



# Board of Supervisors Health and Mental Health Cluster Agenda Review Meeting

**DATE:** March 19, 2025

**TIME:** 9:00 a.m. – 11:30 a.m. *(Please note the earlier start time)*

**MEETING CHAIR:** Tyler Cash, 5<sup>th</sup> Supervisorial District

**CEO MEETING FACILITATOR:** Jack Arutyunyan

**THIS MEETING IS HELD UNDER THE GUIDELINES OF BOARD POLICY 3.055**

To participate in the meeting in-person, the meeting location is:

Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Room 140

To participate in the meeting virtually, please call teleconference number:

1 (323) 776-6996 and enter the following: 880 681 649# or [Click here to join the meeting](#)

For Spanish Interpretation, the Public should send emails within 48 hours in advance of the meeting to [ClusterAccommodationRequest@bos.lacounty.gov](mailto:ClusterAccommodationRequest@bos.lacounty.gov)

Members of the Public may address the Health and Mental Health Services Meeting on any agenda item. Two (2) minutes are allowed for each item.

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

- I. Call to order
- II. **Information Item(s) (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):**
  - a. **DHS:** Adopt a Resolution to Support the Ambulance Services Contract Policy
  - b. **DHS:** Authorize the Sole Source Acquisition of Various Radiology Equipment for Los Angeles General Medical Center
  - c. **DHS:** Approval of Continued Sole Source Contracting for Central Fill Pharmacy and Automation System

- d. **DPH:** Recommendation to Continue the Declared Local Health Emergency for the January 2025 Critical Fire Events (#08091)

**III. Board Motion(s):**

- a. **SD5** - Implementing Consultant Recommendation to Enhance the County's Oversight of Skilled Nursing Facilities
- b. **SD5** - Authorize the Los Angeles County Development Authority to Act as an Agent of the County in Participating in and Implementing the Homekey+ Program

**IV. Presentation Item(s) (Set to be heard at 9:00 a.m.):**

- a. **CEO: Fiscal Year 2025-26 Recommended Budget Recommendations**
  - Health Services
  - Mental Health
  - Public Health

**V.** Items Continued from a Previous Meeting of the Board of Supervisors or from the Previous Agenda Review Meeting

**VI.** 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.

**VII.** Public Comment

**VIII.** Adjournment

IF YOU WOULD LIKE TO EMAIL A COMMENT ON AN ITEM ON THE HEALTH AND MENTAL HEALTH SERVICES CLUSTER AGENDA, PLEASE USE THE FOLLOWING EMAIL AND INCLUDE THE AGENDA NUMBER YOU ARE COMMENTING ON:

**HEALTH\_AND\_MENTAL\_HEALTH\_SERVICES@CEO.LACOUNTY.GOV**

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	3/19/2025	
<b>BOARD MEETING DATE</b>	4/8/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	HEALTH SERVICES	
<b>SUBJECT</b>	ADOPT A RESOLUTION TO SUPPORT THE AMBULANCE SERVICES CONTRACT POLICY AS REQUIRED BY CALIFORNIA HEALTH AND SAFETY CODE SECTION 1797.230	
<b>PROGRAM</b>	EMERGENCY MEDICAL SERVICES AGENCY	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable	
<b>DEADLINES/ TIME CONSTRAINTS</b>	The adoption of the resolution is needed by April to allow DHS and EMS to finalize the solicitation documents the State EMS Authority will need to approve before DHS can release the RFP for Emergency Ambulance Transportation agreements that will succeed the current agreements that expire on June 30, 2027. Due to the length of time the State EMS Authority takes to review, DHS will need the Board to adopt the resolution to maintain its timeline.	
<b>COST &amp; FUNDING</b>	Total cost: N/A	Funding source: N/A
	TERMS (if applicable):	
	Explanation: N/A	
<b>PURPOSE OF REQUEST</b>	Request the Board to adopt a resolution to support the 9-1-1 Emergency Operating Area (EOA) service agreements as required by the California Health and Safety Code Section 1979.230(c).	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	California Health and Safety Code Section 1797.230(c) states that a county shall not enter into or renew a contract for emergency ambulance services on or after January 1, 2022 unless the county board of supervisors has adopted, by ordinance or resolution, a written policy setting forth issues to be considered for inclusion in the upcoming county contract for emergency ambulance services.	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain how:	
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please state which one(s) and explain how:	

<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email: (C&G) Peter Tam; ASM II; (213) 288-7325; ptam@dhs.lacounty.gov (C&G) Ruth Guerrero; ASM III; (213) 288-8170; rguerrero@dhs.lacounty.gov (EMS) Jacqueline Rifenburg; EMS Assistant Director; (562) 378-1640; jrifenburg@dhs.lacounty.gov (CoCo) Sara Zimbler; Principal County Counsel; (213) 503-9950; szimbler@counsel.lacounty.gov
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DRAFT

April 8, 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:

**ADOPT A RESOLUTION TO SUPPORT THE AMBULANCE SERVICES CONTRACT  
POLICY AS REQUIRED BY CALIFORNIA HEALTH AND SAFETY CODE SECTION  
1797.230  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

The Los Angeles County (LA County) Department of Health Services (DHS) Emergency Medical Services (EMS) Agency requests that the Board of Supervisors (Board) adopt a resolution to support the 9-1-1 Emergency Operating Area service agreements as required by the California Health and Safety Code Section 1799.230(c).

**IT IS RECOMMENDED THAT THE BOARD:**

Adopt and instruct the Chair of your Board to sign and execute a resolution (Attachment I) to support the 9-1-1 Emergency Operating Area (EOA) service agreements as required by the California Health and Safety Code Section 1799.230(c).

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

California Health and Safety Code Section 1797.230(c) states that a County shall not enter into or renew a contract for emergency ambulance services on or after January 1, 2022 unless the County's Board has adopted, by ordinance or resolution, a written policy setting forth issues to be considered for inclusion in the upcoming County contract for emergency ambulance services which may include, but not limited to, all of the following: i) Employment retention requirements of the employees of the incumbent ambulance service; ii) Demonstrated experience servicing similar populations and geographic areas; iii) Diversity and equity efforts addressing the unique needs of vulnerable and underserved populations in the service area; iv) Financial requirements, including requiring private ambulance service provider to show proof of insurance and bonding; and v) A description of the ambulance services provider's public information and education activities, and community involvement.

Approval of the recommended action will allow the EMS Agency to demonstrate LA County's compliance with California Health and Safety Code Section 1797.230(c). The resolution is needed now as the current 9-1-1 EOA service agreements expire on June 30, 2027, and, in DHS' experience, the competitive solicitation process for this service is nuanced and lengthy because it requires coordination with the State.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended action supports the Countywide Strategic Plan's North Star III, "Realize Tomorrow's Government Today" to provide opportunities to increase a diverse and inclusive workforce.

### **FISCAL IMPACT/FINANCING**

The recommended action has no financial impact to LA County.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Pursuant to the California Health and Safety Code 1797.230, the Board may, by ordinance or resolution, adopt a written policy setting for the previously stated issues to be considered for inclusion in the LA County contract for emergency ambulance services.

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

Approval of the recommendation action will allow the EMS Agency to begin the Request for Proposal for Emergency Ambulance Services process once adopted.

### **CONCLUSION**

It is requested that the Executive Office, Board of Supervisors return one certified copy of the Minute Order, an adopted copy of this Board letter, and original executed resolution to the EMS Agency at 10100 Pioneer Boulevard, Suite 200, Santa Fe Springs, CA 90670.

