



**DEPARTMENT OF MENTAL HEALTH**  
hope. recovery. wellbeing.

JONATHAN E. SHERIN, M.D., Ph.D.  
Director

Curley L. Bonds, M.D.  
Chief Deputy Director  
Clinical Operations

Gregory C. Polk, M.P.A.  
Chief Deputy Director  
Administrative Operations

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

April 30, 2019

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

57 April 30, 2019

CELIA ZAVALA  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO EXTEND A SERVICES AGREEMENT WITH MAXIM HEALTHCARE SERVICES,  
INC., FOR THE PROVISION OF THE RESPITE CARE SERVICES PROGRAM FOR FISCAL YEAR  
2019-20  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to extend the existing Services Agreement with Maxim Healthcare Services, Inc., to continue providing Respite Care Services without interruption for an additional one year.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute an Amendment, substantially similar to Attachment I, to the existing Services Agreement with Maxim Healthcare Services, Inc. (Maxim), to continue to provide Respite Care Services for one Fiscal Year (FY). The amendment will be effective July 1, 2019 through June 30, 2020 and will have an annual Maximum Contract Amount (MCA) of \$600,000, fully funded by State Mental Health Services Act (MHSA) revenue, effectively increasing the total amount of the contract to \$1,800,000.
2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the Services Agreement with Maxim as needed, provided that: 1) the County's total payment to the Contractor under this Services Agreement will not exceed an increase of 10 percent from the Board-approved annual MCA in Recommendation 1; 2) any such increase shall 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) prior review and approval as to form is obtained by County Counsel; 5) and the Director, or his designee, notifies your Board and Chief Executive Officer

(CEO) in writing after execution of each amendment.

3. Delegate authority to the Director, or his designee, to terminate the Contract described in Recommendation 1 in accordance with the Contract's termination provisions, including Termination for Convenience. The Director will notify the Board and CEO, in writing, of such termination action.

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

Board approval of Recommendation 1 will allow the Department of Mental Health (DMH) to extend the term of the existing Services Agreement with Maxim for one FY while DMH completes the Request for Proposals (RFP) process for the Respite Care Services Program (RCSP), thereby avoiding any interruption in service. Maxim provides necessary Respite Care Services and short-term relief to in-home caregivers, including parents, relatives, extended family members, and legal guardians of children experiencing Serious Emotional or Behavioral Disturbances (SED). Care and supervision services provided via the RCSP allow caregivers to focus attention on additional important household matters and conduct personal errands with peace of mind that the child is receiving quality supervision at home in a healthy and safe environment. The purpose of the RCSP is two-fold: relieve families from the stress associated with providing constant care to a child experiencing SED; and, increase the probability that children and youth will maintain their current, least restrictive, placement by providing access to short-term care and supervision services during the temporary absence of a caregiver.

Board approval of Recommendation 2 will enable DMH to amend the Services Agreement with Maxim in an expeditious manner, if necessary.

Board approval of Recommendation 3 will enable DMH to terminate the Services Agreement in accordance with the Agreement's termination provisions, including Termination for Convenience, in a timely manner, as necessary.

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

The recommended actions are consistent with the County's Strategic Plan Goal 1, Make Investments that Transform Lives, specifically via Strategy 1.2 – Enhance Our Delivery of Comprehensive Interventions.

### **FISCAL IMPACT/FINANCING**

The FY 2019-20 annual MCA for this Agreement is \$600,000, fully funded by State MHSA revenue. The total funding amount is included in DMH's FY 2019-20 CEO Recommended Budget.

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

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

The RCSP was developed through a stakeholder's process and was included in the MHSA Three-Year Program and Expenditure (TYPE) Plan under the Community Services and Supports Plan that went into effect on July 1, 2017. The MHSA TYPE Plan was approved by the Mental Health Commission in March, 2017, and was adopted by the Board of Supervisors in May, 2017.

DMH is in the process of releasing an RFP to award a new contract for the provision of the RCSP.

DMH is requesting extension of the term of the existing Services Agreement with Maxim through June 30, 2020, to allow DMH to complete the solicitation process, including any appeals, without an interruption in service.

The attached Amendment format (Attachment I) has been approved as to form by County Counsel.

In accordance with your Board Policy Manual, Section 5.100, Sole Source Contracts, DMH notified your Board on February 21, 2019 (Attachment II) of the Department's intent to extend the term of Maxim's Services Agreement for one additional year.

