



County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES
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SHERYL L. SPILLER
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ADOPTED
 BOARD OF SUPERVISORS
 COUNTY OF LOS ANGELES

December 10, 2013

12 DECEMBER 10, 2013

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

Sachi A. Hamai
 SACHI A. HAMAI
 EXECUTIVE OFFICER

Dear Supervisors:

RECOMMENDATION TO EXTEND THE GENERAL RELIEF PHYSICAL HEALTH DISABILITY ASSESSMENT SERVICES CONTRACTS (ALL DISTRICTS – 3 VOTES)

SUBJECT

The Department of Public Social Services (DPSS) requests approval to extend 13 contracts with six Federally Qualified Health Centers (FQHC) and two FQHC Look-Alike agencies (Enclosure I) for the provision of General Relief (GR) physical health disability assessments and discontinue comprehensive physical health disability evaluation services.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DPSS, or her designee, to prepare and sign amendments, in substantially similar form to the amendment in Enclosure II, to extend the contracts on a month-to-month basis for up to six months effective February 1, 2014 through July 31, 2014, for a total estimated cost of \$4.9 million. The total maximum obligation for each contractor shall not exceed the amount set forth in Enclosure I.
2. Delegate authority to the Director of DPSS, or her designee, to execute amendments to increase or decrease the maximum contract amount by up to ten percent provided that (a) there is sufficient funding available to provide services at the amended level, (b) prior County Counsel approval as to form is obtained and (c) the Director or her designee notifies the Board and the Chief Executive Office in writing within ten business days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 9, 2010, the Board approved a comprehensive plan to restructure the GR Program, which includes providing disability assessments to GR participants who declare an inability to work due to a physical illness or injury to determine whether they are employable, temporarily unemployable, or permanently disabled. The current contract term is for 33 months, effective May 13, 2011, through January 31, 2014, for all 14 GR District offices, countywide.

Under Health Care Reform (HCR), effective January 1, 2014, most GR applicants/participants will be eligible to receive Medi-Cal Benefits and enroll in a managed care health plan. As a result, the current contractors and other eligible health care providers will be able to offer ongoing medical services (e.g., medication and treatment) through a Primary Care Physician (PCP) at no cost to GR participants.

In order to align physical health disability assessment services with HCR implementation requirements, a month-to-month extension is necessary for up to six months effective February 1, 2014 through July 31, 2014. The extension for up to six months will benefit the participant in becoming acclimated with the HCR process and allow the Department an opportunity to evaluate the effectiveness of the process to determine if adjustments are needed. The extension will permit GR participants to navigate through the health services system; select their medical plan; select a PCP; become familiar with the Medi-Cal appointment system; and have a better understanding of the new process. GR participants will be encouraged to secure verification from their PCP beginning in January 2014, but if they prefer to go to the contracted providers, staff will continue to schedule assessment appointments. At the expiration of the contract, disability verification will be requested from GR participants' PCPs.

Effective January 2014, DPSS will track whether the participant obtained an assessment with their PCP or an FQHC. This information will be reported to the Board on a monthly basis effective March 2014. If the transition from FQHC referrals to PCP referrals results in a significant decline in referrals to the FQHCs, the Department will assess whether the contracts should be extended for the full six months authorized in Recommendation 1.

Currently, the contract includes comprehensive physical health disability evaluations that assist participants with establishing a medical history and documentation to support approval of their Supplemental Security Income (SSI) applications. Under HCR, participants will be able to obtain this assistance from their PCPs, so comprehensive physical health disability evaluations should no longer be needed. In addition, the comprehensive physical health disability evaluation services have been underutilized. Consequently, these evaluations will not be included in the contract amendment covering February – July 2014.

Implementation of Strategic Plan Goals

The recommended actions support Goal 1 of the County's Strategic Plan, Operational Effectiveness: Maximize the effectiveness of process, structure, and operations to support timely delivery of customer-oriented and efficient public service.

