



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

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

Curley L. Bonds, M.D.
Chief Medical Officer
Clinical Operations

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

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 17, 2019

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

38 December 17, 2019

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**AUTHORITY TO EXECUTE NEW AND AMEND EXISTING LEGAL ENTITY CONTRACTS FOR
THE PROVISION OF SHORT TERM RESIDENTIAL THERAPEUTIC PROGRAM SPECIALTY
MENTAL HEALTH SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to amend the Department of Mental Health’s existing Legal Entity Contracts and enter into new Legal Entity Contracts for the provision of Short Term Residential Therapeutic Program services.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of the Department of Mental Health (Director), or his designee, to prepare, sign, and execute an amendment substantially similar to Attachment I, to the eight existing Department of Mental Health (DMH) Legal Entity (LE) Contracts listed in Attachment II to continue to provide Short Term Residential Therapeutic Program (STRTP) services. The amendment will be effective upon Board approval in the amount of \$17,114,263 for Fiscal Year (FY) 2019-20 and \$17,114,263 for FY 2020-21, fully funded by Federal Financial Participation (FFP) Medi-Cal, 2011 Realignment-Early & Periodic Screening, Diagnosis and Treatment (EPSDT) and 2011 Realignment-Mental Health (MH) revenues.

2. Approve and authorize the Director, or his designee, to prepare, sign, and execute new LE Contracts with the six contractors listed in Attachment II for the provision of STRTP services. The contracts will be effective upon Board approval with an aggregate cost of \$1,301,333 for FY 2019-20 and \$5,056,000 for FY 2020-21, fully funded by FFP Medi-Cal, 2011 Realignment-EPSDT and 2011

Realignment-MH revenues.

3. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments, as necessary, to add funding for STRTP services, to other existing LE Contracts, and make any funding allotted for STRTP services in the LE Contracts exempt from delegated authority limitations, provided that: 1) Contractors have an executed contract with the Department of Children and Family Services (DCFS) and/or the Department of Probation (Probation) and obtain their STRTP licenses prior to execution of such amendment, 2) sufficient funds are available; and 3) the amendments are subject to the prior review and approval as to form by County Counsel, with written notification to the Board and Chief Executive Officer (CEO).

4. Delegate authority to the Director, or his designee, to prepare, sign, and execute future LE Contracts with new STRTP Contractors with Maximum Contract Amounts (MCA) not subject to delegated authority limitations, provided that: 1) any new LE Contractor has an executed contract with DCFS and/or Probation and obtains its STRTP licenses prior to execution of such contract; 2) sufficient funds are available; 3) any new LE Contract is subject to the prior review and approval as to form by County Counsel, with written notice to the Board and CEO.

5. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments, as necessary, to add funding for STRTP services, to other existing LE Contracts, and make any funding allotted for STRTP services in the LE Contracts exempt from delegated authority limitations, provided that: 1) Contractors have an executed contract with DCFS and/or Probation and obtain their STRTP licenses and approved program statement to implement a specialized program for youth requiring specialized services such as, but not limited to, the following individuals: commercially sexually exploited children, juvenile forensic population, pregnant and parenting non-minor dependents, non-minor dependents with substance use disorder and mental health needs, youth with co-occurring mental health and developmental disabilities, medically fragile youth, etc., prior to execution of such amendment, 2) sufficient funds are available; and 3) the amendments are subject to the prior review and approval as to form by County Counsel, with written notification to the Board and CEO.

6. Delegate authority to the Director, or his designee, to prepare, sign, and execute future LE Contracts with new STRTP Contractors with Maximum Contract Amounts (MCA) not subject to delegated authority limitations, provided that: 1) any new LE Contractor has an executed contract with DCFS and/or Probation and obtains its STRTP licenses prior to execution of such contract to implement a specialized program for youth requiring specialized services such as, but not limited to, the following individuals: commercially sexually exploited children, juvenile forensic population, pregnant and parenting non-minor dependents, non-minor dependents with substance use disorder and mental health needs, youth with co-occurring mental health and developmental disabilities, medically fragile youth, etc.; 2) sufficient funds are available; 3) any new LE Contract is subject to the prior review and approval as to form by County Counsel, with written notice to the Board and CEO.

7. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the LE Contracts in Recommendations 1, 2, 3, 4, 5, and 6 to revise the MCAs; add, delete, modify or replace the Service Exhibit(s) and/or Statement(s) of Work; and/or, reflect federal, State, and County regulatory and/or policy changes provided that: 1) funding for STRTP services is not subject to the previously approved 25 percent delegated authority, 2) sufficient funds are available; and 3) the amendments are subject to the prior review and approval as to form by County Counsel, with written notification to the Board and CEO.

8. Delegate authority to the Director, or his designee, to terminate any Contracts, described in Recommendations 1, 2, 3, and 4 in accordance with the Contract's termination provisions, including Termination for Convenience. The Director, or his designee, will notify the Board and CEO, in writing, of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

STRTPs are short-term residential facilities that provide culturally relevant, trauma-informed, 24-hour care and medically necessary specialty mental health services to children/youth under the custody of the DCFS and/or the Probation.

Board approval of Recommendation 1 will allow DMH to amend eight existing LE Contracts for the continued provision of STRTP services without interruption for FYs 2019-20 and 2020-21.

Board approval of Recommendation 2 will allow DMH to execute six new LE contracts for the provision of STRTP services for FYs 2019-20 and 2020-21.

Board approval of Recommendations 3 and 4 will enable DMH to amend existing LE Contracts to add STRTP services and also execute new STRTP LE contracts for those that have a contract with DCFS and/or Probation and meet licensing requirements. Additionally, these recommendations will allow STRTP funding to be exempt from the Board approved delegated authority limitation.

Board approval of Recommendations 5 and 6 will enable DMH to amend existing LE Contracts to add STRTP services and also execute new STRTP LE contracts for those that have a contract with DCFS and/or Probation and meet licensing requirements and State approved program statement to implement a specialized program for youth requiring specialized services such as, but not limited to, the following individuals: commercially sexually exploited children, juvenile forensic population, pregnant and parenting non-minor dependents, non-minor dependents with substance use disorder and mental health needs, youth with co-occurring mental health and developmental disabilities, medically fragile youth, etc.

Board approval of Recommendation 7 will enable DMH to amend all LE Contracts with STRTP services as needed, including revising the MCA. This recommendation will allow DMH to exempt STRTP funds from the delegated authority limitation.

Board approval of Recommendation 8 will enable DMH to terminate the Contracts in accordance with the Contract's termination provisions, including termination for convenience, in a timely manner, as necessary.

Implementation of Strategic Plan Goals

These recommendations support the County's Strategic Plan Goal I, "Make Investments That Transform Lives" and Strategic Plan Goal II, "Foster Vibrant and Resilient Communities."

FISCAL IMPACT/FINANCING

The FY 2019-20 aggregate funding for the actions in Recommendations 1 and 2 is \$18,415,596 fully funded by FFP Medi-Cal, 2011 Realignment-EPSTDT and 2011 Realignment-MH revenues. The total funding amount is included in DMH's FY 2019-20 Final Adopted Budget.

Funding for subsequent fiscal years will be requested through DMH's annual budget request process.

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

As part of the California Department of Social Services (CDSS's) ongoing Katie A. implementation efforts, in October 2015, the State Legislature enacted Assembly Bill (AB) 403 Foster Care: Continuum of Care Reform (CCR). CCR comprehensively reforms placement and treatment options for probation and youth in foster care. Through CCR, reliance on congregate care is treated as a limited short-term, therapeutic intervention that is just one part of the continuum of care available for children, youth and young adults. STRTPs are a new community care facility category in which qualified children placed under the custody of DCFS and/or Probation are assessed and given short-term residence with intensive interventions, 24-hour care and supervision, and specialty mental health services. Implementation of CCR began on January 1, 2017.

STRTPs must be licensed by CDSS to begin providing service. In order to receive licensure, STRTPs must first be deemed eligible through a DCFS solicitation and must have an established contract with DCFS and/or Probation. Upon receipt of licensure from CDSS, STRTPs are also required to contract with DMH, as the Local Mental Health Plan (LMHP), within one year upon receipt of license, to establish Medi-Cal certified mental health programs prior to service provision.

Execution of DMH LE STRTP contracts is ongoing and dependent upon DCFS solicitation timelines, and the time it takes the State to license a contractor. Given these and other uncertainties, it has been difficult for DMH management to estimate the number of contracts and the dollar amount associated with the STRTP service roll out process. Therefore, DMH is requesting authority to exempt STRTP funds from the previously authorized delegated authority requirement for FYs 2019-20 and 2020-21 to remain in compliance with AB 403, to ensure continuity of care, and the expeditious expansion of STRTP services throughout the County.

