Realignment revenue and \$50,000 in 2011 Realignment AB109 funds. The total cost of the Agreement with College Hospital-Cerritos is \$1,366,400, fully funded by \$907,400 in 2011 Realignment revenue and \$50,000 in 2011 Realignment AB109 funds and \$409,000 in net County cost. The funding for the Hospital Services Agreements are included in the DMH's FY 2016-17 Recommended Budget. Funding for FYs 2017-18 and 2018-19 will be requested through DMH's annual budget request process.
PURPOSE OF REQUEST	Request approval to enter into two Indigent - Acute Psychiatric Intensive Inpatient Hospital Services Agreements to provide mental health services for uninsured individuals in need of hospitalization in Service Areas 3 and 7.
SUMMARY/ ISSUES (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments; and for BLs involving contracts, also note changes to the contract term.)	Approve and authorize the Acting Director of Mental Health (Director), or her designee, to prepare, sign and execute an agreement, substantially similar to Attachment A, to the Indigent - Acute Psychiatric Inpatient Hospital Services Agreements (Hospital Services Agreements), with College Hospital-Cerritos (College Hospital) and Aurora Charter Oak – Los Angeles, LLC. (Aurora Charter Oak), on sole source basis. These Hospital Services Agreements will be effective July 1, 2016 through June 30, 2017, with provisions for two automatic one-year extension periods through June 30, 2019. The Maximum Contract Amount (MCA) for Fiscal Year 2016-17 is \$1,794,800 for Aurora Charter Oak, and \$1,366,400 for College Hospital. Both Hospital Services Agreements are fully funded by 2011 Realignment revenue and net County cost. Delegate authority to the Acting Director, or her designee, to prepare, sign, and execute amendments to College Hospital-Cerritos and Aurora Charter Oaks Hospital, LLC., and establish as a new MCA, the aggregate of the original MCA and all amendments provided that: 1) the County's total payments to each contract provider for each fiscal year does not exceed an increase of ten percent from the applicable 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 and new agreements; 4) approval of County Counsel, or her designee, is obtained prior to any such amendments or new agreements; 5) the County and Contractor may, by written amendment, reduce programs or services without reference to the ten percent limitation and revise the applicable MCA; and 6) the Director, or her designee, notifies your Board and the Chief Executive Officer (CEO) of agreement changes or new agreements in writing within 30 days after execution of each amendment or new agreement. Recommended actions No. 1 and No. 2 will enable the Department of Mental Health (DMH) to enter into new agreements with College Hospital-Cerritos and Aurora Charter Oaks Hospital, LLC to provide acute inpatient services for uninsured adults 18 -54 years of age brought to the hospitals by law enforcement in Service Areas (SAs) 3 and 7, respectively. In addition, DMH purchases 3 youth beds for individuals 13 to 17 years of age at any given time at Aurora Charter Oaks Hospital, LLC. The current Hospital Services Agreements with College Hospital and Aurora Charter Oak are scheduled to expire on June 30, 2016.

	DMH intends to enter into sole source agreements with the Aurora Charter Oak and College Hospital for the provision of acute psychiatric hospital services in the two critical service areas, SA 3 and SA 7, respectively. DMH contacted the five remaining qualified hospitals in SA 3 to seek other providers of acute psychiatric hospital services in the service area. However, none of the five hospitals were interested in contracting with the County for these services at this time. Aurora Charter Oak is the only hospital willing to contract with the County for these services in SA 3. College Hospital is the only qualified provider in SA 7. Board approval of the recommended actions will continue to alleviate the overcrowding in the County's hospitals' emergency rooms and inpatient units and allow existing contractors to provide uninterrupted and accessible mental health services to uninsured persons in need of hospitalization residing in Los Angeles County.
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