FISCAL IMPACT/FINANCING

Physical health disability assessments are 50 percent funded by net County cost and 50 percent federally-funded by the County Services Block Grant-Health Related (CSBG-HR).

The funding for the entire 33-month term effective May 13, 2011 through January 31, 2014, for all the contracts is estimated at \$31.6 million. The funding for the six-month contract extension is estimated

at \$4.9 million. The firm-fixed rate of \$90 per assessment currently paid to the contractors will remain unchanged for the month-to-month extension. Sufficient funding has been included in the Department's Fiscal Year 2013-14 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A FQHC is a Federally Qualified Health Center (FQHC) provider defined by Medicare and Medicaid statutes. FQHCs include all organizations receiving grants under Section 330 of the Public Health Service Act, certain tribal organizations, and agencies that are identified as FQHC Look-Alikes. The primary difference between the FQHCs and FQHC Look-Alikes is that the "Look-Alikes" do not receive grant funding pursuant to Section 330 of the Public Health Service Act. However, they are subject to the same eligibility requirements as a FQHC. In all cases, FQHCs and FQHC Look-Alikes are non-profit or public agencies that must provide care to underserved populations.

The California Department of Social Services' (CDSS) regulations govern CSBG-HR requirements and administration. On June 27, 2012, CDSS approved the extension of the current contracts for 14 months effective December 1, 2012 through January 31, 2014. On July 31, 2013, DPSS received approval from CDSS to extend the contracts on a month-to-month basis for up to six months effective February 1, 2014.

The contracted services do not fall under Proposition A (County Code 2.121.250), because they are of an extraordinary, professional and technical nature and of a temporary nature (a maximum of six months). Pursuant to Los Angeles County Code 2.121.250(B)(3), this is an exception to Proposition A requirements.

County Counsel has approved the amendment as to form.

The Contractors are in compliance with all Board, CEO, and County Counsel requirements.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended action will not infringe on the role of the County in relationship to its residents nor add any risk exposure to the County or impact current service delivery.

CONCLUSION

The Executive Officer, Board of Supervisors is requested to return one adopted, stamped Board letter to the Director of DPSS or designee, and four stamped copies.

The Honorable Board of Supervisors

12/10/2013

Page 4

Respectfully submitted,

A handwritten signature in cursive script, reading "Sheryl L. Spiller".

SHERYL L. SPILLER

Director

SLS:hn

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Deputy Chief Executive Officer

GR PHYSICAL HEALTH DISABILITY ASSESSMENT SERVICES					
SERVICE AREA	AGENCY	SUPERVISORIAL DISTRICT SERVED	ASSESSMENTS		
			PROJECTED MONTHLY CASELOAD	MONTHLY ESTIMATED COSTS	TOTAL CONTRACT AMOUNT FOR FEBRUARY 2014 THROUGH JULY 2014 (6 MONTHS)
Glendale	Mission City Community Network, Inc.	5	504	\$45,360	\$272,160
Pasadena	Community Health Alliance of Pasadena	5	179	\$16,110	\$96,660
South Special	St. John's Well Child & Family Center	2, 4	1268	\$114,120	\$684,720
Southwest Special	Mission City Community Network, Inc.	2, 4	1895	\$170,550	\$1,023,300
Wilshire Special	Korean Health, Education, Information & Resource Center	1	515	\$46,350	\$278,100
Civic Center	John Wesley Community Health (JWCH) Institute Inc.	1	285	\$25,650	\$153,900
Metro East	Los Angeles Christian Health Center	1	410	\$36,900	\$221,400
San Gabriel Valley	Mission City Community Network, Inc.	1	361	\$32,490	\$194,940
South Central	St. John's Well Child & Family Center	2	391	\$35,190	\$211,140
San Fernando	Mission City Community Network, Inc.	3	472	\$42,480	\$254,880
Pomona	Mission City Community Network, Inc.	1	184	\$16,560	\$99,360
Rancho Park	Korean Health, Education, Information & Resource Center	3	591	\$53,190	\$319,140
Lancaster	Antelope Valley Community Center	5	622	\$55,980	\$335,880
Metro Special	Central Neighborhood Health Foundation	1, 2	1403	\$126,270	\$757,620
TOTAL:			9080	\$817,200	\$4,903,200
GRAND TOTAL FOR SIX-MONTHS					\$4,903,200

