



FESIA A. DAVENPORT
Chief Executive Officer

County of Los Angeles Health and Mental Health Services

DATE: Wednesday, January 27, 2021
TIME: 10:00 a.m.

**DUE TO CLOSURE OF ALL COUNTY BUILDINGS,
MEETING WILL BE HELD BY PHONE.
TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:
DIAL-IN NUMBER: 1 (323) 776-6996
CONFERENCE ID: 479494149#**

**THIS TELECONFERENCE WILL BE MUTED FOR ALL CALLERS. PLEASE DIAL *6 TO
UNMUTE YOUR PHONE WHEN IT IS YOUR TIME TO SPEAK.**

AGENDA

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Three (3) minutes are allowed for each item.

- I. Call to order
- II. **Presentation Item(s):**
 - a. **DHS:** Approval of Delegations of Authority for Contracting Actions Regarding Housekeeping Services and Related Support of the Department of Health Services' Efforts in Response to the Coronavirus Disease 2019 Pandemic
 - b. **DMH:** Approval to Amend Existing Legal Entity Contracts to Increase the Maximum Contract Amounts for Fiscal Year 2020-21 for the Continued Provision of Specialty Mental Health Services
- III. Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting
- IV. Items not on the posted agenda for matters requiring immediate action because of an emergency situation, or where the need to take immediate action came to the attention of the Department subsequent to the posting of the agenda
- V. Public Comment

VI. Adjournment

BOARD LETTER FACT SHEET

Agenda Review Date:

Board Meeting Date:

Sup. Dist. / SPA No.:

DEPARTMENT:

SUBJECT:

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

II. RECOMMENDED ACTIONS (summarized)

III. COST AND FUNDING SOURCES

Cost:

Funding:

IV. BACKGROUND (critical and/or insightful)

V. POTENTIAL ISSUE(S)

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

February 9, 2021

REVISED

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

DRAFT
DHS Letterhead

Dear Supervisors:

**APPROVAL OF DELEGATIONS OF AUTHORITY FOR CONTRACTING ACTIONS
REGARDING HOUSEKEEPING SERVICES AND RELATED SUPPORT OF THE
DEPARTMENT OF HEALTH SERVICES' EFFORTS IN RESPONSE TO THE
CORONAVIRUS DISEASE 2019 PANDEMIC
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request for approval of delegated authority to the Director of Health Services, or designee, to amend Housekeeping Services Agreements with two contractors to extend the term of the agreements, increase the maximum obligation of the County accordingly, and consolidate and increase the Department of Health Services' contingency spending authority to address emergency and expanded needs for housekeeping services under these Agreement, and to reaffirm prior delegations of authority approved by the Board of Supervisors to allow for the continued provision of housekeeping services at the County's health care facilities and to support the Department of Health Services' ongoing efforts in response to the Coronavirus Disease 2019 (COVID-19) pandemic.

The Department of Health Services recommends:

1. Delegate authority to the Director of Health Services (Director), or designee, to negotiate and execute Amendments to three Agreements for housekeeping services: Agreement No. 77529 and Agreement No. 77917 with Servicon Systems, Inc. (Servicon) and Agreement No. 77855 with Sodexo America, LLC (Sodexo), to (a) extend the term of each Agreement on a month-to-month basis automatically until such a time when the proclamation of local and public health emergency (Emergency) is lifted by the Board of Supervisors (Board) and successor agreements are approved by the Board and implemented by the Department of Health Services (DHS); (b) increase the County's maximum obligation under the three current Agreements accordingly; (c) and increase COVID-19 and non COVID-19 contingency funds into a single contingency fund equivalent to 40 percent of the County's annual maximum obligation under each such Agreement, with an option to shift the contingency fund

allocations among the three Agreements, all subject to prior review and approval by County Counsel.

