

## DEPARTMENT OF MENTAL HEALTH

hope, recovery, wellbeing.

LISA H. WONG, Psy.D. Director

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

**ADOPTED** 

**BOARD OF SUPERVISORS** 

**COUNTY OF LOS ANGELES** 

Rimmi Hundal, M.A. Chief Deputy Director

June 03, 2025

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:

47 June 3, 2025

Edward yen

EDWARD YEN

EXECUTIVE OFFICER

APPROVAL TO EXTEND THE EXISTING CONTRACT WITH CALIFORNIA PSYCHIATRIC TRANSITIONS, INC. ON A SOLE SOURCE BASIS FOR A MENTAL HEALTH REHABILITATION CENTER PROVIDING SUB-ACUTE PSYCHIATRIC SERVICES

(ALL SUPERVISORIAL DISTRICTS)

(3 VOTES)

#### **SUBJECT**

Request approval to extend the existing Contract with California Psychiatric Transitions, Inc., on a sole source basis for their Mental Health Rehabilitation Center providing sub-acute psychiatric services.

#### IT IS RECOMMENDED THAT THE BOARD:

- 1. Approve and authorize the Director of Mental Health (Director), or designee, to prepare, sign, and execute an amendment, substantially similar to Attachment I, to continue providing sub-acute psychiatric services to clients under conservatorship at California Psychiatric Transitions, Inc.'s (CPT) Mental Health Rehabilitation Center (MHRC) on a sole source basis, effective July 1, 2025 through June 30, 2026. The funding for Fiscal Year (FY) 2025-26 is fully covered by 2011 Realignment Mental Health revenues. This Contract does not have a total contract amount, as reimbursement is done based on rates.
- 2. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the Contract described in Recommendation 1 to exercise an optional one-year extension; revise the Contract language; add, delete, modify, or replace the Statement of Work (SOW); revise the rates; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) sufficient funds are available; and 2) the amendments will be subject to prior review and approval as

The Honorable Board of Supervisors 6/3/2025 Page 2

to form by County Counsel, with written notice to the Board and Chief Executive Office (CEO).

3. Delegate authority to the Director, or designee, to terminate the Contract described in Recommendation 1 in accordance with the termination provisions, including Termination for Convenience. The Director, or 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 the Department of Mental Health (DMH) to amend CPT's Contract to extend the term on a sole source basis, effective July 1, 2025 through June 30, 2026.

Board approval of Recommendation 2 will allow DMH to execute future amendments, extend the Contract term, revise Contract language; add, delete, modify, or replace the SOW as necessary, without interruption to services.

Board approval of Recommendation 3 will allow DMH to terminate the Contract in accordance with Contract'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 North Star 1, Make Investments that Transform Lives, specifically Focus Areal Goal A., Healthy Individual and Families.

#### **FISCAL IMPACT/FINANCING**

The total cost for this Contract is included in DMH's FY 2025-26 budget and fully funded by 2011 Realignment Mental Health revenues.

If needed, funding for future 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

On December 3, 2019, your Board adopted Board Motion 19-7599, "Addressing the Shortage of Mental Health Hospital Beds." The Motion authorized the Director of Mental Health, or designee, to negotiate, execute, and/or amend contracts with State-licensed, approved, or exempt facilities asneeded to increase the existing mental health bed capacity.

DMH, utilizing the authority under Board Motion 19-7599, negotiated and executed a Contract with CPT for their 98-bed licensed MHRC through June 30, 2025. DMH is seeking to extend the Contract on a sole source basis to ensure continuity of care and access to these essential services. CPT specializes in offering state hospital alternative services designed for clients with complex and challenging behavioral health needs. These clients often include arson registrants, Murphy conserved individuals, individuals with a history of violent behavior, and individuals with severe personality disorders. CPT has committed a minimum of 32 beds exclusively for DMH clients,

The Honorable Board of Supervisors 6/3/2025 Page 3

ensuring that clients denied by other local sub-acute providers receive the treatment and support they require.