**AMENDMENT NUMBER THREE
GENERAL RELIEF PHYSICAL HEALTH DISABILITY ASSESSMENT SERVICES AND
COMPREHENSIVE PHYSICAL HEALTH DISABILITY EVALUATION SERVICES CONTRACT
(CONTRACT #)**

Reference is made to the document entitled “*General Relief Physical Health Disability Assessment Services and Comprehensive Physical Health Disability Evaluation Services Contract By and Between County of Los Angeles and (Contractor) for XXX General Relief District Office,*” dated May 13, 2011, and as amended by Amendment Number One dated April 2, 2012, Amendment Two dated September 1, 2012, and further identified as County Contract #, hereinafter referred to as the “Contract”.

WHEREAS, County of Los Angeles (County) and XXX (Contractor) intend to extend this Contract for General Relief (GR) Physical Health Disability Assessment Services and discontinue the Comprehensive Physical Health Disability Evaluation Services effective February 1, 2014 through July 31, 2014; and

WHEREAS, Contract provides that further changes to its terms may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective upon execution.
2. **SECTION 4.0 TERM OF CONTRACT, Subsection 4.1**, is revised to add subsection 4.1.1 as follows:
 - 4.1.1 This Contract shall be extended on a month-to-month basis, not to exceed six months, from February 1, 2014 through July 31, 2014, unless notice is given by the County to Contractor ten calendar days prior to the start of any such month that it shall not be extended for the upcoming month.
3. **SECTION 5.0, CONTRACT SUM, Subsection 5.1**, is deleted in its entirety and replaced as follows:
 - 5.1 Maximum Contract Sum, which shall be the total amount payable to the Contractor for services adequately rendered during the Contract term, shall not exceed \$X,XXX,XXX, as further specified below and in Attachment B-1
4. **SECTION 5.0, CONTRACT SUM, Subsection 5.1 A**, is revised to add A vii, viii as follows:
 - A. Maximum payment amount payable for assessments:
 - vii. From February 1, 2014 through June 30, 2014 is \$XXX,XXX; and
 - viii. From July 1, 2014 through July 31, 2014 is \$XXX,XXX

5. SECTION 7.0, ADMINISTRATION OF CONTRACT – CONTRACTOR, Subsection 7.4, Background and Security Investigations, Paragraph 7.4.1, is revised to read as follows:

7.4.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, shall undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but shall not be limited to, criminal conviction information. The fees associated with the background investigation shall be at the expense of the Contractor, regardless if the member of Contractor's staff passes or fails the background investigation.

6. SECTION 8.0, TERMS AND CONDITIONS, Subsection 8.31, General Insurance Requirements, Paragraphs 8.31.3 and 8.31.4, are deleted in its entirety and replace as follows:

8.31.3 Cancellation of or Changes in Insurance

Contractor shall provide County with, or Contractor's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.31.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

7. SECTION 8.0, TERMS AND CONDITIONS, Subsection 8.34, Indemnification, is deleted in its entirety and replaced as follows:

8.34 Indemnification

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability, including but not limited to demands, claims, actions,

fees, costs and expenses (including attorney and expert witness fees), arising from and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8. **SECTION 8.0, TERMS AND CONDITIONS, Subsection 8.39, Local Small Business Enterprise Preference Program, In the last Paragraph,** the Office of Affirmative Action Compliance (OAAC) has been revised to the Internal Services Department (ISD).
9. **SECTION 8.0, TERMS AND CONDITIONS, New Subsection 8.71, Data Destruction,** is added to read as follows:

