



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

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

Rimmi Hundal, M.A.
Chief Deputy Director

March 03, 2026

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:

**APPROVAL TO AMEND EXISTING LEGAL ENTITY AND 24-HOUR RESIDENTIAL TREATMENT CONTRACTS TO INCREASE THEIR MAXIMUM CONTRACT AMOUNTS FOR FISCAL YEAR 2025-26 FOR THE CONTINUOUS PROVISION AND EXPANSION OF SPECIALTY MENTAL HEALTH SERVICES
(SUPERVISORIAL DISTRICTS 1, 2, and 3)
(3 VOTES)**

SUBJECT

Request approval to amend existing Department of Mental Health Legal Entity and 24-Hour Residential Treatment contracts to increase their Maximum Contract Amounts for Fiscal Year 2025-26 for the continuous provision and expansion of specialty mental health services.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Mental Health (Director), or designee, to prepare, sign, and execute amendments similar to Attachment I to existing Department of Mental Health (DMH) Legal Entity (LE) contracts as identified on Attachment III, to increase and reset the Maximum Contract Amounts (MCAs) for Fiscal Year (FY) 2025-26. The amendments will be effective upon Board approval; and the total increase is estimated to be \$3 million, fully funded by Federal Financial Participation (FFP), State Mental Health Services Act (MHSA), and 2011 Realignment revenues.
2. Approve and authorize the Director, or designee, to prepare, sign, and execute amendments similar to Attachment II to the existing DMH 24-Hour Residential Treatment contracts as identified on Attachment III, to increase and reset the MCA for FY 2025-26. The amendments will be effective upon Board approval; and the total increase is \$835,036, fully funded by MHSA revenue.

3. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the LE and/or 24-Hour Residential Treatment contracts in Recommendations 1 and 2 to revise the boilerplate 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) any increase to the Board-approved MCA in Recommendations 1 and 2 will not exceed 25 percent, and 2) sufficient funds are available. The amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and the Chief Executive Office (CEO).

4. Delegate authority to the Director, or designee, to make non-material modifications to the LE and/or 24-Hour Residential Treatment contracts in Recommendations 1 and 2 through administrative amendments or change notices for the following and other similar reasons, as appropriate: change the contractors' business name and/or headquarter address; change, revise, add, or delete the contractors' provider site address(es), site number(s), site name(s), and/or services for an existing or new provider site; make technical corrections; revise County and Contractor Administration Exhibits; and/or shift funds between currently contracted funded programs, so long as such shift(s) will not cause an increase in the MCA.

5. Delegate authority to the Director, or designee, to terminate the contracts described in Recommendations 1 and 2 in accordance with the termination provisions of the contracts, 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 DMH to amend the existing LE contracts identified in Attachment III to increase the MCAs to provide Specialty Mental Health (SMH) Day Treatment Intensive (DTI) Program services and to support contractors' capacity in expanding services to new and existing beneficiaries since the LE contracts have reached their previously Board-approved delegated authority for FY 2025-26.

Board approval of Recommendation 2 will allow DMH to amend the existing 24-Hour Residential Treatment contracts identified on Attachment III to increase their MCAs for the continuous delivery of sub-acute psychiatric residential services for Medi-Cal beneficiaries and/or uninsured clients since the 24-Hour Residential Treatment contracts have reached their previously Board-approved 25 percent delegated authority for FY 2025-26.

Board approval of Recommendations 3 and 4 will allow DMH to amend the contracts in Recommendations 1 and 2 in a timely manner, as necessary, for the continuous provision and expansion of Specialty Mental Health Services (SMHS) and administrative corrections without interruption to clients in need of these services.

Board approval of Recommendation 5 will allow DMH to terminate the contracts in accordance with the contracts' 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 Strategic Plan North Star 1, Make Investments that Transform Lives, specifically Focus Area Goal A. Healthy Individuals and Families; and North Star 3. Realize Tomorrow's Government Today, specifically Focus Area Goal E. Data Driven Decision Making.