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

In accordance with Board Policy No. 5.100 (Sole Source Contracts and Amendments), DMH is required to notify your Board at least six months prior to the expiration of an existing Contract when DMH does not have delegated authority to amend the current Contract. On December 19, 2024, DMH notified your Board (Attachment II) of its intent to extend the term of the existing Contract with CPT to continue MHRC services, as they are the sole provider of such services to clients with complex and challenging behavioral health needs. As we did not hear otherwise, we are moving forward with this action. The required Sole Source Checklist (Attachment III) identifying and justifying the need for a sole source extension has been approved by CEO.

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

Board approval of the recommended actions will maintain DMH's relationship with CPT and ensure the provision of CPT's unique and critical services, which are not readily available from other providers.

Respectfully submitted,

LISA H. WONG, Psy.D.

AMy, BD

Director

LHW:RH:KN:SK:ZW:atm

**Enclosures** 

Executive Office, Board of Supervisors
 Chief Executive Office
 County Counsel

#### AMENDMENT NO. 8

THIS AMENDMENT is made and entered into this \_\_\_\_ day of <u>June</u> 2025, by and between the COUNTY OF LOS ANGELES (hereafter "County") and <u>California</u>

<u>Psychiatric Transitions, Inc.</u> (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "Contract by and between County of Los Angeles Department of Mental Health and California Psychiatric Transitions, Inc. for Mental Health Rehabilitation Center Services", dated <u>September 6</u>, 2020, and further identified as County Contract No. <u>MH460001</u>, and any amendments thereto (hereafter collectively "Contract"); and

WHEREAS, on June \_\_\_\_, 2025, the County Board of Supervisors delegated authority to the Director of Mental Health (DMH), or designee, to execute amendments to the Contract to add, delete, revise language, and to make certain other designated changes; 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, County and Contractor intend to amend the Contract to extend the term for one Fiscal Year (FY) beginning July 1, 2025 through June 30, 2026, and make other hereinafter designated changes; and

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

NOW, THEREFORE, County and Contractor agree as follows:

- 1. This amendment is hereby incorporated into the original Contract, and all its terms and conditions, including capitalized terms defined therein, will be given full force and effect as if fully set forth herein.
- 2. The Amendment is effective July 1, 2025.
- 3. The term of the Contract is extended from July 1, 2025, and will continue in full force through June 30, 2026.
- 4. Exhibit B-8 (RATE SHEET), attached hereto and incorporated herein by reference, will be added to the Contract.
- 5. Exhibit Q (Contribution and Agent Declaration Form) will be deleted in its entirety and replaced with Exhibit Q-8 (Contribution and Agent Declaration Form), attached hereto and incorporated herein by reference.
- 6. Paragraph 10.0 (Survival) is added to the Contract as follows:
  - "10.0 In addition to any terms and conditions of this Contract that expressly survive the expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

Paragraph 1.0	Applicable Documents
Paragraph 2.0	Definitions
Paragraph 3.0	Work
Paragraph 7.5	Confidentiality
Paragraph 8.1	Amendments
Paragraph 8.2	Assignment and Delegation/mergers or
	Acquisitions
Paragraph 8.6	Compliance with Applicable Law
Paragraph 8.19	Fair Labor Standards
Paragraph 8.20	Force Majeure
Paragraph 8.21	Governing Law, Jurisdiction, and Venue
Paragraph 8.23	Indemnification
Paragraph 8.24	General Provisions for all Insurance Coverage
Paragraph 8.25	Insurance Coverage
Paragraph 8.34	Notices

