AGN NO.

REVISED MOTION BY SUPERVISOR HOLLY J. MITCHELL July 21, 2026

Granting Contractual Authority to the Department of Health Services to Begin Implementation of Measure ER

On April 7, 2026, the Board of Supervisors (Board), through the motion titled *"Preparing to Immediately Implement the Essential Services Restoration Act Upon Voter Approval,"* [1] directed the Director of the Department of Health Services, (DHS) in collaboration with the Director of the Department of Public Social Services and the Community Clinic Association of Los Angeles County (CCALAC), to develop the details of a proposed program under which 45 percent of the Essential Services Restoration General Sales Tax Act revenues would be allocated to a limited number of non-profit partner providers, licensed under Section 1204(a) of the California Health and Safety Code, to furnish no cost or reduced cost care to low-income Los Angeles County residents who lack insurance, should the sales tax measure pass. On June 24, 2026, DHS released its report back.[2]

The Essential Services Restoration General Sales Tax Act was approved by voters and certified on June 26, 2026. DHS has been working with CCALAC since April to develop the details of the program that will be funded with the 45 percent allocation. The goal is to launch the program on January 4, 2027. To ensure the program is able to meet

[1] 4/7/26 Board Motion
[2] Preparing to Immediately Implement the Essential Services Restoration Act 6.24.26 final

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that goal, contracts with the non-profit partner providers should be executed by December 1, 2026. Also, existing contracts need to be amended, and new contracts need to be established with an eligibility and enrollment system provider, a claims administrator, and a 340B Pharmacy Services Administrator and Pharmacy Benefits Manager, with sufficient time for program preparation. These contracting needs include, but are not limited to, language and translation support, as well as printing services.

The implementation goals are to maximize transparency, accountability, efficiency, and the funding directed toward low-income health services. At the same time, the County seeks to minimize the cost of creating the new infrastructure required to implement this program and to avoid unnecessary redundancies.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Delegate authority to the Director of the Department of Health Services (DHS), or their designee, to:
    a. Execute new agreements with qualified community clinics for the provision of health care, dental, and ancillary services upon completion of a competitive solicitation, such as a Request for Statement of Qualifications or Request for Applications, subject to review and approval by County Counsel and at least two weeks' advance written notice to the Board and the Chief Executive Officer (CEO). The department may proceed unless an objection is received from ~~the CEO or a Board office~~ any two Board offices.
    b. Execute new agreements, or amend existing agreements, for the provision of specialty care services as well as diagnostic services, including but not limited to radiology services, upon completion of a Request for Information or similar process, subject to review and approval by County Counsel and at least two weeks' advance written notice to the Board and the CEO. The department may proceed unless an objection is received from ~~the CEO or a Board office~~ any two Board offices.
    c. Execute new agreements and/or purchase orders, or amend existing agreements and/or purchase orders, with providers of the following services: language translation; outreach and enrollment; external

stakeholder facilitation and support; and printing. These actions shall be subject to review and approval by County Counsel and at least two weeks' advance written notice to the Board for any new agreements and for any amendments that materially alter the terms of an agreement. The department may proceed unless an objection is received from ~~the CEO or a Board office~~ any two Board offices.

d. Execute amendments or change notices to the above agreements to modify the scope of work; add or delete sites; and adjust the budget and/or maximum contract obligations of each agreement, as needed, to address changes in program requirements and to ensure the equitable balancing of revenue and service availability under the new program. This authority also includes adding, deleting and/or changing certain terms and conditions in the agreements, as mandated by federal or State law or regulation, and/or by the Board. All actions shall be subject to review and approval by County Counsel and at least two weeks' advance written notification to the Board and the CEO of any amendments that materially alter the terms of an agreement. The department may proceed unless an objection is received from ~~the CEO or a Board office~~ any two Board offices.

e. Suspend and/or terminate the agreements above, in whole or in part, in accordance with the terms of each agreement, with all actions subject to review and approval by County Counsel and at least two weeks' advance written notification to the Board and the CEO. The department may proceed unless an objection is received from ~~the CEO or a Board office~~ any two Board offices.

f. Waive or modify standard County contracting terms and conditions, subject to review and approval by County Counsel.

2. ~~Delegate authority to the Director of DHS, or their designee, to enter into new agreements, upon completion of a competitive and streamlined solicitation, such as a Request for Statement of Qualifications or a Requestion for Applications, unless DHS demonstrates exigent circumstances that necessitate issuing new, or~~

~~amending existing agreements, including the material details of any such agreements or amendments, for the following services: an eligibility and enrollment system/service; a 340B pharmacy services administrator; a pharmacy benefit manager; eConsult/service and related services; and a claims adjudication service, subject to review and approval by County Counsel. DHS shall provide the Board at least two weeks' advance written notice of the details of the above agreements prior to negotiating these contracts and/or amendments, and shall also present these details, to the extent known, at a Health and Mental Health Cluster meeting no later than August 31, 2026. The department may proceed unless an objection is received from the CEO or a Board office.~~ Delegate authority to the Director of DHS, or their designee, to enter into new or amend existing agreements for the following services: an eligibility and enrollment system/service; a 340B pharmacy services administrator; a pharmacy benefit manager; eConsult and related services; and a claims adjudication service, subject to review and approval by County Counsel and two weeks' advance written notice to the Board. The department may proceed unless an objection is received from any two Board offices.

3. ~~Direct the Director of DHS to provide a presentation at the public-facing Health and Mental Health Services Cluster meeting before executing any agreements estimated to exceed $500,000, as authorized in Directives 1 through 3 above. The presentation should include details on the agreement terms, the proposed scope of work, and a description of how the services fit within the overall program design and meet the goals of Measure ER.~~ Direct the Director of DHS, or designee, to publicly post the Measure ER funded contracts in 1.a. and 2.b. for input and feedback and engage the Health and Mental Health Cluster Board deputies, the Community Clinic Association of Los Angeles County, LA Care, the Hospital Association of Southern California, the CEO's Anti-Racism, Diversity, and Inclusion Initiative, other relevant County departments, and interested stakeholders in the design, implementation, program eligibility, and administrative

principles, prior to exercising any delegated contracting authority regarding those contracts;

a. Among other things, these principles shall:

i. Set the criteria for coordination with Medi-Cal service eligibility, payment and quality assurance benchmarks;

ii. Minimize any new infrastructure costs needed to implement this new program in order to maximize the dollars going towards health care services for participants;

iii. Maximize continuity of health care; and

iv. Maximize transparency, accountability, equity and participant confidentiality;

4. Direct the Director of DHS, or their designee, to submit a written report to the Board by March 31, 2027, and biannually thereafter, with a listing of any contracts or agreements that were amended, terminated, or executed using the delegated authority provided in the above directives, including the total value of each contract or agreement, a summary statement of the work to be performed, and any relevant performance metrics.

   a. This report shall be posted on the public-facing safety net dashboard, which the Board authorized on April 14, 2026.

   b. The Director of DHS, or their designee, shall also present and report on progress at the public-facing Health and Mental Health Services Cluster meetings four times a year during the first year of implementation, (with the first presentation and report to be provided by August 31, 2026), and biannually thereafter.

5. All delegated authorities authorized in this motion shall expire 12 months after the end of Measure ER revenue collection.

6. DHS shall seek Board authority for any administrative and/or DHS service-delivery costs exceeding 10% of the estimated sales tax revenue that is allocated for this program.

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