FISCAL IMPACT/FINANCING

The total increase for the LE contracts is estimated to be \$3 million for FY 2025-26, fully funded by FFP, MHSA, and 2011 Realignment revenues.

The total increase for the 24-Hour Residential Treatment contracts for FY 2025-26 is \$835,036, fully funded by MHSA revenue.

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

On May 7, 2024, your Board authorized the Director to extend the term of LE contracts, including contractors listed on Attachment III. The same Board letter also delegated authority to DMH to amend the LE contracts to increase their MCAs up to 25 percent of their approved MCAs. As such, using the authority delegated, DMH amended these LE contracts up to the allowed 25 percent and is now returning to your Board for authority to further amend the contracts to increase their MCAs for FY 2025-26. The increase of funds is for the provision of SMH DTI Program services including assessments, treatment planning, therapy and psychosocial rehabilitation.

On May 3, 2022, your Board authorized the Director to execute 24-Hour Residential Treatment contracts, which included the contractors listed on Attachment III. The same Board letter also delegated authority to DMH to amend the 24-Hour Residential Treatment contracts to increase their MCAs up to 25 percent of their approved MCAs. The contracts listed on Attachment III have reached their 25 percent delegated authority for FY 2025-26 and DMH is seeking your Board's authority to amend these contracts to increase their MCAs for that fiscal year. Additional funding is necessary to sustain the clinical and programmatic services and allow the contractors to maintain full capacity service levels.

On February 2, 2026, DMH requested exemption to Board Policy No. 5.120 (Authority to Approve Increases to Board-Approved Contract Amounts) (Attachment IV) from your Board for Medi-Cal funding in DMH's LE and 24-Hour Residential Treatment contracts, and, in accordance with the Policy, DMH considers this request approved, as no objections were received from the Board offices.

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 contracts. On May 7, 2024, your Board adopted a Board letter exempting DMH LE and 24-Hour Residential Treatment contracts from Board Policy No. 5.100 as these contracts provide federal entitlement services to Medi-Cal members.

This exemption will allow DMH to meet the federal requirement under the Parity Rule and allow DMH to amend the LE contracts in a timely manner for the continuous provision and expansion of mental health services without interruption to clients who need the services/programs.

The amendment formats (Attachments I and II) have been approved as to form by County Counsel. Attachment III lists the LE and 24-Hour Residential Treatment contractors, along with their headquarter addresses, Supervisorial District(s), Service Area(s), and current MCAs.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual 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 SMHS services and allow DMH to make revisions/updates to the work provided by the contractors in a timely manner.

Respectfully submitted,



LISA H. WONG, Psy.D.

Director

LHW:RH:KN:SK:DO:atm

Enclosures

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

CONTRACT NO. _____

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ___ day of _____, 2026, by and between the COUNTY OF LOS ANGELES (hereafter “County”), and _____ (hereafter “Contractor”).

WHEREAS reference is made to that certain document entitled “Department of Mental Health (DMH) Legal Entity Contract”, dated July 1, 2021, and further identified as County Contract No. MH122, and all prior amendments (hereafter collectively “Contract”); and

WHEREAS, on month xx, 2026, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Contract to revise Maximum Contract Amount (MCA), and make other certain 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 this Contract only as described hereunder; and

WHEREAS, County and Contractor intend to amend the Contract to increase DMH Mental Health Services Medi-Cal Funded Program funds and make other hereinafter designated changes; and

WHEREAS, as a result of the above change in Funded Program funds the MCA will increase; 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, the 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. This amendment is effective upon execution for Fiscal Year (FY) 2025-26.
3. For FY 2025-26, DMH Mental Health Services Medi-Cal Funded Program funds are increased by \$_____, from \$____ to \$_____.
4. For FY 2025-26, the MCA is increased by \$____, from \$_____ to \$_____.
5. Exhibit A (FINANCIAL PROVISIONS), Paragraph C (REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED AND EXTENDED), subparagraph (4), is deleted in its entirety and replaced as follows:
“(4) Reimbursement for Second Extension Period: The MCA for the second extension of the Contract as described in Paragraph 4 (TERM OF Contract) of the Contract shall not exceed _____
_____ DOLLARS (\$__) and shall consist of Funded Programs as shown in Exhibit B – ____.”
6. Financial Summary (Exhibit B – __) for FY 2025-26 is deleted in its entirety and replaced with Financial Summary (Exhibit B – __) for FY 2025-26, attached hereto and incorporated by reference. All references in the Contract to "Financial Summary (Exhibit B – ____) for FY 2025-26", shall be deemed amended to state "Financial Summary (Exhibit B – _____) for FY 2025-26.”