Paragraph 8.38	Record Retention and Inspection-Audit
	Settlement
Paragraph 8.42	Termination for Convenience
Paragraph 8.43	Termination for Default
Paragraph 8.48	Validity
Paragraph 8.49	Waiver
Paragraph 8.58	Prohibition from Participation in Future
	Solicitation(s)
Paragraph 8.60	Campaign Contribution Prohibition Following
	Final Decision in Contract Proceeding
Paragraph 9.2	Health Insurance Portability and
	Accountability Act of 1996(HIPAA)
Paragraph 10.0	Survival

8. Except as provided in this amendment, all other terms and conditions of the Contract will remain in full force and effect.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by the County's Director of Mental Health or designee, and Contractor has caused this Amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

By
LISA H. WONG., Psy. D. Director of Mental Health
Director of Merital Health
California Psychiatric Transitions, Inc.
CONTRACTOR
Ву
Name Aaron Stocking
Title <u>Director</u> (AFFIX CORPORATE SEAL HERE)
(AFFIX CONFONATE SEAL HERE)

**COUNTY OF LOS ANGELES** 

APPROVED AS TO FORM: OFFICE OF THE COUNTY COUNSEL

By: RACHEL KLEINBERG Senior Deputy County Counsel

# California Psychiatric Transitions Dedicated Bed Rate Table FY 2025-2026

Main/ReEntry			
LAC-DMH Dedicated Bed Rate	\$736/Day		
1:1 Monitoring	\$59.00/Hour		
DBU/Diversion			
LAC-DMH Dedicated Bed Rate	\$1024/Day		
1:1 Monitoring	\$59.00/Hour		

LAC-DMH shall retain priority access to beds paid under the Dedicated Bed Rate for LAC-DMH clients transitioning in and out of Contractor's facility. When LAC-DMH clients work through the program and eventually discharge from Contractor's facility, that Dedicated Bed will be made available for new LACDMH client admissions for immediate transfer to the bed. All admissions must be approved by Contractor, and Contractor does reserve the right to deny any admissions that Contactor feels would not be a good fit for the facility. Contractor agrees to dedicate beds for LAC-DMH use and set aside beds for LAC-DMH use as they become available, with the eventual goal of prioritizing at least 32 LAC-DMH Dedicated Beds at Contractor's facility. New admission into beds that are set aside for LAC-DMH will be paid for at the Dedicated Bed Rate by LAC-DMH. If a new LAC-DMH client admission cannot be mutually agreed upon by both parties, Contractor and/or LAC-DMH can choose to release that bed.

Bed hold rate will be the same rate as the corresponding unit that the bed is being held in.

## **California Psychiatric Transitions**

Rate Table FY 2024-2025 (for LAC-DMH Clients admitted to CPT prior to the initiation of LAC-DMH Dedicated bed rates)

MHRC				
LPS	\$518/Day			
1:1 Monitoring	\$59.00/Hour			
DBU				
LPS, IST, DIV, Murphy	\$1024/Day			
1:1 Monitoring	\$59.00/Hour			
FORENSIC				
IST, DIV, Murphy	\$736/Day			
	<b>***</b>			
1:1 Monitoring	\$59.00/Hour			

Bed hold rate will be the same rate as the corresponding unit that the bed is being held in.

This form must be completed separately by all bidders/proposers, including all prime contractors and subcontractors, and by all applicants for licenses, permits, and other entitlements for use issued by the County of Los Angeles ("County").

Pursuant to the Levine Act (Government Code section 84308), a member of the Board of Supervisors, other elected County officials (the Sheriff, Assessor, and the District Attorney), and other County employees and/or officers ("County Officers") are disqualified and not able to participate in a proceeding involving contracts, franchises, licenses, permits and other entitlements for use if the County Officer received more than \$250 in contributions in the past 12 months from the bidder, proposer or applicant, any paid agent of the bidder, proposer, or applicant, or any financially interested participant who actively supports or opposes a particular decision in the proceeding.

State law requires you to disclose information about contributions made by you, your company, and lobbyists and agents paid to represent you. Failure to complete the form in its entirety may result in significant delays in the processing of your application and potential disqualification from the procurement or application process.