**CONTRACTING PROCESS**

On September 6, 2016, DMH initially entered into a Board approved Services Agreement with Maxim to provide Respite Care Services for children experiencing SED. Maxim was selected at the conclusion of a Statement of Eligibility and Interest (SEI), which was released on November 19, 2015 to identify qualified agencies on DMH's MHSA Master Agreement List that could provide Respite Care Services. DMH determined that Maxim met the qualifications and had adequate experience to provide the required services after thorough review and verification of all responses submitted to the SEI.

As mandated by your Board, the performance of this Contractor is evaluated by DMH on an annual basis to ensure the Contractor's compliance with all contract terms and performance standards.

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

Board approval of the recommended actions will allow DMH to provide uninterrupted and ongoing Respite Care Services to caregivers of children experiencing SED throughout Los Angeles County, and will assist DMH in its mission of enriching lives through partnership designed to strengthen the community's capacity to support recovery and resiliency.

Respectfully submitted,



JONATHAN E. SHERIN, M.D., Ph.D.  
Director

JES:GP:ES:SK:es

Enclosures

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

**ATTACHMENT I**

CONTRACT NO. MH190129

AMENDMENT NO. \_\_

THIS AMENDMENT is made and entered into this \_\_ day of \_\_\_\_\_, 2019, by and between the COUNTY OF LOS ANGELES (hereafter "County") and Maxim Healthcare Services, Inc. (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Contract, dated September 6, 2016, identified as County Contract No. MH190129, and any subsequent amendments (hereafter collectively "Contract"); and

WHEREAS, for Fiscal Year (FY) 2019-20, County and Contractor intend to amend this Contract only as described hereunder; and

WHEREAS, said Contract provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, on April 30, 2019, the Board of supervisors approved delegated authority to the Director of Mental Health, or designee, to execute amendments to the Contract; and

WHEREAS, County and Contractor intend to extend the term of the Contract for an additional year through June 30, 2020, to allow Contractor to continue providing the Respite Care Services Program aimed to relieve families from the stress and strains associated with providing constant care for a child experiencing Serious Emotional and Behavioral Disturbance pursuant to the Contract; and

WHEREAS, for FY 2019-20, a new Maximum Contract Amount (MCA) will be established; and

WHEREAS, Contractor warrants that it possesses the competence, expertise, and personnel necessary to provide services consistent with the requirements of this Contract and consistent with the professional standard of care for these services.

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

1. Paragraph 4.0 (TERM OF CONTRACT), Subparagraph 4.1.2 (Second Extension Period) shall be added to the Contract as follows:

“4.1.2 Second Extension Period: The Second Extension Period of this Contract shall commence on July 1, 2019 and shall continue in full force and effect through June 30, 2020.”

2. For FY 2019-20, a new MCA is established in the amount of **\$600,000**, and the total amount of the contract will increase to **\$1,800,000**.

3. Exhibit B-1 (Fee Schedule) shall be deleted and replaced with Exhibit B-4 (Fee Schedule), attached hereto and incorporated herein by reference. All references in the Contract to Exhibit B-1 shall be deemed amended to state “Exhibit B-4 (Fee Schedule).”

4. Except as provided in this Amendment, all other terms and conditions of the Contract 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 \_\_\_\_\_  
JONATHAN E. SHERIN, M.D., Ph.D.  
Director of Mental Health

Maxim Healthcare Services, Inc.  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

MAXIM HEALTHCARE SERVICES, INC.  
RESPIRE CARE PROGRAM SERVICES  
FEE SCHEDULE

I. DISBURSEMENT SCHEDULE

The Department of Mental Health (DMH) shall pay Maxim Healthcare Services, Inc. for respite care services (per Exhibit A-Statement of Work) rendered during the term of this Agreement, from September 6, 2016 through June 30, 2020, as follows:

- Up to \$1,800,000, funded by State Mental Health Services Act (MHSA) revenue, but payment shall not exceed \$600,000 in any fiscal year during the term of this Agreement; and
- Should additional funding become available, payment shall be made in accordance with funding regulations.

Payment to Maxim Healthcare Services, Inc. for respite care services rendered shall be based on monthly invoices from Maxim Healthcare Services, Inc. to DMH as described on the following pages. No payment shall be made without prior approval of a designated County Project Manager as referenced in this Agreement. The County Project Manager shall review the invoice and supplemental documents referenced below to determine whether Maxim Healthcare Services, Inc. is in substantial compliance with the terms and conditions of this Agreement.