2. Reaffirm delegations of authority pertaining to these Agreements previously granted by the Board to the Director, or designee, which allow DHS to: (a) modify the Statements of Work; (b) add and/or remove facilities or other spaces serviced under the Agreements; (c) add, delete and/or modify non-substantive terms and conditions and those required by the Board, the Chief Executive Officer (CEO) and/or by law; (d) utilize the contingency funds allocated under each Agreement for reimbursement of any additional emergency or expanded services; and (e) terminate the Agreements, if necessary, in accordance with the provisions of the Agreements, all subject to prior review and approval by County Counsel.
3. In light of the COVID-19 Emergency, waive a Board Policy 5.100 requirement that DHS provide advance written notice and justification to the Board for the Amendments to the three Agreements described in Recommendation 1 and allow the extension period for each such Agreement to exceed 12 months if necessary.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Since the onset of the COVID-19 pandemic, the County implemented Quarantine and Isolation (QI) Sites and Testing Centers at various County and non-County locations throughout Los Angeles County, and experienced the impact of the pandemic at County's health care facilities. All of these events resulted in an increased need for housekeeping services, which DHS addressed initially (in part) by reimbursing the housekeeping services contractors with contingency funds generally allocated for expanded services. In anticipation that the general contingency spending authority would not suffice, DHS received approval from the Chief Executive Officer (CEO) on May 12, 2020, via the CEO's emergency authority, to allocate a separate COVID-19 contingency fund for the three Agreements, in an amount not to exceed 15% of the aggregate annual maximum County obligation under the Agreements to reimburse Servicon and Sodexo for provision of housekeeping services related to and/or resulting from the COVID-19 Emergency.

The current Housekeeping Agreements were intended to service County's health care facilities, including medical centers and health clinics. However, due to COVID-19, the service coverage under the Agreements was expanded to include the aforementioned QI and Testing Centers, as well as to perform specialized cleaning services on behalf of the Integrated Correctional Health Services (ICHS) program at the County jails. Recently, the DHS forecasts indicated that the 15 percent contingency fund established specifically to address COVID-19 would be exceeded before the Agreements' expiration date of February 28, 2021. With approval from the CEO, pursuant to the CEO's delegated authority of October 13, 2020, DHS merged all available contingency funds categories for

the Housekeeping Agreements into one pool (30 percent of the aggregate annual maximum County obligation under these Agreements) to be utilized in response to the COVID-19 Emergency or any other emergency or required expansion for the remaining term of the Agreements. Moving forward, DHS is requesting that the Board authorize and delegate similar authority to the Director, or designee, and increase the contingency fund allocation to 40 percent to prevent potential delays in meeting the health care facilities' needs for Emergency related housekeeping services during the recommended extension period.

Approval of the first recommendation will allow the Director, or designee, to negotiate and execute Amendments to the Housekeeping Agreements with Servicon and Sodexo to extend the term of each Agreement on a month-to-month basis automatically until such a time when the proclamation of the Emergency is lifted by the Board and, following a new successful solicitation, the successor agreements are awarded, which may include additional services deemed essential to address post-pandemic needs and increase the County's maximum obligation under each Agreement accordingly. Approval of the recommendation will also provide a revised single contingency fund category of 40% of the annual maximum obligation, which is to be renewed annually, with an option to shift the contingency fund allocations among the three Agreements. This will enable DHS to continue to effectively manage unanticipated needs by improving operational workflow and cost efficiency.

The current Housekeeping Agreements are due to expire on February 28, 2021.

Approval of the second recommendation will allow the Director, or designee, to continue to utilize delegations of authority previously granted by the Board for the extension term of the Agreements allowing DHS the flexibility for continued provision of necessary services and to remain nimble during uncertain times.

Approval of the third recommendation will allow DHS to deviate from Board Policy 5.100 in order to secure continuity of essential services during the COVID-19 pandemic until it is safe, prudent and practicable to award successor contracts and potentially change service providers.