Respectfully Submitted,

Christina R. Ghaly, M.D.  
Director

CRG:JR

Attachment

The Honorable Board of Supervisors

April 8, 2025

Page 3

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Emergency Medical Services Commission

**RESOLUTION TO SUPPORT THE AMBULANCE SERVICES CONTRACT  
POLICY AS REQUIRED BY CALIFORNIA HEALTH AND SAFETY CODE  
SECTION 1797.230**

WHEREAS, in accordance with the California Health and Safety Code Section 1797.200, the County of Los Angeles (County) Department of Health Services Emergency Medical Services (EMS) Agency has been designated as the local EMS agency by the County Board of Supervisors (Board); and

WHEREAS, in accordance with the California Health and Safety Code Section 1797.204 requires local EMS agencies to plan, implement, and evaluate an EMS system consisting of an organized pattern of readiness and response services based on public and private agreements and operations procedures; and

WHEREAS, in 2016 the County's EMS Agency awarded four (4) 9-1-1 Exclusive Operating Area (EOA) service agreements through a competitive Request for Proposals solicitation process, in accordance with the California Health and Safety Code Section 1797.224; and

WHEREAS, the current 9-1-1 EOA service agreements to provide emergency 9-1-1 medical response services in the County that expire on June 30, 2027.

WHEREAS, in accordance with the California Health and Safety Code 1797.230(c), this resolution provides the written policy setting for issues to be considered for inclusion in the upcoming County's 9-1-1 EOA service agreements; and

NOW THEREFORE BE IT RESOLVED the provisions of the 9-1-1 EOA service agreements shall include the following provisions as indicated in the California Health and Safety Code Section 1797.230(c):

1. Employment retention requirements of the employees of the incumbent ambulance service,
2. Demonstrated experience servicing similar populations and geographic areas,
3. Diversity and equity efforts addressing the unique needs of vulnerable and underserved populations in the service area,
4. Financial requirements, including requiring private ambulance service provider to show proof of insurance and bonding,
5. A description of the ambulance services provider's public information and education activities, and community involvement.



**ATTACHMENT I**

The foregoing County of Los Angeles Resolution was adopted on the \_\_\_\_\_ day of \_\_\_\_\_, 2025, by the Board of Supervisors of the County of Los Angeles.

COUNTY OF LOS ANGELES

By

\_\_\_\_\_  
Chair, Board of Supervisors

Attest:

EDWARD YEN,  
Executive Officer- Board of  
Supervisors of the  
County of Los Angeles

By

\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
DAWYN R. HARRISON,  
COUNTY COUNSEL  
OFFICE OF THE COUNTY COUNSEL

By \_\_\_\_\_  
Sara Zimblar  
Principal Deputy County Counsel

## BOARD LETTER/MEMO CLUSTER FACT SHEET

 Board Letter

 Board Memo

 Other

<b>CLUSTER AGENDA REVIEW DATE</b>	3/19/2025	
<b>BOARD MEETING DATE</b>	4/8/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input type="checkbox"/> All <input checked="" type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Health Services	
<b>SUBJECT</b>	Authorize the Sole Source Acquisition of Various Radiology Equipment for Los Angeles General Medical Center	
<b>PROGRAM</b>	N/A	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
	If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>	
<b>DEADLINES/ TIME CONSTRAINTS</b>	N/A	
<b>COST &amp; FUNDING</b>	Total cost: \$3,710,000	Funding source: Existing resources
	TERMS (if applicable): N/A	
	Explanation:	
<b>PURPOSE OF REQUEST</b>	Authorize the Director of Internal Services Department, as the LA County's Purchasing Agent, to proceed with the sole source acquisition of various radiology equipment for Department of Health Services' (DHS) Los Angeles General Medical Center (LA General MC), with a total estimated cost of \$3.710 million.	
<b>BACKGROUND (include internal/external issues that may exist including any related motions)</b>	<p>The acquisition will allow LA General MC to replace the one current CT scanner and an additional Emergency Room (ER) CT scanner to keep pace with large volume of the ER CT request.</p> <p>By way of background, the Board of Supervisors instructed the Director on February 5, 2013, to report back within 30 days on DHS protocols for prioritizing medical equipment purchases, maintenance and replacement throughout all of its facilities. On March 5, 2013, the Director provided his report to the Board, which described the criteria used to determine the priority and timing for replacement of medical equipment at all DHS facilities. Beginning in FY 2013-14, the Department established a \$10,000,000 ongoing revolving fund to purchase and install the radiology equipment and make the necessary room alterations required to accommodate such equipment throughout DHS. DHS subsequently convened a group of subject matter expert radiologists and supply chain staff to assess DHS patient care needs for the future and thoroughly review available imaging technology in an effort to standardize imaging</p>	

	<p>care across DHS, which will also provide the opportunity for group purchasing discounts; and ensure consistent integration with the Online Realtime Centralized Health Information Database system (ORCHID, formerly referred to as the Electronic Health Record Information System). This group has approved the use of these radiology funds to purchase the recommended radiology equipment for LA General MC identified in Attachment A.</p> <p>Computed Tomography Equipment: Aquilion One Prism Edition CT (CT Scanner) is used in diagnosis and interventional treatment of emergent and non-emergent pathology. CT imaging is crucial in stroke, trauma, and oncology patients. LA General MC depends on CT for the function of its Level One Trauma Center. The current CT Scanners are functioning at maximum capacity and nearing end of life. The acquisition will replace one CT Scanner and one additional Emergency Room (ER) CT Scanner to keep pace with large volume of ER CT requests. DHS plans to purchase a proprietary CT Scanner from Canon because of the proprietary Advanced Intelligent Clear-IQ Engine, a spectral deep learning reconstruction technology, which is able to differentiate between true signal and noise to produce high quality scans without decreasing speed nor increasing dose.</p> <p>Nuclear Medicine Equipment: SPECT Symbia Evo (SPECT) unit is used in Nuclear Medicine to capture diagnostic imaging after the injection of a patient with radioisotopes. The current gamma cameras in Nuclear Medicine are at end of life and experiencing more frequent downtime. The acquisition of the one SPECT will replace the current end of life equipment. DHS plans to purchase a proprietary SPECT from Siemens. The SPECT design is proprietary and protected by patents. The SPECT unique capabilities have the productivity package which includes Automatic Collimator Exchanger and Automatic Quality Control which improve system productivity. Automatic collimator changer allows for two sets of collimators (typically low and medium), to be stored in the integrated collimator changer under the patient table. These collimators can be exchanged at the push of a button. This allows the technologists to be more productive and focus more on the patient. The Automatic Quality Control performs intrinsic, extrinsic, and Center of Rotation (COR) on the schedule chosen by the department so the SPECT quality control is complete upon start of the workday. The results of the daily quality control are displayed upon technologist daily arrival. This feature allows them to be more productive.</p>
<p><b>EQUITY INDEX OR LENS WAS UTILIZED</b></p>	<p><input type="checkbox"/> Yes      <input checked="" type="checkbox"/> No  If Yes, please explain how:</p>
<p><b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b></p>	<p><input checked="" type="checkbox"/> Yes      <input type="checkbox"/> No  If Yes, please state which one(s) and explain how:</p> <p>Board Priority #2: Health Integration/ Alliance for Health Integration – The acquisition of these systems will ensure patients that receive services through this alliance, receive high-quality health care services.</p>
<p><b>DEPARTMENTAL CONTACTS</b></p>	<p>Name, Title, Phone # &amp; Email:  DHS - Jason Ginsberg, Chief of Supply Chain Operations, (323) 914-7926, <a href="mailto:jginsberg@dhs.lacounty.gov">jginsberg@dhs.lacounty.gov</a>  DHS – Angela Hahka, Chief Radiologic Technologist II, (323) 409-7238, <a href="mailto:ahahka@dhs.lacounty.gov">ahahka@dhs.lacounty.gov</a>; Daniel Amaya, Medical Center Unit Administrator II, (323) 409-4066, <a href="mailto:damaya@dhs.lacounty.gov">damaya@dhs.lacounty.gov</a>;  County Counsel- Sara Zimblar, Principal Deputy County Counsel, (213) 503-9950, <a href="mailto:szimblar@counsel.lacounty.gov">szimblar@counsel.lacounty.gov</a></p>

April 8, 2025

**DRAFT**

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

Dear Supervisors:

**AUTHORIZE THE SOLE SOURCE ACQUISITION OF VARIOUS RADIOLOGY  
EQUIPMENT FOR LOS ANGELES GENERAL MEDICAL CENTER  
(SUPERVISORIAL DISTRICT 1)  
FISCAL YEAR 2024-25  
(3 VOTES)**

**SUBJECT**

Requesting authorization for the Director of the Internal Services Department (ISD), as the Los Angeles County (LA County) Purchasing Agent, to proceed with the sole source acquisition of various radiology equipment for the Department of Health Services' (DHS) Los Angeles General Medical Center (LA General).