II. INVOICE SUBMISSION PROCESS AND MONTHLY REPORT

Submission Process

Maxim Healthcare Services, Inc. shall submit to DMH monthly invoices and the accompanying monthly report within sixty (60) days of the last date services were provided. The Maxim Healthcare Services, Inc. Program Administrator shall certify that invoices are for services and costs eligible under the terms and conditions for reimbursement.

Maxim Healthcare Services, Inc. shall submit invoices to:

LOS ANGELES COUNTY – DEPARTMENT OF MENTAL HEALTH  
PROVIDER REIMBURSEMENT SECTION  
550 SOUTH VERMONT AVENUE, 8<sup>TH</sup> FLOOR  
LOS ANGELES, CALIFORNIA 90020

## Supplemental Documents

The following documents and procedures are required for Maxim Healthcare Services, Inc. to receive reimbursement:

- Respite Care Expense Reimbursement Claim Form (EXHIBIT B-Attachment 1).
- Invoice shall indicate number of respite service hours rendered.
- In addition to the invoice, Contractor will submit timesheet signed by respite care staff and parent/caregiver.

Maxim Healthcare Services, Inc. is required to itemize monthly Respite Care expenditures on the Respite Expense Reimbursement Claim Form before submitting it to DMH for review and payment.

When completing the claim form, Contractor must select program type, either FCCS or FSP, and enter the client's IS number, name, date of service, number of hours provided, number of clients served, service are, reimbursement amount and total reimbursement (EXHIBIT B-Attachment 1).

Cost will be based on the following hourly rate schedule:

<b>Service</b>	<b>Rate</b>
Individual Rate	\$30 per hour
Sibling Rate 1:1 (1 respite staff per client)	\$30 per hour
Sibling Rate 1:2 (1 respite staff for 2 clients)	\$45 per hour

## **DOCUMENTATION REQUIREMENTS FOR REIMBURSEMENT**

The following supportive documentation shall be maintained on file in accordance with Paragraph 8.38, Record Retention and Inspection-Audit Settlement, of the Agreement:

1. Original receipts to support payment invoices that identify individual clients and/or bulk purchases. If an original receipt is not obtainable, a copy of the receipt or justification as to why the receipt was not obtained should be retained;
2. Copies of signed checks issued; and
3. Copies of staff time records identifying time spent providing respite care.



Maxim Healthcare Services, Inc. is required to archive all of its Respite Care expenditure receipts for a period of at least seven (7) years, and provide such receipts to DMH upon request.

### **III. PAYMENT PROCEDURES**

Upon receipt of invoices from Maxim Healthcare Services, Inc., DMH shall make payment to Maxim Healthcare Services, Inc. within 45 (forty-five) days of the date the invoice was approved for payment. If any portion of the invoice is disputed by DMH, DMH shall reimburse Maxim Healthcare Services, Inc. for the undisputed services contained on the invoice and work diligently with Maxim Healthcare Services, Inc. to resolve the disputed portion of the claim in a timely manner.

DMH shall make reimbursement payable to Maxim Healthcare Services, Inc. DMH shall send payments to:

**Maxim Healthcare Services, Inc.  
12559 Collections Center Drive  
Chicago, IL 60693-0195**

### **IV. MENTAL HEALTH SERVICES ACT FUNDS**

In the event Mental Health Services Act (MHSA) funds are not available to pay MHSA claims or if the State denies any or all of the MHSA claims submitted by County on behalf of Contractor, County is not responsible for any substantive payment obligation.

County shall evaluate Contractor utilization of MHSA funding allocated under this Agreement and shall adjust and reallocate amounts to any one or a combination of the following: 1) another contractor, 2) DMH directly operated clinics, and/or 3) the County DMH reserve of unallocated funding for MHSA services. Amounts to be reduced and reallocated will be based on County's projected underutilization of such MHSA funds.