In accordance with Board Policy No. 5.120, DMH notified your Board on July 25, 2019, (Attachment III) of its intent to request an exception to the delegated authority for a percentage increase exceeding 10 percent of the total contract amount for contractors receiving STRTP funding.

Attachment I is the amendment format approved as to form by County Counsel.

Attachment II lists new Contractors and those Contractors currently approved to receive STRTP funding.

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 allow DMH to remain in compliance with AB 403 and will ensure uninterrupted STRTP services to children/youths residing in STRTP facilities throughout Los Angeles County.

The Honorable Board of Supervisors

12/17/2019

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Respectfully submitted,

A handwritten signature in black ink, appearing to read 'JES', is centered on the page.

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

Director

Jonathan E. Sherin, M.D., Ph.D.

Director

JES:ES:SK:yy

Enclosures

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

CONTRACT NO. _____

AMENDMENT NO. ___

THIS AMENDMENT is made and entered into this 17th day of December, 2019 by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Contract, dated XXXXXXXX XX, 20XX, identified as County Contract No. _____, and all as subsequently amended (hereafter collectively "Contract"); and

WHEREAS, on October 11, 2015, Assembly Bill (AB) No. 403 mandated California counties to implement provisions of the Continuum of Care Reform (CCR); and

WHEREAS, the County recognizes the implementation of CCR will further improve California's child welfare system and its outcomes by reducing the use of congregate care placement settings; and

WHEREAS, included in the CCR is the Short Term Residential Therapeutic Program (STRTP), a new community care facility category in which qualified children placed under the custody of the Department of Children and Family Services (DCFS) and/or the Department of Probation are assessed and given short-term residence at STRTP facilities for the provision of intensive intervention, 24-hour care and supervision, and Specialty Mental Health Services (SMHS); and

WHEREAS, Contractor is licensed to provide STRTP services by the State; and

WHEREAS, on November 6, 2019, the Board of Supervisors delegated authority to the Director of Mental Health, or his designee, to execute amendments to the Contract; 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, for Fiscal Year (FY) 2019-20 and any subsequent fiscal years during the term of this Contract, County and Contractor intend to amend the Contract to increase Department of Mental Health (DMH) Mental Health Services Medi-Cal (MC) Program funds to provide STRTP for the provision of SMHS for children and youth involved in foster care and probation systems and residing in congregate care and make other hereinafter designated changes; and

WHEREAS, as the result of this change, the Maximum Contract Amount (MCA) will increase; 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 this Contract shall be amended to increase funding for the provision of STRTP, as follows:

1. For FY 2019-20, DMH Mental Health Services MC Program funds are increased by the amount of \$_____ from \$_____ to \$_____.
2. For FY 2020-21, DMH Mental Health Services MC Program funds are increased by the amount of \$_____ from \$_____ to \$_____.

3. The revised MCAs for FY 2019-20 and FY 2020-21, are \$_____ and \$_____, respectively.
4. Financial Exhibit A (FINANCIAL PROVISIONS), Paragraph D (REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED), shall be deleted in its entirety and replaced as follows:
 - (1) Reimbursement For First Automatic Renewal Period: The MCA for the First Automatic Renewal Period of this Contract as described in Paragraph 4 (TERM) of the DMH Legal Entity Contract shall not exceed _____ DOLLARS (\$_____) and shall consist of Funded Programs as shown on the Financial Summary.
 - (2) Reimbursement For Second Automatic Renewal Period: The MCA for the Second Automatic Renewal Period of this Contract as described in Paragraph 4 (TERM) of the DMH Legal Entity Contract shall not exceed _____ DOLLARS (\$_____) and shall consist of Funded Programs as shown on the Financial Summary.”
5. For FY 2019-20, Financial Summary (Exhibit B) - __, shall be deleted in its entirety and replaced with Financial Summary (Exhibit B) - __ attached hereto and incorporated herein by reference. All references in Contract to Financial Summary (Exhibit B) - __, shall be deemed amended to state “Financial Summary (Exhibit B) – __.”
6. For FY 2020-21, Financial Summary (Exhibit B) - __, shall be deleted in its entirety and replaced with Financial Summary (Exhibit B) - __ attached hereto and incorporated herein by reference. All references in Contract to Financial

Summary (Exhibit B) - ___, shall be deemed amended to state “Financial Summary (Exhibit B) - ___.”