**IT IS RECOMMENDED THAT THE BOARD:**

Authorize the Director of ISD, as LA County's Purchasing Agent, to proceed with the sole source acquisition of various radiology equipment detailed in Attachment A for the DHS' LA General, with a total estimated cost of \$3.710 million.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended action will authorize ISD, as LA County's Purchasing Agent, to proceed with the sole source acquisition of various radiology equipment for LA General. The current scanners are functioning at maximum capacity and are nearing end of life. The acquisition will allow LA General to replace the one current CT scanner and an additional Emergency Room (ER) CT scanner to keep pace with large volume of the ER CT request.

By way of background, the Board of Supervisors (Board) instructed the Director of DHS on February 5, 2013, to report back within 30 days on DHS protocols for prioritizing medical equipment purchases, maintenance and replacement throughout all of its facilities. On March 5, 2013, the Director provided his report to the Board, which described the criteria used to determine the priority and timing for replacement of

medical equipment at all DHS facilities. Beginning in FY 2013-14, DHS established a \$10 million ongoing revolving fund to purchase and install the radiology equipment and make the necessary room alterations required to accommodate such equipment throughout DHS. DHS subsequently convened a group of subject matter expert radiologists and supply chain staff to assess DHS patient care needs for the future and thoroughly review available imaging technology in an effort to standardize imaging care across DHS, which will also provide the opportunity for group purchasing discounts; and ensure consistent integration with the Online Realtime Centralized Health Information Database system (ORCHID, formerly referred to as the Electronic Health Record Information System). This group has approved the use of these radiology funds to purchase the recommended radiology equipment for LA General identified in Attachment A.

### Computed Tomography Equipment

Aquilion One Prism Edition CT (CT Scanner) is used in diagnosis and interventional treatment of emergent and non-emergent pathology. CT imaging is crucial in stroke, trauma, and oncology patients. LA General depends on CT for the function of its Level One Trauma Center. The current CT Scanners are functioning at maximum capacity and nearing end of life. The acquisition will replace one CT Scanner and one additional ER CT Scanner to keep pace with large volume of ER CT requests. DHS plans to purchase a proprietary CT Scanner from Canon because of the proprietary Advanced Intelligent Clear-IQ Engine, a spectral deep learning reconstruction technology, which is able to differentiate between true signal and noise to produce high quality scans without decreasing speed nor increasing dose.

### Nuclear Medicine Equipment

SPECT Symbia Evo (SPECT) unit is used in Nuclear Medicine to capture diagnostic imaging after the injection of a patient with radioisotopes. The current gamma cameras in Nuclear Medicine are at end of life and experiencing more frequent downtime. The acquisition of the one SPECT will replace the current end of life equipment. DHS plans to purchase a proprietary SPECT from Siemens. The SPECT design is proprietary and protected by patents. The SPECT unique capabilities have the productivity package which includes Automatic Collimator Exchanger and Automatic Quality Control which improve system productivity. Automatic collimator changer allows for two sets of collimators (typically low and medium), to be stored in the integrated collimator changer under the patient table. These collimators can be exchanged at the push of a button. This allows the technologists to be more productive and focus more on the patient. The Automatic Quality Control performs intrinsic, extrinsic, and Center of Rotation on the schedule chosen by the department so the SPECT quality control is complete upon start of the workday. The results of the daily quality control are displayed upon technologist daily arrival. This feature allows them to be more productive.

The establishment of the capital project for the necessary room alterations to accommodate the equipment will be submitted for the Board's approval via separate Board letter and related appropriation adjustment, at a future date.

### **Implementation of Strategic Plan Goals**

This recommendation supports North Star 1 – A “Healthy Individuals and Families” and North Star 3 – G “Internal Controls and Processes” of LA County’s Strategic Plan.

### **FISCAL IMPACT/FINANCING**

The total estimated acquisition cost is approximately \$3.710 million and is funded within DHS’ existing resources. The estimated acquisition cost includes the equipment identified in Attachment A, installation, 12-month service warranty, freight, and tax. There is no net County cost impact associated with the recommendation.

#### Operating Budget Impact

DHS will request and fund the associated ongoing maintenance, as needed, with departmental resources in future budget phases.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major fixed asset (now referred to as capital asset) acquisitions requiring LA County departments to obtain Board approval to acquire or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to ISD.

### **CONTRACTING PROCESS**

The acquisition of equipment falls under the statutory authority of the LA County Purchasing Agent and will be accomplished in accordance with LA County’s purchasing policies and procedures for sole source purchases.

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

Approval of the recommendation will ensure continued provision of CT scanner availability to all ER patients, Outpatients, and Inpatients. The additional CT scanner requested for the ER will ensure quicker turnaround times and reduce backlogs of ER patients, whose CT exams are performed to provide timely diagnosis and treatment of acute illness and trauma. Also, approval will ensure continued provision of Nuclear Medicine examinations with state-of-the-art SPECT systems.

The Honorable Board of Supervisors  
April 8, 2025  
Page 4

Respectfully submitted,

Christina R. Ghaly, M.D.  
Director

CRG:jc

Enclosure

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors  
Internal Services Department

**ATTACHMENT A**

**COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
LOS ANGELES GENERAL MEDICAL CENTER  
MEDICAL EQUIPMENT OVER \$250,000  
FISCAL YEAR 2024-25**

<b>No.</b>	<b>Category</b>	<b>Vendor</b>	<b>Equipment Description</b>	<b>Quantity</b>	<b>Estimated Cost</b>
1	Computed Tomography	Canon	Aquilion One Prism Edition CT	1	\$1,686,000
		Canon	Aquilion One Prism Edition CT	1	\$1,636,000
2	Nuclear Medicine	Siemens	SPECT Symbia Evo	1	\$388,000
		<b>Total</b>		<b>3</b>	<b>\$3,710,000</b>



