



DEPARTMENT OF MENTAL HEALTH
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LISA H. WONG, Psy.D.
Director

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

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Acting Chief Deputy Director

June 06, 2023

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

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

68 JUNE 6 2023

CELIA ZAVALA
EXECUTIVE OFFICER

APPROVAL TO AMEND EXISTING LEGAL ENTITY AND 24-HOUR RESIDENTIAL TREATMENT CONTRACTS TO INCREASE THEIR MAXIMUM CONTRACT AMOUNTS FOR FISCAL YEARS 2022-23 AND 2023-24 FOR THE CONTINUED PROVISION OF SPECIALTY MENTAL HEALTH SERVICES (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

Request approval to amend nine existing Department of Mental Health Legal Entity and four 24-Hour Residential Treatment Contracts to increase their Maximum Contract Amounts for the continued provision of specialty mental health services for Fiscal Years 2022-23 and 2023-24.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Mental Health (Director), or her designee, to prepare, sign, and execute amendments to nine existing Department of Mental Health (DMH) Legal Entity (LE) Contracts as identified on Attachment I, to increase the Maximum Contract Amounts (MCA) for Fiscal Year (FY) 2022-23 and FY 2023-24. The amendment will be effective upon Board approval; the total aggregate increase for these LE Contracts is \$5,796,136 for FY 2022-23 and \$4,174,246 for FY 2023-24, fully funded by Federal Financial Participation (FFP) and State Aid Mental Health Medical; and State Mental Health Services Act (MHSA) revenues.

2. Approve and authorize the Director, or her designee, to prepare, sign, and execute amendments to four existing DMH 24-Hour Residential Treatment Contracts as identified on Attachment II, to increase the MCA for FY 2022-23 and FY 2023-24. The amendment will be effective upon Board approval; the total aggregate increase for these 24-Hour Residential Treatment Contracts is

\$3,450,731 for FY 2022-23 and \$3,730,549 for FY 2023-24, fully funded by FFP and State Aid Mental Health Medi-Cal, and MHSA revenues.

3. Delegate authority to the Director, or her designee, to prepare, sign, and execute future amendments to the Contracts in Recommendations 1 and 2 in order to revise the language; revise the annual 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) the County's total payment will not exceed 25 percent of the Board-approved MCA in Recommendation 1 and 2; and 2) sufficient funds are available. These amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and Chief Executive Office (CEO).

4. Delegate authority to the Director, or her designee, to terminate the Contracts described in Recommendation 1 and 2 in accordance with the termination provisions, including Termination for Convenience. The Director, or her designee, will provide written notification to your Board and CEO of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of Recommendation 1 will allow DMH to amend nine existing LE Contracts in order to increase their MCAs for the continued provision of Specialty Mental Health Services (SMHS) since the LE Contracts have reached their previously Board-approved 25 percent delegated authority for FYs 2022-23 and 2023-24. Additional funding will support the LE Contractors listed in Attachment I to support their capacity in expanding services to new and existing beneficiaries.

Board approval of Recommendation 2 will allow DMH to amend four existing 24-Hour Residential Treatment Contracts in order to increase their MCAs for the continuous delivery of sub-acute psychiatric residential services for Medi-Cal beneficiaries and/or uninsured clients since the Contracts has reached their previously Board-approved 25 percent delegated authority for FYs 2022-23 and 2023-24. Additional funding will support the 24-Hour Residential Treatment Contractors listed in Attachment II allowing DMH to decompress the number of clients in psychiatric emergency and inpatient units by supporting ongoing efforts to discharge clients from acute hospital settings to outpatient residential programs.

Board approval of Recommendation 3 will allow DMH to amend the Contracts in Recommendation 1 and 2 in a timely manner, as necessary, for the continued provision and expansion of SMHS without interruption to clients in need of these services.