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
**RESPITE CARE SERVICES PROGRAM REIMBURSEMENT CLAIM**  
 FISCAL YEAR 2018-2019

Provider Name: Maxim Healthcare Services Billing Month & Year: \_\_\_\_\_  
 FSP Agency Name: \_\_\_\_\_

IS #	Client's Name (indicate if its 1:2 Ratio)	Date of Birth	Date of Service	# of Hours Provided	Service Rate	Amount
<b>Total Reimbursement Amount:</b>						<b>\$</b>

AGENCY VERIFICATION & APPROVAL	DMH APPROVAL
<p>I hereby certify that all information contained above are services and costs eligible under the terms and conditions for reimbursement under Client Support Services and is true and correct to the best of my knowledge. All supporting documentation will be maintained in a separate file for the period specified under the provisions of the Agreement - Paragraph 8.38, Record Retention and Inspection-Audit Settlement.</p> <p>_____ Date</p> <p style="text-align: center;">Provider Approving Signature</p> <p>_____ Title</p> <p style="text-align: center;">Print Name</p>	<p>_____ Date</p> <p style="text-align: center;">DMH Approving Signature</p> <p>_____ Title</p> <p style="text-align: center;">Print Name</p>



Los Angeles County  
**DEPARTMENT OF MENTAL HEALTH**

JONATHAN E. SHERIN, M.D., Ph.D.  
DIRECTOR

February 21, 2019

TO: Supervisor Janice Hahn, Chair  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Kathryn Barger

FROM: Jonathan E. Sherin, M.D., Ph.D.  
Director

A handwritten signature in blue ink, appearing to be "Jonathan E. Sherin", written over the "FROM:" line.

SUBJECT: **NOTICE OF INTENT TO EXTEND THE SERVICES AGREEMENT WITH  
MAXIM HEALTHCARE SERVICES, INC., FOR THE PROVISION OF  
THE RESPITE CARE SERVICES PROGRAM ON A SOLE SOURCE  
BASIS**

This is to notify your Board that in accordance with Board Policy No. 5.100, the Department of Mental Health (DMH) intends to extend the Services Agreement with Maxim Healthcare Services, Inc. (Maxim), for the provision of the Respite Care Services Program (RCSP).

DMH will request that your Board approve an amendment to extend the Services Agreement with Maxim on a sole source basis, for one fiscal year, effective July 1, 2019 through June 30, 2020. The Total Contract Amount of \$600,000 is fully funded by State Mental Health Services Act (MHSA) revenue. The existing Agreement is due to expire on June 30, 2019.

On November 19, 2015, DMH released a Statement of Eligibility and Interest (SEI) for the RCSP to pre-qualified contractors listed in the MHSA Master Agreement previously approved by your Board. Through review and verification of Maxim's submission to the SEI, DMH determined that Maxim met the qualifications and had adequate experience to provide Respite Care Services. Subsequently, on September 6, 2016, DMH executed an RCSP Agreement with Maxim at the conclusion of the SEI process.

## **JUSTIFICATION**

The purpose of the RCSP is to prevent out-of-home placement, or disruption of current placement, for children experiencing Serious Emotional or Behavioral Disturbances (SED) by providing them with short-term care and supervision in the temporary absence of a caregiver. Through the current RCSP Agreement, Maxim provides vital care and supervision services for children experiencing SED thereby providing short-term relief to their in-home caregivers. These services allow caregivers including parents, relatives, extended family members, or guardians, to focus attention on additional important household matters. Continuation of this Agreement with Maxim is necessary to prevent disruption of access to such services while DMH completes the solicitation process to establish a new Agreement for RCSP.

## **NOTIFICATION TIMELINE**

According to Board Policy No. 5.100, DMH is required to notify your Board of sole source contract extensions at least six months in advance of contract expiration. Due to the recent revisions to the Policy No. 5.100, and confusion surrounding the revisions, County departments just learned that many of them misinterpreted the policy and did not consider extensions of previously solicited agreements to be sole source in nature. Thus, DMH, being one of those departments, is a little late in submitting its notification to your Board regarding the term extension request for this Agreement.

Unless otherwise instructed by your Board office within two weeks, DMH will proceed to work with the Office of the County Counsel and the Chief Executive Office in preparing a sole source contract amendment.

If you have questions or require additional information, please contact me at (213) 738-4601, or your staff may contact Stella Krikorian, Division Manager, at (213) 738-4023.

JES:GP:ES:SK:es

c: Executive Office, Board of Supervisors  
Chief Executive Office  
County Counsel  
Gregory Polk  
Edgar Soto  
Kimberly Nall  
Stella Krikorian  
Lisa Wicker