## BOARD LETTER/MEMO CLUSTER FACT SHEET

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Other

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<b>BOARD MEETING DATE</b>	4/8/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Health Services	
<b>SUBJECT</b>	Authorize continued sole source contracting with Cardinal Health Pharmacy Services, LLC, a subsidiary of Cardinal Health, Inc., for provision of a Central Fill Pharmacy and Automation System for the Department of Health Services outpatient pharmacies.	
<b>PROGRAM</b>	Pharmacy Affairs	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain why:  DHS does not have the capability to perform the services provided for in the existing Agreement as it does not have a central fill pharmacy license, a high capacity and volume automated dispensing system, or the infrastructure to provide central fill mail services itself. The expense of instituting such services is far beyond DHS' budgetary means, necessitating a contract for these services.	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>	
<b>DEADLINES/ TIME CONSTRAINTS</b>	Existing agreement is set to expire on April 30, 2025	
<b>COST &amp; FUNDING</b>	Total cost:\$30,900,000 for the term of the Current Agreement and Successor Agreement combined	Funding source:
	TERMS (if applicable):	
	Explanation:	
<b>PURPOSE OF REQUEST</b>	<p>Due to the age of the Current Agreement with Cardinal, DHS determined that it is in the best interest of the County to enter into a multi-year Successor Agreement with Cardinal for the continued provision of CFPAS and direct patient mail delivery option for DHS outpatient pharmacies in lieu of a long-term extension amendment to the Current Agreement. The short-term extension of the Current Agreement under will allow DHS to complete the ongoing negotiations with Cardinal and execute the Successor Agreement.</p> <p>DHS does not have the capability to perform the services provided pursuant to the Current Agreement as it does not have a central fill pharmacy license, a high capacity and volume automated dispensing system or the infrastructure to provide central fill</p>	

	mail services itself. The expense of instituting such services is far beyond DHS' budgetary means, necessitating continued contracting for these services.
<b>BACKGROUND</b> (include internal/external issues that may exist including any related motions)	
<b>EQUITY INDEX OR LENS WAS UTILIZED</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please explain how:  1. Reduce racial disparities in life outcomes as well as disparities in public investment to shape those outcomes and 4. Seek to improve long-term outcomes both intergenerationally and multi-generationally. Central Fill Pharmacy Automation System (CFPAS) improves medication adherence and lowers the cost of care. CFPAS also improves operations and increase patient care and safety.
<b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state which one(s) and explain how:  Priority 2 Alliance for Health Integration and Priority 8 Anti-Racism, Diversity, & Inclusion. CFPAS enhances patient satisfaction by reducing outpatient congestion at local DHS pharmacies and improve access for those patients that are unable to travel because of infirmity or transportation-related issues.
<b>DEPARTMENTAL CONTACTS</b>	Name, Title, Phone # & Email:  Jean Pallares, Pharm. D Chief Pharmacy Officer, 213-288-7712 <a href="mailto:JPallares@dhs.lacounty.gov">JPallares@dhs.lacounty.gov</a> Julio Alvarado, Director, DHS Contracts and Grants, 213-788-7819, <a href="mailto:jalvarado@dhs.lacounty.gov">jalvarado@dhs.lacounty.gov</a> Beatriz Mejia, Section Manager, DHS Contracts and Grants, 213-788-7817, <a href="mailto:bmejia4@dhs.lacounty.gov">bmejia4@dhs.lacounty.gov</a> Victoria Mansourian, Principal Deputy County Counsel, 213-974-6681, <a href="mailto:vmansourian@counsel.lacounty.gov">vmansourian@counsel.lacounty.gov</a>

April 8, 2025

**DRAFT**

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

Dear Supervisors:

**APPROVAL OF CONTINUED SOLE SOURCE CONTRACTING  
FOR CENTRAL FILL PHARMACY AND AUTOMATION SYSTEM  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Authorize continued sole source contracting with Cardinal Health Pharmacy Services, LLC, a subsidiary of Cardinal Health, Inc., for provision of a Central Fill Pharmacy and Automation System for the Department of Health Services (DHS) outpatient pharmacies.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate Authority to the Director of Health Services (Director), or authorized designee, to (i) execute Amendment No. 8 to the current sole source Agreement No. H-705406 (Current Agreement) with Cardinal Health Pharmacy Services, LLC (Cardinal) to extend the term for a period not to exceed one (1) year through April 30, 2026, with an estimated maximum contract sum of \$5,329,685 for the full extension period, for the continued provision of Central Fill Pharmacy and Automation System (CFPAS) for the DHS outpatient pharmacies; and (ii) effect termination of the Current Agreement upon execution of a superseding successor agreement with Cardinal (Successor Agreement) as referenced in Recommendation 2 below, with all actions subject to prior review and approval by County Counsel.
2. Delegate authority to the Director, or authorized designee, to negotiate and execute a Successor Agreement with Cardinal, effective upon execution by May 1, 2026 through April 30, 2028, with two (2) one-year extension options through April 30, 2030, with an estimated maximum contract sum of \$31,500,000 (this includes the estimated maximum contract sum for the full extension period of the Current Agreement in Recommendation 1 plus the Successor Agreement) and terms that may deviate from County standard contractual terms (including but not limited to terms involving indemnification), subject to the availability of adequate funding and review and approval by County Counsel, and advance written notice to the Board of Supervisors (Board) and Chief Executive Office (CEO).

3. Delegate authority to the Director, or authorized designee, to amend the Current Agreement and the Successor Agreement (Agreement(s)) in accordance with the respective terms of each Agreement to (i) add, delete, and/or modify terms and conditions as required by law, Los Angeles County (LA County) policy, the Board or the CEO; (ii) modify the Agreements, including scope of services, for operational efficiencies and to address changes in service needs or requirements, with corresponding changes to the pricing terms, if applicable; (iii) incorporate and/or revise non-substantive and administrative provisions; (iv) increase and otherwise adjust rates and fees by up to ten percent (10%) annually to account for changes in technology and unanticipated work, including unexpected increases in the volume of prescription refills and direct patient mail delivery costs, and to remain competitive with market rates, with corresponding adjustments to the maximum contract sum; (v) exercise Agreement term extension options, if any; and (vi) effect termination of each Agreement, with all such actions that require an amendment per terms of the Agreement subject to prior review and approval by County Counsel.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

### **Background**

On August 7, 2012, the Board approved a sole source Current Agreement with Cardinal as part of the implementation of a CFPAS to be utilized for offsite dispensing of medication refills to augment DHS outpatient pharmacy functions. The Current Agreement also provided for implementation of a direct patient mail delivery option for High Desert Regional Health Center (HDRHC) as a pilot program, which was expanded to the remaining DHS facilities in response to high patient satisfaction. The Current Agreement was amended on several occasions to update the terms and conditions and extend the term through April 30, 2025 without increase in the CFPAS rates.

Cardinal currently provides CFPAS for the automated, individualized patient dispensing through a central pharmacy facility for refilling prescriptions at all DHS outpatient pharmacies. This service improves pharmacy operational efficiency and reduces overall prescription dispensing costs of DHS. The Current Agreement has enabled DHS pharmacies to allocate pharmacy resources more efficiently by sending prescriptions for refills to Cardinal's central fill site in Valencia, California. The prescriptions sent to Cardinal are verified for accuracy, labeled, filled, packaged and shipped back to the originating DHS pharmacy, where medications can then be picked up by patients 24-36 hours later or delivered to patients' homes within 3-5 business days of the request, while taking into consideration any special conditions or guidelines. As a licensed pharmacy, Cardinal is regulated by the California State Board of Pharmacy with respect to the preparation and packaging of medications for shipment.

The CFPAS and direct patient mail delivery service have improved customer service and allowed DHS outpatient pharmacy staff additional time to focus on first-time prescription patient care activities, including medication therapy management and other services that

help improve medication compliance, patient satisfaction and quality measures. CFPAS has streamlined DHS operations by reducing inventory holding costs, optimizing supply chain management, improving pharmacist accessibility, reducing the use of registry staff and lowering patient wait times.

### **Purpose/Justification**

Due to the age of the Current Agreement with Cardinal, DHS determined that it is in the best interest of LA County to enter into a multi-year Successor Agreement with Cardinal for the continued provision of CFPAS and direct patient mail delivery option for DHS outpatient pharmacies in lieu of a long-term extension amendment to the Current Agreement. The short-term extension of the Current Agreement under Recommendation 1 will allow DHS to complete its negotiations with Cardinal and execute the Successor Agreement under Recommendation 2.

DHS does not have the capability to perform the services provided pursuant to the Current Agreement as it does not have a central fill pharmacy license, a high capacity and volume automated dispensing system or the infrastructure to provide central fill mail services itself. The expense of instituting such services is far beyond DHS' budgetary means, necessitating continued contracting for these services.

