



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

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

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

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

June 2, 2020

APPROVED BY THE CEO

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

JUN 01 2020

BY DELEGATED AUTHORITY

Dear Supervisors:

**ADOPT A RESOLUTION TO EXTEND THE PARTICIPATION AGREEMENT WITH
THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY TO FUND THE
STATE HOSPITAL BED PROCUREMENT PROGRAM FOR FISCAL YEAR 2020-21
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request adoption of a resolution approving an extension of the Participation Agreement with the California Mental Health Services Authority to continue participation in the State Hospital Bed Procurement Program for Fiscal Year 2020-21.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair of your Board to sign a resolution (Attachment I), authorizing the Chief Medical Officer to sign Amendment No. 238-2016-SHB-LA-A2 (Attachment II) to extend the term of the County's Participation Agreement (Agreement) with the California Mental Health Services Authority (CalMHSA) for the continued use of State hospital beds for Fiscal Year (FY) 2020-21 with an additional one year optional extension while CalMHSA finishes procurement negotiations on behalf of the County for State hospital beds. The Agreement is funded by 2011 Realignment-Mental Health (MH) revenue with an annual Total Contract Amount (TCA) of \$269,000, which includes a daily administrative rate of \$3.68 per bed. The cost of the Participation Agreement does not include the actual cost of the State hospital beds.
2. Delegate authority to the Chief Medical Officer, or his designee, to prepare, sign, and execute future amendments to the Agreement in the first Recommendation; revise the

TCA; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the County's total payment will not exceed an increase of more than 10 percent of the TCA approved by your Board; 2) sufficient funds are available; and 3) the amendments are subject to prior review and approval as to form by County Counsel, with written notification to your Board and the Chief Executive Officer (CEO).

3. Delegate authority to the Chief Medical Officer, or his designee, to withdraw from, cancel, or terminate the Agreement in accordance with the Agreement's provisions. The Chief Medical Officer, or his designee, will notify your Board and CEO, in writing, of such action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Adoption of the resolution and approval of the first Recommendation will allow Department of Mental Health (DMH), through the CalMHSA State Hospital Bed Procurement Program, to extend the term of the Agreement, which is set to expire on June 30, 2020. Extension of the Agreement will enable DMH to join other counties in negotiations with California Department of State Hospitals (DSH) regarding the use and cost of State hospital beds. CalMHSA acts on behalf of member counties in the development of an annual joint purchase agreement with DSH for statewide utilization of State hospital beds, and will be responsible for fiscal accountability, ensuring quality of care, and the development of alternatives to State hospitals.

Approval of the second Recommendation will allow DMH to amend the Agreement with CalMHSA as needed, including revising the TCA by no more than 10 percent in the event of an increase in use of State hospital beds.

Approval of the third Recommendation will allow DMH to withdraw from the Agreement in accordance with the Agreement's withdrawal provision.

The Agreement authorizes CalMHSA to contract on behalf of the county.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support the County's Strategic Plan Goal I, Make Investments that Transform Lives, via Strategy I.1, Increase Our Focus on Prevention Initiatives, and Strategy I.2, Enhance Our Delivery of Comprehensive Interventions, by delivering comprehensive and seamless services to those seeking assistance from the County.

FISCAL IMPACT/FINANCING

The Agreement with CalMHSA for FY 2020-21 is funded by 2011 Realignment-MH revenue in the amount of \$269,000, which is included in the FY 2020-21 Recommended Budget.

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

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Welfare and Institutions Code (WIC) Section 17601 requires cities and counties to reimburse the State for their use of State hospital beds. WIC Sections 4330 through 4335 allow counties, including those counties acting jointly, to contract with the DSH for use of State hospital facilities.

CalMHSA was formed in July 2009 for the purpose of jointly developing and funding mental health services and education programs on a statewide, regional, or local basis. Under the Government Code, the Joint Powers Authority is to support and provide administrative and fiscal services to counties and cities with mental health programs, and to address common interests in the administration of such programs. Los Angeles County is a member county of CalMHSA.

CalMHSA provides a mechanism to facilitate the efficient use of resources for multiple counties by maximizing group purchasing power for products, jointly developing requests for proposals and establishing contracts with providers to accomplish mutual goals, such as the reduction of administrative overhead, the centralization of compliance with reporting requirements, sharing research information and strategies, and negotiation of cost-effective rates with various subcontractors Statewide.

The amendment to the Agreement has been approved as to form by County Counsel.

The Director of DMH currently serves on the Board of Directors of CalMHSA Joint Exercise of Powers Agreement, but is not compensated and does not benefit financially in any way from serving in that position. Additionally, the Director did not participate in the approval process for this amendment to the Agreement with CalMHSA.

CONTRACTING PROCESS

Statutory authority permits counties acting singularly or in combination with other counties to contract with DSH for State hospital beds. On May 21, 2019, your Board approved a

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one-year extension to the Agreement. Since that extension, the State has been unable to complete negotiations with CalMHSA due to its own logistically administrative and staffing challenges, and most recently, the COVID-19 public health crisis. Therefore, the extension to the Agreement is necessary to provide uninterrupted procurement and use of State hospital beds. There are currently 54 CalMHSA member counties, including Los Angeles.

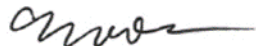
IMPACT ON CURRENT SERVICES OR PROJECTS

The recommended actions will allow DMH to continue utilizing CalMHSA to negotiate for the use of State hospital beds and authorize execution of the Agreement for FY 2020-21.

CONCLUSION

DMH requires three original executed resolutions. It is requested that the Executive Office, Board of Supervisors, notify the DMH Contracts Development and Administration Division at (213) 738-4023 when the documents are available.

Respectfully submitted,



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

GP:ES:SK:al

Attachments

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

RESOLUTION OF
THE BOARD OF SUPERVISORS OF
COUNTY OF LOS ANGELES
STATE OF CALIFORNIA

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors (Board) of the County of Los Angeles (County) does hereby approve and authorize the Chief Medical Officer of Mental Health to sign Participation Agreement Amendment No. 238-2016-SBH-LA-A2 entered into by and between the County and the California Mental Health Services Authority. It is further resolved that the Board approves and authorizes the Chief Medical Officer of the Department of Mental Health to sign future Amendments or modifications to Agreement No. 238-2016-LA for Fiscal Year (FY) 2020-21 and FY 2021-22.

CELIA ZAVALA,
Executive Officer-Board of Supervisors of
the County of Los Angeles

By *Katmya Barger*
Chair, Board of Supervisors

By *Judy Hoag*
Deputy



APPROVED AS TO FORM:
MARY C. WICKHAM
OFFICE OF THE COUNTY COUNSEL

By *Vicki Kozikoujekian*
Deputy County Counsel

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY
PARTICIPATION AGREEMENT AMENDMENT
COVER SHEET

1. Los Angeles County ("Participant") desires to participate in the Program identified below.
Name of Program: State Hospitals Program
2. This Participation Agreement Amendment extends the current term for one additional fiscal year, from 7/1/2020 to 6/30/2021, for a funding amount not to exceed \$269,000.00.
3. All other terms of Participation Agreement 238-2016-SHB-LA and Agreement Amendment 238-2016-SHB-LA-A1 shall remain in full force and effect.
4. Authorized Signatures:

CalMHSA

Signed: _____ Name (Printed): John E. Chaquica, CPA, MBA, ARM
Title: Interim Executive Director Date: _____

Participant: LOS ANGELES COUNTY

Signed: _____ Name (Printed): Curley L. Bonds, M.D.
Title: Chief Medical Officer Date: _____