Implementation of Strategic Plan Goals

The recommended actions support Strategy II.2, "Support the Wellness of Our Communities" and III.3, "Pursue Operational Effectiveness, Fiscal Responsibility and Accountability" of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

DHS will initially fund its additional cost for COVID-19 related housekeeping services and will subsequently seek reimbursement from the Federal Emergency Management Agency and the CARES Act coronavirus relief funds to offset all costs incurred due to the COVID-19 response.

The total Maximum Contract Sum for all Housekeeping Agreements is ~~\$50,267,266~~58,199,824. This total includes ~~-\$24,472,835~~30,088,450 for Agreement 77855, ~~\$4,953,188~~6,283,921 for Agreement 77529, and ~~\$20,841,243~~21,827,453 for Agreement 77917.

Funding is included in the DHS Fiscal Year (FY) 2020-21 Final Budget and will be requested during Mid-Year Budget Adjustment as necessary. FY 2021-22 and FY 2022-23 funding will be requested in future years' budgets.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 4, 2020, the Board of Supervisors (Board) proclaimed a State of Emergency regarding COVID-19. The recommendations above are presented in anticipation of a continued need by DHS to address housekeeping needs related to the COVID-19 pandemic.

On March 31, 2020, the Board approved a motion delegating certain authorities to the Chief Executive Officer during declared states of emergency, as related to COVID-19.

On May 12, 2020, DHS received approval from the Chief Executive Office, by delegated authority, to expand the scope of contracted housekeeping services with Servicon and Sodexo via a separate COVID-19 contingency fund in an amount not to exceed 15% of the County's aggregate maximum obligation under both Agreements. Such funds are to be used solely to address increased workload associated with the COVID-19 related activities.

Any adjustments between the designated contingency categories within each Agreement, or between the Agreements, shall not exceed the total of contingency authority approved by the Board.

The Agreements include all Board required provisions, including County's right to terminate for convenience when deemed necessary by the County, with 10 day written notice.

All amendments are subject to prior review and approval as to form by County Counsel.

CONTRACTING PROCESS

The current Housekeeping Agreements were awarded as a result of a competitive solicitation process and are slated to expire February 28, 2021. DHS completed a solicitation process shortly after the declaration of the local emergency. However, DHS determined any potential turnover would pose a hardship on the County at a time when its health care facilities are focused on treating victims of the pandemic and mitigating proliferation of the virus. Efforts to award successor Agreements were suspended, and the solicitation was cancelled given that the post-pandemic long term needs of the health care facilities is unknown. An extension of the term on the three Agreements is recommended until such a time that implementation of new Agreements is deemed safe.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will give DHS the necessary flexibility to (i) conduct a solicitation and execute new Agreements at a time when it is deemed safe and appropriate to do so, without putting patient safety at risk, and (ii) timely meet critical needs in its response to the COVID-19 pandemic.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:db

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

Agenda Review Date: January 27, 2021

Board Meeting Date: February 9, 2021

Sup. Dist. / SPA No.: 1, 4, & 5

BOARD LETTER FACT SHEET

DRAFT

CEO DA Approval

DEPARTMENT: *Mental Health*

SUBJECT:

Approval to amend existing Legal Entity Contracts to increase the maximum contract amounts for FY 2020-21 for Helpline Youth Counseling Inc. and Spritt Family Services for the continued provision of specialty mental health services.

I. PUBLIC BENEFIT (precise description, mandated or non-mandated)

This is an entitlement program for the provision of specialty mental health services (Specialized Foster Care Wraparound Medi-cal services)

II. RECOMMENDED ACTIONS (summarized)

Authorize the Director of Mental Health to execute an amendment to existing DMH Legal Entity Contracts with Helpline Youth Counseling, Inc. and Spritt Family Services to increase the Maximum Contract Amounts (MCA) for Fiscal Year 2020-21. Delegate authority to Director to execute future amendments to revise boilerplate language, revise the annual MCAs, add, delete, modify or replace the SOW, and/or reflect federal, State, and County regulatory and/or policy changes. Delegate authority to Director to terminate the contract in accordance with termination provisions.

III. COST AND FUNDING SOURCES

Cost: The total aggregate increase is \$582,898.