During the term of the Current Agreement, DHS' CFPAS services and mail delivery utilization by patients have grown considerably. The mail-to-home prescription service enables DHS to relieve the busy pharmacies of excessive workloads. The central fill services proved to be extremely valuable during the COVID health emergency as it facilitated DHS to keep staff and patients safe from unnecessary exposure in crowded clinics and waiting areas. In addition, it enabled DHS to redeploy staff to provide care for acute patients and to aid in the distribution, preparation, and administration of vaccines and therapies. Cardinal central fill services allow DHS to also augment dispensing capabilities and to provide clinical services and more direct patient care. The CFPAS has provided an immense positive impact on DHS pharmacy operations and patient care.

### **Recommendations**

Approval of the first recommendation will allow the Director, or authorized designee, to extend the term of the Current Agreement for a period not to exceed one (1) year through April 30, 2026 to allow sufficient time for the negotiation and execution of a Successor Agreement with Cardinal, without interruption of the CFPAS and direct patient mail delivery option for DHS outpatient pharmacies and terminate the Current Agreement in accordance with its termination provisions, including for the convenience of LA County effective upon execution of the Successor Agreement, which will supersede the Current Agreement.

Approval of the second recommendation will allow the Director, or authorized designee, to execute a Successor Agreement with Cardinal upon execution through April 30, 2028,

with two (2) one-year extension options through April 30, 2030, to be coterminous with DHS pharmacy distribution Agreements with other subsidiaries of Cardinal Health, Inc., namely Cardinal Health's 110, LLC and Cardinal Health 411 Inc.

Approval of the third recommendation will allow the Director, or authorized designee, the flexibility to execute amendments to the Agreements and take such other actions as are permitted under the terms of the Agreements, making it possible for DHS to swiftly administer the Agreements to address healthcare needs without returning to the Board. These actions would include exercising term extension options, modifying terms and conditions, including the scope of services, and adjust rates and fees by up to ten percent (10%) of the annual maximum contract sum to account for unscheduled changes, including systems upgrades and unanticipated increases in the volume of services provided under the Agreements.

### **Implementation Of Strategic Plan Goals**

The recommended actions support the following strategic goals of LA County's Strategic Plan. North Star 1: "Make Investments That Transform Lives, Focus Area Goal A -Healthy Individual and Families – Strategy ii - Improve Health Outcomes" and North Star 3: "Realize Tomorrow's Government Today, Focus Area Goal A - Communication & Public Access – Strategy i - Customer Services."

### **FISCAL IMPACT/FINANCING**

LA County's maximum obligation for the one-year extension term of the Current Agreement through April 30, 2026, is \$5,329,685.

LA County's maximum obligation for the Current Agreement extension period and the Successor Agreement combined with Cardinal through April 30, 2030, including two (2) one-year extension periods, is \$31,500,000.

Funding is included in the DHS Fiscal Year 2024-25 Final Budget, and if the Successor Agreement is extended beyond April 30, 2028, funding will be requested in future fiscal years as needed, with no increase to net County cost.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The Current Agreement provides for dispensing of outpatient prescription refills and direct patient mail delivery, which improves access for patients that are unable to travel because of infirmity or transportation-related issues. The cost of medication/drugs is a separate cost and is handled under separate agreements with other subsidiaries of Cardinal Health, Inc., including Cardinal Health's 110, LLC, and Cardinal Health 411 Inc. LA County purchases its drugs through the distributor agreements using either 340B discount pricing or group purchasing organization prices.

The recommended Successor Agreement with Cardinal will include the most current contractual provisions as required by the Board and the CEO.

The Successor Agreement is not a Proposition A service agreement, as it provides for the acquisition of infrastructure and automation authorized by Health and Safety Code section 1445 and 1451 as well as Government Code section 31000.

County Counsel has approved Attachment I as to form.

### **CONTRACTING PROCESS**

Following a successful DHS pilot program that allowed outpatients to receive prescription refills by mail at no cost from HDRHC, on August 7, 2012, the Board approved the sole source Current Agreement with Cardinal for the provision of CFPAS, which was later expanded to also provide for the direct patient mail delivery option to all DHS outpatient pharmacy sites. The Current Agreement was extended by amendments through April 30, 2025.

In accordance with Board Policy No. 5.100, Sole Source Contracts and Amendments, DHS notified the Board on August 6, 2024 (Attachment II), of its intent to enter into sole source negotiations for a successor long-term agreement with Cardinal.

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

Approval of the recommendations will ensure Cardinal can continue to provide uninterrupted access of CFPAS that enhance patient satisfaction by reducing outpatient congestion at local DHS pharmacies and improve access for those patients that are unable to travel because of infirmity or transportation-related issues. Utilizing CFPAS leads to a more efficient allocation of pharmacy resources resulting in a lowering of overall costs for refill prescription fulfillment.

Respectively submitted,

Christina R. Ghaly, M.D.  
Director

CRG:bm

Enclosures

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

Agreement No. H-705406

AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND CARDINAL  
HEALTH PHARMACY SERVICES, LLC FOR CENTRAL FILL PHARMACY AND  
AUTOMATION SYSTEM (CFPAS)

AMENDMENT NO. 8

THIS AMENDMENT No. 8 ("Amendment") is made and entered into on this XX  
day of April 2025,

By and between	COUNTY OF LOS ANGELES (hereinafter "County")
And	CARDINAL HEALTH PHARMACY SERVICES, LLC (hereinafter "Contractor")
	Business Address: 7000 Cardinal Place Dublin, OH 43017

WHEREAS, reference is made to that certain Agreement No. H-705406 by and between the County of Los Angeles, on behalf of its Department of Health Services (hereinafter "DHS"), and Contractor for Central Fill Pharmacy and Automation System (hereinafter "CFPAS" or "Services"), dated August 7, 2012, including any amendments and other modifications thereto (cumulatively hereinafter referred to as "Agreement"); and

WHEREAS, on April 8, 2025 the County's Board of Supervisors (hereinafter "Board") delegated authority to the Director of Health Services (hereinafter "Director"), or designee, to, among others, extend the term of the Agreement for a period not to exceed one (1) year through April 30, 2026 and to adjust the Contract Sum accordingly, as well as to negotiate and execute a superseding sole source agreement with Contractor for CFPAS for a term, including optional years, through April 30, 2030; and

WHEREAS, the term of the Agreement expires on April 30, 2025; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement, to (i) extend the term for one (1) year through April 30, 2026, (ii) increase the Contract Sum by \$5,329,685 for the continued provision of CFPAS for the DHS outpatient pharmacies; and (iii) provide for the other changes as may be set forth herein; and

WHEREAS, Paragraph 8.3 (Amendments) of the Base Agreement under the Agreement provides that such changes may be made in the form of a written Amendment, which is formally approved and executed by the parties; and



WHEREAS, the parties acknowledge that time is of the essence with regards to a superseding sole source agreement with Contractor for CFPAS and agree to work expeditiously and in good faith toward negotiation and execution of such superseding agreement pursuant to the delegated authority also granted by the Board on April 8, 2025, for a term, including optional years, through April 30, 2030; and

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

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall be effective upon execution.
2. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined herein, shall be given full force and effect as it fully set for herein.
3. Paragraph 5.1 (Initial Term) of the Base Agreement under the Agreement is deleted in its entirety and replaced to read as follows:

"5.1 INITIAL TERM

The term of this Agreement shall commence upon the Effective Date and shall continue in full force and effect until and through April 30, 2026, unless sooner terminated or extended, in whole or in part, as provided in this Agreement (hereinafter "Initial Term")."