7. (if applicable) Service Exhibit 104-A (Targeted Case Management Services) is added to the Contract, attached hereto and incorporated herein by reference.
8. (if applicable) Service Exhibit 402 (Mental Health Services) is added to the Contract, attached hereto and incorporated herein by reference.
9. (if applicable) Service Exhibit 403 (Medication Support Services) is added to the Contract, attached hereto and incorporated herein by reference.
10. (if applicable) Service Exhibit 404-A (Crisis Intervention Services) is added to the Contract, attached hereto and incorporated herein by reference.
11. (if applicable) Service Exhibit 1080 (Intensive care Coordination (ICC) and Intensive Home Based Services (IHBS)) is added to the Contract, attached hereto and incorporated herein by reference.
12. (if applicable) Service Exhibit 1091 (Short Term Residential Therapeutic Program (STRTP) and STRTP Aftercare Services) is added to the Contract, attached hereto and incorporated herein by reference.
13. (if applicable) Statement of Work (SOW)/Service Exhibit (SE) Service Delivery Site Listing, Exhibit C – ___, is deleted in its entirety and replaced with SOW/SE Service Delivery Site Listing, Exhibit C – ___, attached hereto and incorporated herein by reference. All references in Contract to SOW/SE Service Delivery Site Listing, Exhibit C – ___, shall be deemed amended to state “SOW/SE Service Delivery Site Listing, Exhibit C - ___.”

14. Contractor shall provide services in accordance with Contractor's FY 2019-20 Service Delivery Plan for this Contract and any addenda thereto approved in writing by the County's Director of Mental Health or his designee.
15. 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

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

Existing Legal Entity Providers

Contractor Name	Corporate Address	Service Provision Supervisorial District	Service Provision Service Area	STRTP Match to be Amended FY 2019-20	STRTP Funds to be Amended FY 2019-20	STRTP Match to be Amended FY 2020-21	STRTP Funds to be Amended FY 2020-21
Boys Republic	1907 Boys Republic Drive Chino Hills, CA 91709	1, 5	3, 4, OOC*	\$121,600	\$1,216,000	\$121,600	\$1,216,000
Florence Crittenton Services of Orange County, Inc. dba Crittenton Services for Children and Families	801 East Chapman Avenue, Suite 203 Fullerton, CA 92831	1, 2, 4	OOO*	\$57,858	\$578,580	\$57,858	\$578,580
Eggleston Youth Centers, Inc.	3701 Stocker Street, Suite 205 Los Angeles, CA 90008	1, 2	3, OOC*	\$398,963	\$3,989,630	\$398,963	\$3,989,630
Maryvale	7600 East Graves Avenue Rosemead, CA 91770	1, 5	3	\$416,061	\$4,160,605	\$416,061	\$4,160,605
McKinley Children's Center, Inc.	762 West Cypress Street San Dimas, CA 91773	1, 5	3	\$89,184	\$891,836	\$89,184	\$891,836
Rancho San Antonio Boys Home, Inc.	21000 Plummer Street Chatsworth, CA 91311	5	2	\$169,600	\$1,696,000	\$169,600	\$1,696,000
St. Anne's Maternity Home	155 North Occidental Boulevard Los Angeles, CA 90026	1, 2	4	\$253,361	\$2,533,612	\$253,361	\$2,533,612
Wayfinder	5300 Angeles Vista Boulevard Los Angeles, CA 90043	2	6	\$204,800	\$2,048,000	\$204,800	\$2,048,000
TOTAL PER FISCAL YEAR					\$17,114,263		\$17,114,263

New Legal Entity Providers

Contractor Name	Corporate Address	Service Provision Supervisorial District	Service Provision Service Area	STRTP Match FY 2019-20	STRTP Funds FY 2019-20	STRTP Match FY 2020-21	STRTP Funds FY 2020-21
Dangerfield Institute of Urban Problems	3870 Crenshaw Boulevard, Suite 212 Los Angeles, CA 90008	2	6	\$51,200	\$512,000	\$153,600	\$1,536,000
Deliann-Lucile Corporation dba Delilu Achievement Home	1564 West 36th Place Los Angeles, CA 90018	2	6	\$32,000	\$320,000	\$128,000	\$1,280,000
Fields Comprehensive Youth Services, Inc.	8780 19th Street, #196 Alta Loma, CA 91701	OOO	OOO*	\$9,600	\$96,000	\$38,400	\$384,000
Garces Residential Care Services	7349 Milliken Avenue, Suite 140-223 Rancho Cucamonga, CA 91730	5	3	\$6,400	\$64,000	\$38,400	\$384,000
Luvlee's Residential Care dba New Dawn	P.O. Box 2232 Walnut, CA 91789	5	3, OOC*	\$19,200	\$192,000	\$76,800	\$768,000