7. Contractor shall provide services in accordance with Contractor's FY 2025-26 Service Delivery Plan for the Contract, and any addenda thereto approved in writing by the County's Director of Mental Health or designee.
8. Except as provided in this amendment, all other terms and conditions of the Contract will 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 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.

COUNTY OF LOS ANGELES

By _____
LISA H. WONG, Psy.D., Director
County of Los Angeles
Department of Mental Health

CONTRACTOR

By _____
Name _____
Title _____
(AFFIX CORPORATE SEAL HERE)

TEMPLATE APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: RACHEL KLEINBERG
Senior Deputy County Counsel

CONTRACT NO. _____

AMENDMENT NO. __

THIS AMENDMENT is made and entered into this ___ day of _____, 2026, by and between the COUNTY OF LOS ANGELES (hereafter "County"), and _____ (hereafter "Contractor").

WHEREAS reference is made to that certain document entitled "Department of Mental Health (DMH) 24-Hour Residential Treatment Contract", dated July 1, 2022, and further identified as County Contract No. _____, and all prior amendments (hereafter collectively "Contract"); and

WHEREAS, on Month XX, 2026, the County Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Contract to revise the Maximum Contract Amount (MCA), and make other certain 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 increase Mental Health Services Act (MHSA) Alternative Crisis Services (ACS) Invoice, MHSA ACS Non Medi-Cal, MHSA ACS Startup Fund Invoice, MHSA ACS Patch Invoice, and MHSA ACS Medi-Cal Funded Program funds and make other hereinafter designated changes; and

WHEREAS, as a result of the above changes in Funded Program funds the MCA will increase; 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, the 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. This amendment is effective upon execution for Fiscal Year (FY) 2025-26.
3. For FY 2025-26, MHSA ACS Invoice Funded Program funds are increased by \$_____, from \$_____ to \$_____.
4. For FY 2025-26, MHSA ACS Non Medi-Cal Funded Program funds are increased by \$_____, from \$_____ to \$_____.
5. For FY 2025-26, MHSA ACS Startup Fund Invoice Funded Program funds are increased by \$_____, from \$_____ to \$_____.
6. For FY 2025-26, MHSA ACS Patch Invoice Funded Program funds are increased by \$_____, from \$_____ to \$_____.
7. For FY 2025-26, MHSA Medi-Cal Funded Program funds are increased by \$_____, from \$_____ to \$_____.
8. For FY 2025-26, the MCA is increased by \$_____, from \$_____ to \$_____.
9. Exhibit A (FINANCIAL PROVISIONS), Paragraph D (REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED), subparagraph (3) is deleted in its entirety and replaced as follows:

“(3) Reimbursement For Third Automatic Renewal Period: The MCA for the Third Automatic Renewal Period of the Contract as described in Paragraph

4 (TERM OF CONTRACT) of the Contract shall not exceed _____

DOLLARS (\$_____) and shall consist of Funded Programs as shown in Exhibit B – __, Financial Summary.”

- 10. Financial Summary (Exhibit B – __) for FY 2025-26 is deleted in its entirety and replaced with Financial Summary (Exhibit B – __) for FY 2025-26, attached hereto and incorporated by reference. All references in the Contract to Financial Summary (Exhibit B – __) for FY 2025-26, shall be deemed amended to state “Financial Summary (Exhibit B – __) for FY 2025-26.”
- 11. Contractor shall provide services in accordance with Contractor’s FY 2025-26 Service Delivery Plan for the Contract, and any addenda thereto approved in writing by the County’s Director of Mental Health, or designee.
- 12. Except as provided in this amendment, all other terms and conditions of the Contract will 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 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.