You must fully answer the applicable questions below. You ("Declarant"), or your company, if applicable, including all entities identified below (collectively, "Declarant Company") must also answer the questions below. The term "employee(s)" shall be defined as employees, officers, partners, owners, or directors of Declarant Company.

An affirmative response to any questions will not automatically cause the disqualification of your bid/proposal, or the denial of your application for a license, permit or other entitlement. However, failure to answer questions completely, in good faith, or providing materially false answers may subject a bidder/proposer to disqualification from the procurement.

This material is intended for use by bidders/proposers, including all prime contractors and subcontractors, and by all applicants for licenses, permits, and other entitlements for use issued by the County of Los Angeles and does not constitute legal advice. If you have questions about the Levine Act and how it applies to you, you should call your lawyer or contact the Fair Political Practices Commission for further guidance.

HOA.104008393.4 Rev. [4/16/24]

Complete each section below. State "none" if applicable.

A.	<u>COMPANY</u>	<u>OR APPLICANT</u>	<u>INFORMATION</u>

	1)	) Declarant Company or Applicant Name:						
		a) If applicable, identify all subcontractors that have been or will be named in your bid or proposal:						
		b) If applicable, variations and acronyms of Declarant Company's name used within the past 12 months:						
		c) Identify all entities or individuals who have the authority to make decisions for you or Declarant Company about making contributions to a County Officer, regardless of whether you or Declarant Company have actually made a contribution:						
[IF A C	01	MPANY, ANSWER QUESTIONS 2 - 3]						
	2)	Identify only the Parent(s), Subsidiaries and Related Business Entities that Declarant Company has controlled or directed, or been controlled or directed by. "Controlled or directed" means shared ownership, 50% or greater ownership, or shared management and control between the entities.						
		a) Parent(s):						
		b) Subsidiaries:						
		c) Related Business Entities:						
	3)	If Declarant Company is a closed corporation (non-public, with under 35 shareholders), identify the majority shareholder.						
	4)	Identify all entities (proprietorships, firms, partnerships, joint ventures, syndicates, business trusts, companies, corporations, limited liability companies, associations, committees, and any other organization or group of persons acting in concert) whose contributions you or Declarant Company have the authority to direct or control.						

5)	Identify any individuals such as employees, agents, attorneys, law firms, lobbyists, and lobbying firms who are or who will act on behalf of you or Declarant Company and who will receive compensation to communicate with a County Officer regarding the award or approval of <b>this</b> contract or project, license, permit, or other entitlement
	for use.
	(Do <b>not</b> list individuals and/or firms who as part of their profession either (1) submit

(Do <b>not</b> list individuals and/or firms who, as part of their profession, either (1) submit
to the County drawings or submissions of an architectural, engineering, or similar
nature, or (2) provide purely technical data or analysis, and who will not have any
other type of communication with a County agency, employee, or officer.)

If vou	or	Declarant	Company	are	а	501(c)(3)	non-profit	organization,	identify	the

6)	If you or Declarant Company are a 501(c)(3	3) non-profit organization, identify the
	compensated officers of your organization an	d the compensated members of your
	board.	


## B. <u>CONTRIBUTIONS</u>

1) Have you or the Declarant Company solicited or directed your employee(s) or agent(s) to make contributions, whether through fundraising events, communications, or any other means, to a County Officer in the past 12 months? If so, provide details of each occurrence, including the date.

<b>Date</b> (contribution solicited, or directed)	Recipient Name (elected official)	Amount

<sup>\*</sup>Please attach an additional page, if necessary.

2) Disclose all contributions made by you or any of the <u>entities and individuals identified</u> in Section A to a County officer in the past 12 months.

<b>Date</b> (contribution made)	Name (of the contributor)	Recipient Name (elected official)	Amount

<sup>\*</sup>Please attach an additional page, if necessary.