Board approval of Recommendation 4 will allow 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

The recommended action is consistent with the County's Strategic Plan Goal I, Make Investments that Transform Lives, specifically Strategy I.1- Increase Our Focus on Prevention Initiatives, and Strategy I.2- Enhance Our Delivery of Comprehensive Interventions, and County's Strategic Plan Goal III, Realize Tomorrow's Government Today, specifically Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The total aggregate increase for the LE Contracts is \$5,796,136, fully funded by FFP and State Aid Mental Health Medi-Cal; and State MHSA revenues, and the total aggregate increase for the 24-Hour Residential Treatment Contracts is \$3,450,731, fully funded by FFP, State Aid Mental Health Medi-Cal, and State MHSA revenues.

Sufficient appropriation is included in DMH's FY 2022-23 Final Adopted 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 action.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 8, 2021, your Board authorized the Director to enter into 131 LE Contracts, which included the nine contractors listed on Attachment I. DMH is seeking your Board's approval to amend these nine LE Contracts in order to increase their MCAs. These Contractors have reached the 25 percent delegated authority for FYs 2022-23 and 2023-24. DMH previously amended these LE Contracts up to delegated authority and is returning to your Board for authority to amend the LE Contracts to increase funds for FYs 2022-23 and 2023-24. The increase of funds is for the provisions of DMH Mental Health Services, MHSA Alternative Crisis Services, MHSA Full Service Partnership, MHSA Outpatient Care Services, MHSA Prevention & Early Intervention, Specialized Foster Care (SFC) Department of Children and Family Services, and SFC Multidisciplinary Assessment Team. The LE Contractors listed on Attachment I provide a variety of SMHS in Supervisorial Districts 1, 2, 3, and 5.

On May 3, 2022, your Board authorized the Director to execute 24-Hour Residential Treatment Contracts, which included the four contractors listed on Attachment II. DMH is seeking your Board's approval to amend these four 24-Hour Residential Treatment Contracts in order to increase their MCAs. These Contractors have reached the 25 percent delegated authority for FYs 2022-23 and 2023-24. DMH previously amended these 24-Hour Residential Treatment Contracts up to delegated authority and is returning to your Board for authority to amend the 24-Hour Residential Treatment Contracts to increase funds for FYs 2022-23 and 2023-24. The increase of funds is for the provision of DMH Mental Health Services and MHSA Alternative Crisis Services. The 24-Hour Residential Treatment Contractors listed on Attachment II provide a variety of SMHS at its crisis residential treatment program in Supervisorial Districts 1, 2, 3, 4, and 5.

Under Board Policy No. 5.100 (Sole Source Contracts and Amendments), DMH is required to notify your Board six months in advance of amendments to existing contracts when DMH does not have delegated authority to increase the maximum amount of the current contract. On February 28, 2023, your Board Adopted a Board letter which exempts DMH Contracts providing Specialty Mental Health Services from Board Policy No. 5.100 as these contracts provide federal entitlement services to beneficiaries. In addition, an exemption to Board Policy No. 5.100 allows DMH to meet the federal requirements to ensure an adequate network of providers and services are available throughout the County.

The amendment format has been approved as to form by County Counsel. Attachment I lists the LE Contractors and Attachment II lists the 24-Hour Residential Treatment Contractors, along with their headquarter addresses, Supervisorial District(s), Service Area(s), and MCA.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual

The Honorable Board of Supervisors

6/6/2023

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basis to ensure compliance with all contract terms and performance standards.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Board approval of the recommended actions will allow the LE and 24-Hour Residential Treatment Contractors to provide ongoing Specialty Mental Health Services and allow DMH the ability to make revisions/updates to the work provided by the Contractors in a timely manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa H. Wong, Psy.D.", written in a cursive style.

LISA H. WONG, Psy.D.

Director

LHW:CDD:KNSK:BJA:atm

Enclosures

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

LOS ANGELES COUNTY
Department of Mental Health

Legal Entity Contracts

Increase of Maximum Contract Amounts for FY 2022-23 for the Continued Provision of Specialty Mental Health Services