4. Paragraph 5.2 (Extended Term) of the Base Agreement under the Agreement is deleted in its entirety and replaced to read as follows:

"5.2 INTENTIONALLY OMITTED."

5. Paragraph 6.1 (Contract Sum) of the Base Agreement under the Agreement is deleted in its entirety and replaced to read as follows:

"6.1 CONTRACT SUM

The Contract Sum under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the tasks, subtasks, deliverables, goods, services and other work requested and specified hereunder for the term of this Agreement.

All work completed by Contractor must be approved in writing by County in accordance with Paragraph 2.4 (Approval of Work). If County does not approve work in writing, no payment shall be due to the Contractor for that work.

The Contract Sum, including all applicable taxes, authorized by County hereunder for the term of the Agreement shall not exceed **Forty Eight Million, Six Hundred Fifty Five Thousand, Seven Hundred Twenty Four Dollars (\$48,655,724)**, which includes the amounts for required work provided under the Agreement (hereinafter "Base Contract Sum") and a ten percent (10%) contingency (hereinafter "Contingency Amount"), as set forth in Section 2 (Contract Sum) of Exhibit B-5 (Payment Schedule), unless the Contract Sum is modified pursuant to an Amendment to this Agreement duly approved by County and Contractor's authorized representative(s) in accordance with Paragraph 8 (Changes to Agreement).

Exhibit B-5 (Payment Schedule) includes the Contingency Amount, which is ten percent (10%) of the Base Contract Sum (as defined above), allocated for the term of this Agreement for expenses related to any unanticipated work, including but not limited to unexpected increases in the volume of medication refills, direct patient mail delivery costs and next day delivery options. Any unused monies allocated under the ten percent (10%) Contingency Amount of the Base Contract Sum shall be carried over for use through April 30, 2026.

Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Contract Sum authorize for this Agreement. Upon occurrence of this event, Contractor shall provide written notification to County's Project Director at the address set forth in Section I (County's Key Personnel) of Exhibit D-3 (Administration of Agreement), but Contractor's failure to do so shall not constitute a breach of this Agreement."

6. Exhibit B-4 (Payment Schedule) to the Agreement is deleted in its entirety and replaced with Exhibit B-5 (Payment Schedule), attached hereto and incorporated herein by reference. Any and all references in the Agreement to Exhibit B-4 shall hereafter be replaced with Exhibit B-5.
7. Except for the changes set forth hereinabove, the Agreement shall not be changed in any respect by this Amendment.

/

/

/

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

COUNTY OF LOS ANGELES

By: \_\_\_\_\_ for  
Christina R. Ghaly, M.D.  
Director of Health Services

CONTRACTOR:

CARDINAL HEALTH PHARMACY  
SERVICES, LLC

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

APPROVED AS TO FORM:  
DAWYN HARRISON  
County Counsel

By \_\_\_\_\_  
VICTORIA MANSOURIAN  
Principal Deputy County Counsel

**EXHIBIT B-5**

**PAYMENT SCHEDULE**

**FOR**

**CENTRAL FILL PHARMACY  
AND  
AUTOMATION SYSTEM  
(CFPAS)**

---

**APRIL 2025**

**PAYMENT SCHEDULE**

This Exhibit B-5 sets forth the pricing and payment terms for the work to be provided under the Agreement, including Central Fill Pharmacy and Automation System (hereinafter "CFPAS") implementation and CFPAS functions, whether by Contractor itself or by utilizing subcontractor(s).

**1.A CFPAS FEES**

County shall pay Contractor for the provision of CFPAS functions at the maximum CFPAS Fees per a successfully completed prescription refill pursuant to the terms of Exhibit A (Statement of Work), subject to the provisions of Paragraph 6 (Pricing Terms and Fees) of the Agreement. The CFPAS Fees shall not increase during the term of the Agreement.

Contractor shall be reimbursed based on the volume scripts filled annually under this Agreement, as provided in the table below.

<b>CENTRAL FILL PHARMACY AND AUTOMATION SYSTEM (CFPAS)</b>		
<b>VOLUME/DESCRIPTION</b>	<b>CFPAS FEES MAY 1, 2025 – OCTOBER 31, 2025</b>	<b>CFPAS FEES NOVEMBER 1, 2025 – APRIL 30, 2026</b>
Up to 719,999 scripts annually	\$3.85 / script	\$4.85 / script
720,000-839,999 scripts annually	\$3.80 / script	\$4.80 / script
840,000-959,999 scripts annually	\$3.75 / script	\$4.75 / script
960,000 + scripts annually	\$3.70 / script	\$4.70 / script
* The CFPAS Fees shall include all processing and delivery costs related to prescription fulfillment services back to the originating pharmacy. Prescriptions mailed to patient homes will be subject to additional pass-through shipping and packaging costs to the County as described in Section 1B (All DHS Pharmacy Outpatient Mail-Order Fees).		

**1.B ALL DHS PHARMACY OUTPATIENT MAIL-ORDER FEES**

County shall reimburse Contractor for Outpatient Mail-Order Fees at the maximum flat package and handling rate per package, plus the actual shipping costs set forth below, as specified in Section 3.2.2 (Direct Patient Delivery Option) of Exhibit A (Statement of Work). Should the cost of packaging materials increase, the parties agree, upon Contractor's request, to meet sixty (60) days prior to the contract year following such increase in order to discuss in good faith the flat package and handling rate increase for the following contract year. Any increases to the cost of package and handling rate specified herein shall be implemented by an Amendment to the Agreement executed by both parties.

Contractor shall be reimbursed based on the volume packages mailed under this Agreement, as provided in the table below.

<b>Outpatient Mail-Order Fees*</b>	
<b>Description</b>	<b>Fee</b>
Flat Package and Handling Rate	\$2.35 / package through June 30, 2022
Flat Package and Handling Rate	\$2.80 / package effective July 1, 2022
<b>Shipping Type</b>	<b>Estimated Shipping Cost</b>
USPS First-Class Rate	\$3.00 / package
FedEx Priority Overnight	\$13.00 / package
<p>* The Outpatient Mail-Order Fees are considered pass-through costs to the County for packaging and shipping costs. Excluding the flat rate fee of \$2.80, the determination of the shipping fees will be based on the weight of the package and delivery method. Shipping rates are subject to increases by the United States Postal Service (USPS) and FedEx, which may be effected by an Amendment to the Agreement.</p>	

**2. CONTRACT SUM**

Contract Sum shall be the total maximum County obligation under the Agreement and shall include the Base Contract Sum for CFPAS and Outpatient Mail-Order Fees for CFPAS services and the Contingency Amount equal to 10% of the Base Contract Sum. The Contract Sum allocated for the term of the Agreement, including sales tax amounts, if any, is **\$48,655,724** as follows:

<b>AGREEMENT PERIOD</b>	<b>BASE CONTRACT SUM</b>	<b>CONTINGENCY AMOUNT (10%)</b>	<b>CONTRACT SUM</b>
August 7, 2012 – August 6, 2014	\$0		
August 7, 2014 – August 6, 2019	\$12,039,569		
August 7, 2019 – April 30, 2022	\$13,363,222		
May 1, 2022 – April 30, 2023	\$4,500,000		
May 1, 2023 – April 30, 2024*	\$4,500,000		
May 1, 2024 – April 30, 2025*	\$4,500,000		
May 1, 2025 – April 30, 2026	\$5,329,685		
<b>TOTAL AMOUNT</b>	<b>\$44,232,476</b>	<b>\$4,423,248</b>	<b>\$48,655,724</b>



August 6, 2024

**Los Angeles County  
Board of Supervisors**

**Hilda L. Solis**  
First District


**Holly J. Mitchell**  
Second District

**Lindsey P. Horvath**  
Third District

**Janice K. Hahn**  
Fourth District

**Kathryn Barger**  
Fifth District

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

FROM: Christina R. Ghaly, M.D.   
Director

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO  
NEGOTIATE A SUCCESSOR SOLE SOURCE  
AGREEMENT WITH CARDINAL HEALTH PHARMACY  
SERVICES, LLC**

**Christina R. Ghaly, M.D.**  
Director

**Nina J. Park, M.D.**  
Chief Deputy Director, Population Health

**Aries Limbaga, DNP, MBA**  
Chief Deputy Director, Operations

**Elizabeth M. Jacobi, J.D.**  
Administrative Deputy

This is to provide the Board of Supervisors (Board) with advanced notification of the Los Angeles County Department of Health Services' (DHS or Department) intent to enter into negotiations of a successor sole source Agreement with Cardinal Health Pharmacy Services, LLC (Cardinal), a subsidiary of Cardinal Health, Inc., for the continued provision of the Central Fill Pharmacy and Automation System (CFPAS), including direct patient mail delivery for DHS outpatient pharmacies for a period of five years. DHS intends to return to the Board with a recommendation for approval of the successor Agreement before the current term expires on April 30, 2025.

