



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

June 09, 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 CONTRACTS TO INCREASE THEIR
MAXIMUM CONTRACT AMOUNTS FOR FISCAL YEAR 2025-26 FOR THE CONTINUOUS
PROVISION AND EXPANSION OF SPECIALTY MENTAL HEALTH SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to amend existing Department of Mental Health Legal Entity 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 in Attachment II), 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 aggregated increase is estimated to be \$6,504,405, fully funded by Federal Financial Participation (FFP), State General Fund (SGF), and local revenues.
2. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the LE contracts in Recommendation 1 to negotiate/revise contract language; add, delete, modify, negotiate, or replace the Statement(s) of Work and/or Service Exhibit(s) (SOW/SE), and Financial Provisions; reflect federal, State, and County regulatory and/or policy changes; roll over federal and/or State grant funds from one fiscal year to the next fiscal year, or between line items, as appropriate; take contract actions related to provisions within the Financial Provisions

(Exhibit A); revise the annual MCAs, provided that the County's total payment to each LE Contractor will not exceed an increase of more than 25 percent of the applicable annual MCA; all of which is contingent on sufficient funds being available as well as prior review and approval as to form by County Counsel with written notice to the Board and Chief Executive Office (CEO) are provided.

3. Delegate authority to the Director, or designee, to make non-material modifications to the LE contracts in Recommendation 1 through administrative amendments or change notices for the following and other similar reasons, as appropriate, which includes: changes to 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.

4. Delegate authority to the Director, or designee, to terminate the contracts described in Recommendation 1 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 II to increase the MCAs to provide Specialty Mental Health Services (SMHS) and to support contractors' capacity in expanding services to new and existing beneficiaries. This approval is being sought because the referenced LE contracts have reached the limit of their previously Board-approved delegated authority for FY 2025-26. The increase in funding percentages is required due to the need to pay for services rendered as well as additional services to be provided during the rest of the fiscal year (i.e., entitlement funds).

Board approval of Recommendations 2 and 3 will allow DMH to amend the contracts in Recommendation 1 to negotiate/revise contract language; modify SOW/SE and Financial Provisions; roll over federal and/or State grant funds from one fiscal year to the next fiscal year or between line items; take contract actions related to provisions within the Financial Provisions (Exhibit A); and revise annual MCAs for the continuous provision and expansion of SMHS and administrative corrections 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 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 aggregated increase for the LE contracts is estimated to be \$6,504,405 for FY 2025-26, fully funded by FFP, SGF, and local revenues.

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 in Attachment II. The same Board letter also delegated authority to DMH to amend the LE contracts to increase their MCAs up to 25 percent of their previously approved MCAs. As such, using the authority delegated, DMH amended these LE contracts up to the allowed 25 percent. Consequently, DMH is now returning to your Board for authority to further amend the referenced LE contracts in order to increase their MCAs for FY 2025-26. The increase in funding will allow further provision of SMHS services including outreach, engagement, and outpatient referrals for additional clients/referrals received.

On May 6, 2026, DMH requested an exemption to Board Policy No. 5.120 (Authority to Approve Increases to Board-Approved Contract Amounts) (Attachment III) from your Board for Medi-Cal funding in DMH's LE contracts.

The amendment format (Attachment I) has been approved as to form by County Counsel. Attachment II lists the LE contractors, along with their headquarter addresses, Supervisorial District (s), Service Area(s), current MCAs, and funding source(s).

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 contractors to provide ongoing SMHS services and allow DMH to make revisions/updates to the work provided by the contractors in a timely manner.

The Honorable Board of Supervisors

6/9/2026

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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:RH:KN:SK:DO:atm

Enclosures

CONTRACT NO. MHxxxx

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ___ day of June, 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, 2022, and further identified as County Contract No. MHxxxx, and all prior amendments (hereafter collectively “Contract”); and

WHEREAS, on June x, 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 Specialized Foster Care (SFC) Wraparound Medi-Cal (MC) Funded Program funds; increase Post-Release Community Supervision–Community Reintegration (PCSR) Program Medi-Cal (MC) Funded Program funds; increase Mental Health Services Act (MHSA) Full Service Partnership (FSP) Invoice Funded Program funds; increase Mental Health Services Act (MHSA) Full Services Partnership (FSP) Medi-Cal (MC) Funded Program funds; increase Mental Health Services Act (MHSA) Outpatient Care Services

(OCS) Medi-Cal (MC) Funded Program funds; increase Mental Health Services Act (MHSA) Prevention & Early Intervention (PEI) Non-Medi-Cal (Non-MC) Funded Program funds; increase Mental Health Services Act (MHSA) Prevention & Early Intervention (PEI) Medi-Cal (MC) Funded Program funds; and make other hereinafter designated changes; and (update accordingly)

WHEREAS, as a result of the above change(s) 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. SFC Wraparound MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
4. PCSR Program MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
5. MHSA FSP Invoice Funded Program funds are increased by \$_____, from \$_____ to \$_____.
6. MHSA FSP MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
7. MHSA OCS MC Funded Program funds are increased by \$_____, from \$_____.

to \$_____.

8. MHSA PEI Non-MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
9. MHSA PEI MC Funded Program funds are increased by \$_____, from \$_____ to \$_____. (update accordingly)
10. For FY 2025-26, the MCA is increased by \$_____, from \$_____ to \$_____.
11. 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 the Contract shall not exceed _____ DOLLARS (\$_____) and shall consist of Funded Programs as shown in Exhibit B – ____.”
12. 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.”
13. 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.
14. 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 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: CRAIG KIRKWOOD JR.
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	Eggleston Youth Centers, Inc.	256 W. Badillo Street, Covina, CA 91723	1	3	\$7,724,109	\$502,511	\$8,226,620
2	HealthRIGHT 360	1563 Mission Street, San Francisco, CA 94103	1,5	3	\$11,528,386	\$1,060,323	\$12,588,709
3	Korean American Family Services, Inc.	3727 W. 6th Street, Ste. 320, Los Angeles, CA 90020	3	4	\$704,676	\$15,065	\$719,741
4	Olive Crest	2130 E. 4th St #200, Santa Ana, CA 92705	4, 5	2,7,8	\$5,482,739	\$590,138	\$6,072,877
5	One In Long Beach, Inc.	2017 E. 4th Street, Long Beach, CA 90814-1011	4	8	\$370,386	\$60,000	\$430,386
6	Stirling Academy, Inc.	6931 Van Nuys Blvd., Suite 102, Van Nuys, CA 91405	2	2	\$3,338,503	\$308,300	\$3,646,803
7	Telecare Corporation	1080 Marina Village Parkway, Ste. 100, Alameda, CA 94501-1078	1,4	4,7,8	\$28,705,269	\$1,810,961	\$30,516,230
8	The Guidance Center	1301 Pine Avenue, Long Beach, CA 90813	4	8	\$21,564,464	\$2,157,107	\$23,721,571
					\$79,418,532	\$6,504,405	



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Chief Deputy Director

May 6, 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 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) contracts. DMH will request delegated authority for a 25 percent increase of their MCAs for the existing LE contracts for Fiscal Year (FY) 2025-26.

JUSTIFICATION

DMH will present your Board a letter for approval to amend the LE contracts for FY 2025-26 to increase their MCAs as the contractors have reached their previously Board-approved 25 percent delegated authority. The total aggregated increase is estimated to be \$6,504,405, fully funded by Federal Financial Participation, State General Fund, and local revenues.

Each Supervisor
May 6, 2026
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The authority to increase the percentage exceeding ten percent allows DMH to amend the LE 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 June 9, 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