Legal Entity Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 22-23 Current MCA	Total Increase for FY 22-23
1 Alcott Center for Mental Health Services	1433 S. Robertson Blvd. Los Angeles, CA 90035	2	5	\$4,387,523	\$475,000
2 BRIDGES Community Treatment Services, Inc.	279 East Arrow Highway, Ste. 102 San Dimas, CA 91773-3338	1, 3	2, 3	\$4,867,785	\$130,536
3 El Centro de Amistad	566 South Brand Blvd. San Fernando, CA 91340	3	2	\$5,498,988	\$99,000
4 Five Acres - The Boys' & Girls' Aid Society of Los Angeles County	760 W. Mountain View St. Altadena, CA 91001	5	3	\$26,628,332	\$3,114,000
5 McKinley Children's Center, Inc. dba McKinley	762 Cypress St. San Dimas, CA 91773	1,5	3	\$10,117,436	\$534,462
6 The People Concern	1453 16th St. Santa Monica, CA 90404-2715	1,3,5	1,4,5	\$12,171,443	\$900,000
7 Tobinworld	912 E. Broadway Glendale, CA 91025	5	2	\$2,028,568	\$254,286
8 Topanga-Roscoe Corporation dba Topanga West Guest Home	22115 Roscoe Blvd. Canoga Park, CA 91304	5	2	\$1,055,742	\$288,852
TOTAL AGGREGATED AMOUNT AMENDED FOR FY 2022-23					\$5,796,136

Legal Entity Contracts

Increase of Maximum Contract Amounts for FY 2023-24 for the Continued Provision of Specialty Mental Health Services

Legal Entity Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 23-24 Current MCA	Total Increase for FY 23-24
1 Alcott Center for Mental Health Services	1433 S. Robertson Blvd. Los Angeles, CA 90035	2	5	\$4,397,523	\$475,000
2 The People Concern	1453 16th St. Santa Monica, CA 90404-2715	1,3,5	1,4,5	\$11,349,443	\$900,000
3 The Regents of the University of California, Los Angeles	10889 Wilshire Blvd., Suite 700 Los Angeles, CA 90095	3	5	\$2,347,541	\$2,256,108
4 Tobinworld	912 E. Broadway Glendale, CA 91205	5	2	\$2,028,568	\$254,286
5 Topanga-Roscoe Corporation dba Topanga West Guest Home	22115 Roscoe Blvd. Canoga Park, CA 91304	5	2	\$1,055,742	\$288,852
TOTAL AGGREGATED AMOUNT AMENDED FOR FY 2023-24					\$4,174,246

LOS ANGELES COUNTY
Department of Mental Health

24-Hour Residential Treatment Contracts
Increase of Maximum Contract Amounts for FY 2022-23 for the Continued Provision of Specialty Mental Health Services

24-Hour Residential Treatment Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 22-23 Current MCA	Total Increase for FY 22-23
1 Didi Hirsch Psychiatric Service	4760 Sepulveda Blvd. Culver City, CA 90230	2, 3	5, 8	\$3,081,423	\$775,000
2 Gateways Hospital and Mental Health Center	1891 Effie St. Los Angeles, CA 90026	1	4,7	\$8,786,989	\$2,301,636
3 Homes for Life Foundation	8939 S. Sepulveda Blvd. #460 Los Angeles, CA 90045	2,4,5	3,5,7,8	\$648,729	\$42,583
4 Special Service for Groups, Inc.	905 E. 8th St. Los Angeles, CA 90021	1	4	\$8,370,853	\$331,512
TOTAL AGGREGATED AMOUNT AMENDED FOR FY 2022-23					\$3,450,731

24-Hour Residential Treatment Contracts
Increase of Maximum Contract Amounts for FY 2023-24 for the Continued Provision of Specialty Mental Health Services

24-Hour Residential Treatment Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 23-24 Current MCA	Total Increase for FY 23-24
1 Gateways Hospital and Mental Health Center	1891 Effie St. Los Angeles, CA 90026	1	4,7	\$8,786,989	\$2,757,886
2 Homes for Life Foundation	8939 S. Sepulveda Blvd. #460 Los Angeles, CA 90045	2,4,5	3,5,7,8	\$648,729	\$127,750
3 Special Service for Groups, Inc.	905 E. 8th St. Los Angeles, CA 90021	1	4	\$8,370,853	\$844,913
TOTAL AGGREGATED AMOUNT AMENDED FOR FY 2023-24					\$3,730,549