Funding: 2011 Realignment Federal Financial Participation (FFP) Medi-Cal revenues

IV. BACKGROUND (critical and/or insightful)

The Contracts with Helpline Youth Counseling, Inc. and Spritt Family Services have reached the 25 percent delegated authority for FY 2020-21 due to increased need for services. DMH seeks authority to amend these contracts to increase their MCAs, specifically for the provision of Specialized Foster Care Wraparound Medi-cal services.

V. POTENTIAL ISSUE(S)

N/A

VI. DEPARTMENT & COUNTY COUNSEL CONTACTS

Terri Boykins, Deputy Director, TBoykins@dmh.lacounty.gov, - (213) 738-2408
Emily Issa, County Counsel, EIssa@counsel.lacounty.gov, - (213) 974-1827



DEPARTMENT OF MENTAL HEALTH

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JONATHAN E. SHERIN, M.D., Ph.D.
Director

Gregory C. Polk, M.P.A.
Chief Deputy Director

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

Lisa H. Wong, Psy.D.
Senior Deputy Director

February 9, 2021

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 THE MAXIMUM CONTRACT AMOUNTS FOR
FISCAL YEAR 2020-21 FOR THE CONTINUED PROVISION
OF SPECIALTY MENTAL HEALTH SERVICES**

**(SUPERVISORIAL DISTRICTS 1, 4, and 5)
(3 VOTES)**

SUBJECT

Request approval to amend two existing Department of Mental Health Legal Entity Contracts to increase the Maximum Contract Amounts for the continued provision of specialty mental health services for Fiscal Year 2020-21.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute an amendment to two existing Department of Mental Health (DMH) Legal Entity (LE) Contracts, Helpline Youth Counseling Inc. and Spiritt Family Services, to increase the Maximum Contract Amounts (MCA) for Fiscal Year (FY) 2020-21, as listed in Attachment I. The amendment will be effective upon Board approval for FY 2020-21; the total aggregate increase for these LE Contracts (Attachment I) is \$582,898 fully funded by 2011 Realignment – Early, Periodic Screening, Diagnosis and Training (EPSDT) and Federal Financial Participation (FFP) Medi-Cal revenues.

2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the LE Contracts in Recommendation 1 to revise the boilerplate language; revise the annual MCAs; add, delete, modify, or replace the Service Exhibits and/or Statements of Work; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) the County's total payments to each LE Contractor will not exceed an increase of more than 25 percent of the Board-approved MCA in Recommendation 1; and 2) sufficient funds are available. These amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and Chief Executive Officer (CEO).
3. Delegate authority to the Director, or his designee, to terminate the Contracts described in Recommendation 1 in accordance with the termination provisions, including Termination for Convenience. The Director, or his designee, will notify the Board and CEO, in writing, of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Board approval of Recommendation 1 will allow DMH to amend two LE Contracts in order to increase the MCAs for the continued provision of specialty mental health services; the LE Contracts have reached their previous Board-approved 25 percent delegated authority for FY 2020-21.

The LE Contractors listed on Attachment I provide a variety of specialty mental health services in Supervisorial Districts 1, 4, and 5. DMH previously amended these LE Contracts up to delegated authority and is returning to your Board for authority to amend the LE Contracts to increase funds for FY 2020-21.

Board approval of Recommendation 2 will allow DMH to amend the LE Contracts in Recommendation 1 in a timely manner, as necessary, for the continuous provision and expansion of mental health services without interruption to clients who are in need of these services.

Board approval of Recommendation 3 will allow DMH to terminate the LE Contracts in accordance with the LE 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 Strategic Plan Goal I, Make Investments that Transform Lives, specifically Strategy 1.1 — Increase Our Focus on Prevention Initiatives, and Strategy 1.2 — Enhance Our Delivery of Comprehensive Interventions.

FISCAL IMPACT/FINANCING

For FY 2020-21, the total aggregate increase for the LE Contracts is \$582,898, fully funded by 2011 Realignment – EPSDT and FFP Medi-Cal revenues.