This notice is in compliance with Sole Source Board Policy No. 5.100 that requires at least six months prior written notice to the Board of a department's intent to enter into sole source negotiations prior to the expiration of an existing contract, when it is the department's intent to execute a new sole source contract for replacement services, when the department does not have delegated authority to execute such agreement, and allow four weeks for Board review of such notice prior to commencing contract negotiations. DHS appreciates your Board's continuing support of the Department's critical need to continue providing uninterrupted access of the CFPAS.

**Background**

On August 7, 2012, the Board approved a sole source agreement with Cardinal as part of the implementation of a CFPAS to be utilized for offsite dispensing of medication refills to augment DHS outpatient

313 N. Figueroa Street, Suite 912  
Los Angeles, CA 90012

Tel: (213) 288-8050  
Fax: (213) 481-0503

[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

*"To advance the health of our  
patients and our communities by  
providing extraordinary care"*



[www.dhs.lacounty.gov](http://www.dhs.lacounty.gov)

pharmacy functions. The Agreement also provided for implementation of a direct patient mail delivery option for High Desert Regional Health Center as a pilot program. As a result of high patient satisfaction rates of the pilot program, the Agreement was amended on May 27, 2014, with the approval of the Board, to expand the direct patient mail delivery option for the remaining DHS facilities.

Cardinal currently provides CFPAS for the automated, individualized patient dispensing, through a central pharmacy facility, for refill prescriptions at all DHS outpatient pharmacies. This service improves pharmacy operational efficiency and reduces overall prescription dispensing costs. The CFPAS Agreement has enabled DHS pharmacies to allocate pharmacy resources more efficiently by sending refill prescriptions to Cardinal's central fill site in Valencia, California. The prescriptions sent to Cardinal are verified for accuracy, labeled, filled, packaged, and shipped back to the originating DHS pharmacy, where the prescription can then be picked up by the patient 24-36 hours later, or delivered to a patient's home address within 3-5 business days after the patient's request. As a licensed pharmacy, Cardinal is regulated by the California State Board of Pharmacy when preparing and packaging medications for shipment. Consideration is given to any specialized packaging that a particular drug requires, and prescriptions not appropriate to send via mail are provided at DHS pharmacy sites to ensure appropriate handling conditions.

The CFPAS and direct patient mail delivery service have improved customer service and enabled DHS outpatient pharmacy staff additional time to focus on first-time prescription patient care activities, including medication therapy management and other services that help improve medication compliance, patient satisfaction, and quality measures. Central fill services are a widely accepted industry solution designed to enable outpatient pharmacies to streamline their operations by reducing inventory holding costs, optimizing supply chain management, improving pharmacist accessibility, reducing the use of registry staff, and lowering patient waiting times.

### **Justification**

DHS does not have the capability to perform the services provided for in the existing Agreement as it does not have a central fill pharmacy license, a high capacity and volume automated dispensing system, or the infrastructure to provide central fill mail services itself. The expense of instituting such services is far beyond DHS' budgetary means, necessitating a contract for these services.

DHS currently obtains over 98% of medications dispensed for patient care through Cardinal, via a Vizient contract which is separate from the existing Board approved CFPAS Agreement. Pursuant to the Vizient contract, Cardinal is DHS' current drug wholesaler, and is knowledgeable about federal 340B regulations, which uniquely situates Cardinal to continue to provide CFPAS and direct patient mail delivery options for DHS. Switching wholesalers would create a substantial impact on DHS pharmacy operations and patient care, particularly with obtaining 340B drugs, as the historical



relationship would be lost, and consequently result in DHS losing priority access to drugs that have shortages. DHS currently faces fewer problems when drug shortages occur because of its historical data with Cardinal, which enables DHS to still receive a high allocation supply of drugs with shortages. At the core of the federal 340B drug discount program are strict inventory tracking requirements. Therefore, central fill services customarily are closely integrated with pharmacy wholesaler services, with most central fill centers either being directly operated by the 340B entity or by the entity's drug wholesaler. Accordingly, it is in the County's best interest to continue contracting with DHS' current drug wholesaler for CFPAS services.

### **Conclusion**

DHS has determined that Cardinal is uniquely positioned to continue providing uninterrupted access of CFPAS that enhance patient satisfaction by reducing outpatient congestion at local DHS pharmacies and improve access for those patients that are unable to travel because of infirmity or transportation-related issues. Utilizing CFPAS leads to a more efficient allocation of pharmacy resources resulting in a lowering of overall costs for refill prescription fulfillment. DHS intends to commence negotiations to enter into a successor Agreement with Cardinal no earlier than four weeks from the date of this memo, unless otherwise instructed by the Board.

If you have any questions, you may contact me, or your staff may contact Jean Pallares, Chief Pharmacy Officer, DHS Pharmacy Affairs, at [jpallares@dhs.lacounty.gov](mailto:jpallares@dhs.lacounty.gov).

CRG:bm

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

**SOLE SOURCE CHECKLIST**

Department Name: Health Services

- New Sole Source Contract
- Sole Source Amendment to Existing Contract
- Date Existing Contract First Approved: 08/7/12

Check (✓)	<b>JUSTIFICATION FOR SOLE SOURCE CONTRACTS AND AMENDMENTS</b> Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an "Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input checked="" type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs and time to replace an existing system or infrastructure, administrative cost and time savings and excessive learning curve for a new service provider, etc.). In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Erika Bonilla  
 Chief Executive Office