Contractor Name	Corporate Address	Service Provision Supervisorial District	Service Provision Service Area	STRTP Match FY 2019-20	STRTP Funds FY 2019-20	STRTP Match FY 2020-21	STRTP Funds FY 2020-21
West Covina Foster Family Agency	1107 South Glendora Avenue West Covina, CA 91790	1	3	\$11,733	\$117,333	\$70,400	\$704,000
TOTAL PER FISCAL YEAR					\$1,301,333		\$5,056,000
TOTAL AGGREGATED AMOUNTS FOR PER FISCAL YEAR					\$18,415,596		\$22,170,263

*OOC=Out of County



DEPARTMENT OF MENTAL HEALTH
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JONATHAN E. SHERIN, M.D., Ph.D.
 Director

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 Chief Deputy Director
 Clinical Operations

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

July 25, 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

SUBJECT: **INTENT TO REQUEST AN EXCEPTION TO THE DELEGATED
 AUTHORITY FOR A PERCENTAGE INCREASE EXCEEDING
 10 PERCENT OF THE MAXIMUM CONTRACT AMOUNT**

In accordance with Los Angeles County Board of Supervisors' (Board) Policy No. 5.120, the Department of Mental Health (DMH) is notifying your Board of our department's intent to request an exception to the delegated authority (DA) for a percentage increase exceeding 10 percent of the maximum contract amount (MCA). More specifically, DMH is requesting an exception to the DA policy to add funding to the Legal Entity (LE) contracts for the implementation of Short Term Residential Therapeutic Program (STRTP) only. If granted, the exception will allow DMH to omit the STRTP funding amount from the MCA when calculating the 25 percent DA previously granted to DMH for the LE contracts for Fiscal Years (FYs) 2019-20 and 2020-21. DMH will apply this exception to LE contracts that will be qualified to provide STRTP. All other funded programs included in the MCA will be subject to the 25 percent DA as previously approved by your Board.

JUSTIFICATION

Passed by the State in October 2015, Assembly Bill 403, Foster Care: Continuum of Care Reform (CCR) created the framework for a comprehensive redesign of the services and supports provided to probation and child welfare foster care youth.

Included in the CCR is the STRTP: a new community care facility category in which qualified children placed under the custody of Department of Children and Family

Each Supervisor
July 25, 2019
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Services and/or Department of Probation are assessed and given short-term residence at STRTP facilities for the provision of intensive interventions, 24-hour care and supervision, and specialty mental health services.

On May 1, 2018, your Board approved the exclusion of STRTP funding from the 25 percent DA cap for FYs 2017-18 and 2018-19. Since that time, the State has extended the deadline for group homes to transition to STRTPs, and is looking at extending an additional time to the end of 2020. California Department of Social Services (CDSS) must license all STRTPs and DCFS must execute a contract prior to DMH executing a new LE contract or amending an existing LE contract for the provision of STRTP services.

To remain in compliance with CCR, DMH will be executing new LE contracts and amending the existing contracts with licensed contractors to add funding for the provision of STRTP services.

Approval of this request will allow DMH to expeditiously execute and amend each of the contracts upon receipt of the STRTP license without having to return to your Board in the next two fiscal years. At this time, it is not possible for DMH to anticipate or accurately estimate the need for these services for each of the LE contracts, thus the need for the exception to the DA policy.

NOTIFICATION TIMELINE

Board Policy No. 5.120 requires departments to provide 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 request to exceed 10 percent of the MCA will be presented. In compliance with this policy, DMH is notifying your Board of our intent to request an exception to this policy for FYs 2019-20 and 2020-21, for contractors receiving STRTP funding through a Board letter to be presented at a Board hearing date during the month of September 2019.

If you have any questions or concerns, please contact me at (213) 738-4601, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at (213) 738-4023.

JES:ES:SK:yy

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