Sufficient funding is included in the DMH's Final Adopted budget for FY 2020-21 for these amendments.

There is no net County cost impact associated with the recommended actions.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 6, 2018, your Board authorized the Director to enter into 133 LE Contracts, which included the LE Contracts listed in Attachment I.

DMH is seeking your Board's authority to amend the LE Contracts listed on Attachment I in order to increase the MCAs. These LE Contractors have reached the 25 percent delegated authority for FY 2020-21. The increase of funds is for the provision of Specialized Foster Care services.

In accordance with Board Policy, Section 5.120, Authority to Approve Increases to Board-Approved Contract Amounts requirements, DMH notified your Board on January 26, 2021, (Attachment II), of its intent to request delegated authority of more than ten percent.

Under the Board Policy No. 5.100 (Sole Source Contracts), 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 contract. On July 14, 2020, (Attachment III) DMH notified your Board requesting an exemption to the six-month advance notification as LE Contractors provide a federal entitlement to Medi-Cal beneficiaries and the need to amend as expeditiously as possible is essential to ensure continuous specialty mental health services.

The amendment format has been approved as to form by County Counsel.

Attachment I lists the LE Contractors and includes their headquarter addresses, Supervisorial District(s), Service Area(s), and the MCA.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractor's 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 mental health services and allow DMH the ability to make revisions/updates to the work provided by the LE Contractors in a timely manner.

Respectfully submitted,

JONATHAN E. SHERIN, M.D., Ph.D.
Director

JES:GCP:ES
SK:MP:atm

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Chairperson, Mental Health Commission

LOS ANGELES COUNTY
Department of Mental Health
Increase of Maximum Contract Amounts for FY 2020-21 for the Continued Provision
of Specialty Mental Health Services

Legal Entity Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	Current MCA for FY 2020-21	Increase for FY 2020-21	Revised MCA for FY 2020-21
Helpline Youth Counseling, Inc.	14181 Telegraph Rd. Whittier, CA 90604	4	7	\$2,882,256	\$43,176	\$2,925,431
Spiritt Family Services	8000 Painter Avenue Whittier, CA 90602	1,4, & 5	3 & 7	\$3,096,512	\$539,722	\$3,636,234
TOTAL AGGREGATED AMOUNT AMENDED FOR FY 2020-21					\$582,898	



DEPARTMENT OF MENTAL HEALTH

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JONATHAN E. SHERIN, M.D., Ph.D.
Director

Gregory C. Polk, M.P.A.
Chief Deputy Director

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

Lisa H. Wong, Psy.D.
Senior Deputy Director

January 26, 2021

TO: Supervisor Hilda L. Solis, Chair
Supervisor Holly J. Mitchell
Supervisor Sheila Kuehl
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Jonathan E. Sherin, M.D., Ph.D.
Director

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED AUTHORITY FOR
A PERCENTAGE INCREASE EXCEEDING TEN PERCENT OF THE
MAXIMUM CONTRACT AMOUNT FOR DEPARTMENT OF MENTAL
HEALTH LEGAL ENTITY CONTRACTS**

SUBJECT

In accordance with Los Angeles County Board of Supervisors' (Board) Policy 5.120, 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 Amounts (MCAs) for Helpline Youth Counseling, Inc., and Spiritt Family Services Legal Entity (LE) Contracts. DMH will request delegated authority for a 25 percent increase of the MCAs for Fiscal Year (FY) 2020-21.

JUSTIFICATION

On February 9, 2021, DMH will present to your Board a letter for approval to amend existing LE Contracts to increase the MCAs for the continued provision of specialty mental health services for FY 2020-21, as the LE Contractors have reached their previous Board-approved 25 percent delegated authority for FY 2020-21. Specifically, the increases are for the provision of Specialized Foster Care Medi-Cal Services.