COUNTY OF LOS ANGELES

By _____
LISA H. WONG, Psy.D., Director
County of Los Angeles
Department of Mental Health

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

TEMPLATE APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: RACHEL KLEINBERG
Senior Deputy County Counsel

Legal Entity Contracts - Fiscal Year 2025-26

Legal Entity Contractor Name/DBA (if applicable)	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 25-26 Current MCA	FY 25-26 Total Increase	FY 25-26 Revised MCA
1 ASC Treatment Group	2457 Endicott Street, Los Angeles, CA 90032	1	4	\$1,054,236	\$1,997,739	\$3,051,975
2 Hillside	940 Avenue 64, Pasadena, CA 91105	1	4	\$33,943,746	\$614,970	\$34,558,716
3 The Help Group Child and Family Center	13130 Burbank Blvd., Sherman Oaks, CA 91401	3	2	\$21,862,040	\$372,787	\$22,234,827
				\$56,860,022	\$2,985,496	

24-Hour Residential Treatment Contracts - Fiscal Year 2025-26

24-Hour Residential Treatment Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 25-26 Current MCA	FY 25-26 Total Increase	FY 25-26 Revised MCA
Homes for Life Foundation	8939 S. Sepulveda Blvd., Ste. 460, Los Angeles, CA 90045	2	5	\$970,600	\$283,630	\$1,254,230
A Brighter Day Recuperative Care LLC	1590 Rosecrans Avenue, Suite D432 Manhattan Beach, CA 90266	2	8	\$1,789,245	\$551,406	\$2,340,651
				\$2,759,845	\$835,036	



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

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

Rimmi Hundal, M.A.
Chief Deputy Director

February 2, 2026

TO: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Lindsey P. Horvath
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Lisa H. Wong, Psy.D. *RHundal*
Director

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED AUTHORITY FOR A PERCENTAGE INCREASE EXCEEDING TEN PERCENT OF THE MAXIMUM CONTRACT AMOUNT FOR THE DEPARTMENT OF MENTAL HEALTH'S LEGAL ENTITY AND 24-HOUR RESIDENTIAL TREATMENT CONTRACTS**

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.120 (Authority To Approve Increases To Board-Approved Contract Amounts), the Department of Mental Health (DMH) is notifying your Board of our Department's intent to request delegated authority for a percentage increase exceeding ten percent of the Maximum Contract Amount (MCA) for certain existing Legal Entity (LE) and 24-Hour Residential Treatment contracts. DMH will request delegated authority for a 25 percent increase of their MCAs for the existing LE and 24-Hour Residential Treatment contracts for Fiscal Year (FY) 2025-26.

JUSTIFICATION

DMH will present your Board a letter for approval to amend the LE and 24-Hour Residential Treatment contracts for FY 2025-26 to increase their MCAs as the contractors have reached their previously Board-approved 25 percent delegated authority. The total increase for the LE contracts is estimated to be \$3 million, fully funded by Federal Financial Participation (FFP), State Mental Health Services Act (MHSA), and 2011 Realignment revenues.

Each Supervisor
February 2, 2026
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The total increase for the 24-Hour Residential Treatment contract is \$283,630 for FY 2025-26, fully funded by MHSA revenue.

The authority to increase the percentage exceeding ten percent allows DMH to amend the LE and 24-Hour Residential Treatment contracts in a timely manner for the provision and expansion of specialty mental health services without interruption to clients who need these services.

NOTIFICATION TIMELINE

Board Policy No. 5.120 requires departments to provide written notice to your Board, with a copy to the Chief Executive Office, at least two weeks prior to the Board Meeting at which the request to exceed ten percent of the MCA will be presented. In compliance with this policy, DMH is notifying your Board of our intent to request delegated authority for up to 25 percent of the MCA through a Board letter to be presented on March 3, 2026.

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

LHW:RH:KN
SK:DO:atm

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