## C. <u>DECLARATION</u>

Declarant Company, if applicable, attest the Contribution Declaration and the statements me of your knowledge and belief. (Only complete to	nat you have read the entirety of the ade herein are true and correct to the best
There are Contribution Declaration Form.	additional pages attached to this
COMPANY BIDDERS OR APPLICANTS	
I,	(Title), attest that after phably diligent investigation regarding the es, and the explanation on the attached nowledge and belief. Further, I understand faith or providing materially false answers quences, including disqualification of its
IMPORTANT NOTICE REGARDING F	FUTURE AGENTS AND FUTURE
By signing this Contribution and Agent Declara Company hires an agent, such as, but not lim course of these proceedings and will compe County about this contract, project, permit, licer to inform the County of the identity of the agen also agree to disclose to the County any futu County Board of Supervisors, another elected the District Attorney), or any other County office or, if applicable, any of the Declarant Complobbyists, and employees who have communic about this contract, license, permit, or other disclosure form, and within 12 months following the requested contract, license, permit, or entit	nited to, an attorney or lobbyist during the ensate them for communicating with the nse, or other entitlement for use, you agree t or lobbyist and the date of their hire. You are contributions made to members of the County officer (the Sheriff, Assessor, and er or employee by the Declarant Company, pany's proposed subcontractors, agents, cated or will communicate with the County entitlement after the date of signing this ng the approval, renewal, or extension of
Signature	 Date

## **INDIVIDUAL BIDDERS OR APPLICANTS**

belief. Further, I materially false	the attached understand answers m	, declar d sheet(s), if any, d that failure to an lay subject me to in the processing	are correct to swer the que consequen	to the best of estions in goo ces, including	my knov od faith c g disqua	wledge and or providing dification of
IMPORTANT CONTRIBUTIO	NOTICE NS:	REGARDING	FUTURE	AGENTS	AND	FUTURE
If I hire an agent or lobbyist during the course of these proceedings and will compensate them for communicating with the County about this contract, project, permit, license, or other entitlement for use, I agree to inform the County of the identity of the agent or lobbyist and the date of their hire. I also agree to disclose to the County any future contributions made to members of the County Board of Supervisors, another elected County official (the Sheriff, Assessor, and the District Attorney), or any other County officer or employee by me, or an agent such as, but not limited to, a lobbyist or attorney representing me, that are made after the date of signing this disclosure form, and within 12 months following the approval, renewal, or extension of the requested contract, license, permit, or entitlement for use.						
Signature					Date	



## DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

LISA H. WONG, Psy.D. Director

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

Rimmi Hundal, M.A. Chief Deputy Director

December 19, 2024

TO: Supervisor Kathryn Barger, Chair

> Supervisor Hilda L. Solis Supervisor Holly J. Mitchell Supervisor Lindsey P. Horvath

Supervisor Janice Hahn

Lisa H. Wong, Psy.D. Pyudal FROM:

Director

NOTICE OF INTENT TO EXECUTE A SOLE SOURCE AMENDMENT SUBJECT:

> TO EXTEND THE EXISTING CONTRACT WITH CALIFORNIA **PSYCHIATRIC TRANSITIONS, INC., A MENTAL HEALTH**

REHABILITATION CENTER FOR THE CONTINUED PROVISION OF SUB-ACUTE PSYCHIATRIC SERVICES TO CLIENTS UNDER

**CONSERVATORSHIP** 

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.100 (Sole Source Contracts and Amendments), the Department of Mental Health (DMH) is notifying your Board of our Department's intent to amend the existing contract with California Psychiatric Transitions, Inc., (CPT) a Mental Health Rehabilitation Center (MHRC) for the continued provision of sub-acute psychiatric services to clients under conservatorship.

DMH will request that your Board approve a sole source extension amendment with CPT, effective upon Board approval through Fiscal Year (FY) 2025-26 with one optional extension. The Total Contract Amount for FY 2025-26 is \$7,791,072, fully funded by 2011 Realignment revenue.