8.71 Data Destruction

Contractor(s) and Vendor(s) that have maintained, processed, or stored the County of Los Angeles' ("County") data and/or information, implied or expressed, have the sole responsibility to certify that the data and information have been appropriately destroyed consistent with the National Institute of Standards and Technology (NIST) Special Publication SP 800-88 titled *Guidelines for Media Sanitization*. Available at: <http://csrc.nist.gov/publications/PubsDrafts.html#SP-800-88-Rev.%201>)

The data and/or information may be stored on purchased, leased, or rented electronic storage equipment (e.g., printers, hard drives) and electronic devices (e.g., servers, workstations) that are geographically located within the County, or external to the County's boundaries. The County must receive within ten (10) business days, a signed document from Contractor(s) and Vendor(s) that certifies and validates the data and information were placed in one or more of the following stored states: unusable, unreadable, and indecipherable.

Vendor shall certify that any County data stored on purchased, leased, or rented electronic storage equipment and electronic devices, including, but not limited to printers, hard drives, servers, and/or workstations are destroyed consistent with the current National Institute of Standard and Technology (NIST) Special Publication SP-800-88, *Guidelines for Media Sanitization*. Vendor shall provide County with written certification, within ten (10) business days of removal of any electronic storage equipment and devices that validates that any and all County data was destroyed and is unusable, unreadable, and/or undecipherable.

10. **SECTION 8.0, TERMS AND CONDITIONS, New Subsection 8.72, Contractor Alert Reporting Database (CARD),** is added to read as follows:

8.72 Contractor Alert Reporting Database (CARD)

The County Maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option.

11. **ATTACHMENT B-1, FIRM-FIXED FEE PROVIDER BUDGET,** is revised to add the two Contract periods: February 1, 2014 through June 30, 2014, and July 1, 2014 through July 31, 2014, indicating the maximum payment amount payable for Assessments for each contract period referenced.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Three to be subscribed on its behalf on the _____ day of _____, 2013 by the Director of the DPSS or her designee and the Contractor has subscribed the same through its authorized officer. The person(s) signing on behalf of Contractor warrants under penalty of perjury that he or she is authorized to bind Contractor and that he or she holds the stated position noted below.

COUNTY OF LOS ANGELES

By _____
Sheryl L. Spiller, Director
Department of Public Social Services

CONTRACTOR

By _____
Name: _____
Title: _____
Address: _____
Tax Identification Number: _____

By _____
Name: _____
Title: _____

**APPROVED AS TO FORM:
JOHN KRATTLI, COUNTY COUNSEL**

By _____
Melinda White-Svec, Deputy County Counsel

FIRM-FIXED FEE PROVIDER BUDGET				
PROJECT NAME:		GR PHYSICAL HEALTH DISABILITY ASSESSMENT SERVICES		
CONTRACTOR:		CONTRACT NUMBER:		
DPSS SERVICE OFFICE:		CONTACT PERSON:		
CONTRACT PERIOD:		MAY 13, 2011 THROUGH JULY 31, 2014		TELEPHONE NUMBER:
LIST TYPE(S) OF SERVICE:	ESTIMATED # OF PARTICIPANTS	COST PER PARTICIPANTS	TOTAL COST	
	A	B	C=B*A	
MAY 13, 2011 - JUNE 30, 2011				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
JULY 1, 2011 - JUNE 30, 2012				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
JULY 1, 2012 - AUGUST 31, 2012				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
SEPTEMBER 1, 2012 - NOVEMBER 30, 2012				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
DECEMBER 1, 2012 - JUNE 30, 2013				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
JULY 1, 2014 - JANUARY 31, 2014				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
FEBRUARY 1, 2014 - JUNE 30, 2014				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
JULY 1, 2014 - JULY 31, 2014				
1 GR Physical Health Disability Assessment Services		\$ 90.00	\$	-
			\$	-
	Total Direct Services Cost		\$	-
	Grand Total		\$	-