Each Supervisor
January 26, 2021
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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 continuous provision and expansion of mental health services without interruption to clients who are in need of 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 Officer, 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 up to 25 percent of the MCA through a Board letter to be presented at the February 9, 2021, Board Meeting.

If you have any questions or concerns, please contact me at (213) 738-4601, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at (213) 738-4023.

JES:GCP:ES
SK:MP:atm

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



DEPARTMENT OF MENTAL HEALTH

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JONATHAN E. SHERIN, M.D., Ph.D.
Director

Gregory C. Polk, M.P.A.
Chief Deputy Director

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

July 14, 2020

TO: Supervisor Kathryn Barger, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Janice Hahn

FROM: Jonathan E. Sherin, M.D., Ph.D.

SUBJECT: **REQUEST AN EXEMPTION OF NOTIFICATION REQUIREMENT
UNDER BOARD POLICY NO. 5.100 - SOLE SOURCE CONTRACTS
FOR DEPARTMENTAL LEGAL ENTITY CONTRACTS THAT PROVIDE
MENTAL HEALTH SERVICES TO MEDI-CAL ELIGIBLE
BENEFICIARIES**

In accordance with Los Angeles County Board of Supervisors' (Board) Policy No. 5.100, the Department of Mental Health (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 contract."

This memo is to request an exemption to the notification requirement under Policy No. 5.100, for Legal Entity (LE) Contracts for the provision of specialty mental health service and programs which Medi-Cal eligible beneficiaries are entitled to receive.

JUSTIFICATION

Welfare and Institutions (W&I) Code Section 14712 directs the State of California (State) to implement and administer the Managed Mental Health Care for Medi-Cal eligible residents for the State. This W&I Code section requires a contractual agreement between the State and the County to operate as the Mental Health Plan (MHP) responsible for the delivery of specialty mental health services to the County's eligible Medi-Cal beneficiaries. Through the MHP Agreement, DMH agrees to operate the MHP for the County. The MHP Agreement sets comprehensive requirements for DMH to provide or arrange for the provision of all covered, medically necessary Specialty Mental Health Services (SMHS) to Medi-Cal beneficiaries in the County. As such, DMH provides such SMHS services

Each Supervisor
July 14, 2020
Page 2

through its directly-operated clinics as well as contractors through its numerous LE Contracts.

On March 30, 2016, the Centers of Medicare and Medicaid Services (CMS) issued the Parity Rule in the Federal Register to strengthen access to mental health and substance use disorder services for Medi-Cal beneficiaries. The Parity Rule mandates that MPHs ensure access to care through an adequate provider network without unreasonable limitations to the scope or duration of mental health benefits. In order to comply with these requirements, DMH must ensure that an adequate network of providers and services are available throughout the County.

On June 6, 2018, the Board authorized the Director of DMH to execute new Legal Entity Contracts with its community-based providers. Additionally, the Board granted the Director of DMH the authority to amend the LE Contracts and increase the approved Maximum Contract Amounts (MCA) by 25 percent. However, from time-to-time, these LE Contracts require an amendment to increase the MCA beyond the initial 25 percent authority. This happens for various reasons, including LE Contractors providing services to new beneficiaries; providing additional services to existing beneficiaries; and/or expanding the scope of existing services. Additionally, this could happen at any time during the fiscal year, therefore, necessitating DMH to amend LE Contracts throughout a given fiscal year.

Under the revised Sole Source Policy No. 5.100, DMH is now required to give the Board a six-month advance notification. Since these LE Contractors provide a federal entitlement to beneficiaries, the need to amend as expeditiously as possible is essential. Although DMH has to obtain Board approval when it exceeds its delegated authority, seeking an additional six-month advance notification to the Board is an unnecessary layer of bureaucracy that may delay federally entitled services and expose the department to liability. Therefore, DMH is requesting that your Board make an exception to the six-month advance notification requirement for these contracts only.

If you have any questions or concerns, please contact me at (213) 738-4601, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at (213) 738-4023.

JES:GP:ES:sk

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

Gregory Polk
Edgar Soto
Stella Krikorian