#### **JUSTIFICATION**

On September 6, 2020, DMH utilized the authority granted under Board Motion 19-7599, "Addressing the Shortage of Mental Health Hospital Beds," to negotiate and execute the current contract with CPT for their 98-bed licensed MHRC. This authority has since expired.

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To ensure continuity of care and maintain access to these essential services, DMH intends to continue its relationship with CPT on a sole-source basis. This determination is supported by the unique and critical nature of the services CPT provides, which are not readily available through other providers.

CPT specializes in offering highly specialized, state hospital alternative services designed for clients with complex and challenging behavioral health needs. These clients often include:

- Arson registrants
- Murphy Conserved individuals (clients under the jurisdiction of Murphy Conservatorships)
- Violent individuals
- Individuals with severe personality disorders

These clients are typically admitted to CPT following denials from local sub-acute providers in Los Angeles County (County), underscoring the necessity of CPT's role in the continuum of care. Since execution of the contract in 2020, CPT has accepted an average of 23 admissions per year. These admissions involve individuals identified as among the most severely mentally ill within the County, requiring intensive psychiatric care and specialized intervention services.

Furthermore, CPT has committed to dedicating a minimum of 32 beds exclusively to serve County clients. This allocation ensures that some of the County's most difficult-to-place individuals receive the treatment and support they require, contributing to DMH's mission of providing comprehensive and equitable mental health services.

This sole-source agreement aligns with the County's best economic interest by addressing the critical gap in services for these specialized populations and avoiding potential costlier placements or legal ramifications resulting from lack of care availability.

#### **NOTIFICATION TIMELINE**

Pursuant to Board Policy No. 5.100, DMH is required to notify the Board at least six months prior to the expiration of an existing contract to amend the contracts when departments do not have delegated authority to execute such amendment. If requested by a Board Office or the Chief Executive Office, DMH will place this item on the Health and Mental Health Services Cluster Agenda. Unless otherwise instructed by your Board Office within four weeks of this notice, DMH will begin contract negotiations, and after the six-month notification period, DMH will present to

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your Board a letter for approval to execute a sole source amendment to extend the existing contract with CPT.

If you have any questions, or require additional information, please contact me at <a href="mailto:LWong@dmh.lacounty.gov">LWong@dmh.lacounty.gov</a> or (213) 947-6670, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at <a href="mailto:SKrikorian@dmh.lacounty.gov">SKrikorian@dmh.lacounty.gov</a> or (213) 943-9146.

LHW:RH:KN SK:RLR:ZW:atm

c: Executive Office, Board of Supervisors Chief Executive Office County Counsel

# **SOLE SOURCE CHECKLIST**

Departm	ent '	Name:	<u></u>	
	Nev	w Sole Source Contract	California Psychiatric Transitions, Inc.	
		e Source Amendment to Existing Contract te Existing Contract First Approved:		
Check		JUSTIFICATION FOR SOLE SOURCE		
(✓)	Щ.	Identify applicable justification and provid		
	<b>&gt;</b>		the service exists; performance and price is an "Exclusive control of the supply of any source in a given market exists, a monopoly	
	Compliance with applicable statutory and/or regulatory provisions.			
	Compliance with State and/or federal programmatic requirements.			
	Services provided by other public or County-related entities.			
	Services are needed to address an emergent or related time-sensitive need.			
	The service provider(s) is required under the provisions of a grant or regulatory requirement.			
	A	Services are needed during the time period replacement services; provided services are expiration of an existing contract which has	re needed for no more than 12 months from the	
	A	Maintenance and support services are need time to complete a solicitation for a new rep services are needed for no more than 24 m maintenance and support contract which ha	nonths from the expiration of an existing	
	>	Maintenance service agreements exist on e original equipment manufacturer or an auth		
	<b>\(\rightarrow\)</b>	It is more cost-effective to obtain services b contract.		
			cost-savings or cost-avoidance associated	

Date