2/28/25  
 Date

**BOARD LETTER/MEMO  
CLUSTER FACT SHEET**

**DRAFT**

Board Letter

Board Memo

Other

<b>CLUSTER AGENDA REVIEW DATE</b>	3/19/2025	
<b>BOARD MEETING DATE</b>	4/8/2025	
<b>SUPERVISORIAL DISTRICT AFFECTED</b>	<input checked="" type="checkbox"/> All <input type="checkbox"/> 1 <sup>st</sup> <input type="checkbox"/> 2 <sup>nd</sup> <input type="checkbox"/> 3 <sup>rd</sup> <input type="checkbox"/> 4 <sup>th</sup> <input type="checkbox"/> 5 <sup>th</sup>	
<b>DEPARTMENT(S)</b>	Department of Public Health	
<b>SUBJECT</b>	RECOMMENDATION TO CONTINUE THE DECLARED LOCAL HEALTH EMERGENCY FOR THE JANUARY 2025 CRITICAL FIRE EVENTS	
<b>PROGRAM</b>	Executive Office Services	
<b>AUTHORIZES DELEGATED AUTHORITY TO DEPT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>SOLE SOURCE CONTRACT</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please explain why:	
<b>SB 1439 SUPPLEMENTAL DECLARATION FORM REVIEW COMPLETED BY EXEC OFFICE</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No – Not Applicable  <b>If unsure whether a matter is subject to the Levine Act, email your packet to <a href="mailto:EOLevineAct@bos.lacounty.gov">EOLevineAct@bos.lacounty.gov</a> to avoid delays in scheduling your Board Letter.</b>	
<b>DEADLINES/ TIME CONSTRAINTS</b>		
<b>COST &amp; FUNDING</b>	Total cost: \$	Funding source:
	TERMS (if applicable):	
	Explanation: There is no fiscal impact related to the continuance of this local health emergency, but the proclamation of local health emergency could allow the County to seek recovery of eligible costs from the Federal Emergency Management Agency and State of California. The County will incur costs associated with the response to and recovery from the local health emergency.	
<b>PURPOSE OF REQUEST</b>	<p>The local health emergency declared by the local health officer on January 10, 2025, was ratified by the Board on January 14, 2025, and continued thereafter, must be reviewed by the Board to determine the need for the local health emergency to remain in effect at least once every 30 days, until it is terminated; and (2) proclaim the local health emergency terminated at the earliest possible date that conditions warrant the termination.</p> <p>Public Health and the Los Angeles County Health Officer have reviewed the need for the proclaimed local health emergency referenced above to remain in effect and recommend that the local health emergency be continued.</p>	
<b>BACKGROUND</b>	The January 2025 Windstorm and Critical Fire Events are an ongoing local health emergency in Los Angeles County, which has required an ongoing response to several	

<p><b>(include internal/external issues that may exist including any related motions)</b></p>	<p>destructive and wind-driven fires, especially the Palisades and Eaton Fires. These fires have burned thousands of residences and structures and resulted in massive amounts of post-fire health hazards in the form of burned hazardous materials and hazardous ash, soot and fire debris remaining in the burn and surrounding areas. The recovery response to these catastrophic fire events require the ongoing need for federal, State and local emergency response and recovery operations to implement and complete a large scale urban wildfire debris removal and disposal.</p> <p><u>Board Motion</u>  On January 14, 2025, via motion, the Board ratified the County Health Officer's Declaration of Local Health Emergency made on January 10, 2025, for the January 2025 Windstorm and Critical Fire Events, in the County of Los Angeles. The Proclamation of Local Health Emergency shall remain in effect until its termination is proclaimed by the Board.</p>
<p><b>EQUITY INDEX OR LENS WAS UTILIZED</b></p>	<p><input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No  If Yes, please explain how:</p>
<p><b>SUPPORTS ONE OF THE NINE BOARD PRIORITIES</b></p>	<p><input type="checkbox"/> Yes    <input checked="" type="checkbox"/> No  If Yes, please state which one(s) and explain how:</p>
<p><b>DEPARTMENTAL CONTACTS</b></p>	<p>Name, Title, Phone # &amp; Email:</p> <ul style="list-style-type: none"> <li>• Joshua Bobrowsky  Director of Government Affairs, Public Health  <a href="mailto:jbobrowsky@ph.lacounty.gov">jbobrowsky@ph.lacounty.gov</a></li> <li>• Blaine D. McPhillips  Senior Deputy County Counsel  Health Services Division  <a href="mailto:bmcphillips@counsel.lacounty.gov">bmcphillips@counsel.lacounty.gov</a></li> </ul>



**BARBARA FERRER, Ph.D., M.P.H., M.Ed.**  
Director

**DRAFT**

**BOARD OF SUPERVISORS**

**MUNTU DAVIS, M.D., M.P.H.**  
County Health Officer

**Hilda L. Solis**  
First District

**Holly J. Mitchell**  
Second District

**ANISH P. MAHAJAN, M.D., M.S., M.P.H.**  
Chief Deputy Director

**Lindsey P. Horvath**  
Third District

**Janice Hahn**  
Fourth District

313 North Figueroa Street, Suite 806  
Los Angeles, CA 90012  
TEL (213) 288-8117 • FAX (213) 975-1273

**Kathryn Barger**  
Fifth District

[www.publichealth.lacounty.gov](http://www.publichealth.lacounty.gov)

April 8, 2025

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

Dear Supervisors:

**RECOMMENDATION TO CONTINUE THE DECLARED LOCAL HEALTH  
EMERGENCY FOR THE JANUARY 2025 CRITICAL FIRE EVENTS  
(ALL AFFECTED) (3 VOTES)**

**SUBJECT**

The Department of Public Health (Public Health) is recommending that the Board of Supervisors (Board) continue the local health emergency declared on January 10, 2025, in response to the January 2025 Windstorm and Critical Fire Events impacting Los Angeles County (County).

**IT IS RECOMMENDED THAT THE BOARD:**

Adopt and instruct the Chair of the Board to execute the attached Resolution to Continue the Local Health Emergency due to the January 2025 Windstorm and Critical Fire Events.

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The local health emergency declared by the local health officer on January 10, 2025, was ratified by the Board on January 14, 2025, and initially continued by the Board on February 11, 2025, must be reviewed by the Board to determine the need for the local health emergency to remain in effect at least once every 30 days, until it is terminated; and (2) proclaim the local health emergency terminated at the earliest possible date that conditions warrant the termination.

Public Health and the County Health Officer have reviewed the need for the proclaimed local health emergency referenced above to remain in effect and is recommending that the local health emergency be continued. This review included considerations of the extent to which the specified conditions for the proclaimed local health emergency, such as the continued existence of hazardous materials, hazardous waste in the form of fire ash, soot, and debris remaining inside and near the burn areas; the ongoing need for federal, State and local emergency response and recovery operations to implement and complete a large scale urban wildfire debris removal and disposal response; the ongoing need for federal and/or State financial assistance; and the extent to which departments continue to engage in essential emergency-related activities that are dependent on the local health emergency remaining in effect.

The January 2025 Critical Fire Events are an ongoing local health emergency in the County, which has required an ongoing response to several destructive and wind-driven fires, especially the Palisades and Eaton Fires. These fires have resulted in massive amounts of post-fire health hazards in the form of burned hazardous materials and hazardous ash, soot and fire debris remaining in the burn and surrounding areas. These catastrophic fire events have caused the loss of life, displacement of thousands of residents, widespread damage and destruction to residential structures, businesses, and infrastructure. These conditions are beyond the control of the resources of the County and require the combined forces of federal, State and other political subdivisions to combat. To mitigate the risks to health created by the fires, post-fire health hazards must be removed from properties in accordance with federal and State standards for safe removal of hazardous materials and waste.

Given the current risks posed by post-fire health hazards, Public Health recommends that the Board find that the local health emergency be continued.

### **Implementation of Strategic Plan Goals**

These recommendations support the County Strategic Plan: North Star 2 – Foster Vibrant and Resilient Communities, Focus Area A – Public Health, Strategy i - Population Based Health.

### **FISCAL IMPACT/FINANCING**

There is no fiscal impact related to the continuance of this local health emergency, but the proclamation of local health emergency could allow the County to seek recovery of eligible costs from the Federal Emergency Management Agency and State of California. The County will incur costs associated with the response to and recovery from the local health emergency.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

California Health and Safety Code Section 101080 and Chapter 2.68 of the Los Angeles County Code requires the Board to review the need for a proclaimed local health emergency to remain in effect at least once every 30 days, until it is terminated. California Health and Safety Code Section 101080 requires the Board to terminate a proclaimed local health emergency at the earliest possible date that conditions warrant.

**ENVIRONMENTAL DOCUMENTATION**

This action is not subject to the California Environmental Quality Act (CEQA) because it is excluded from the definition of project under section 15378(b)(5) of the State CEQA Guidelines.

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

There is no impact on current services.

**CONCLUSION**

Upon approval by the Board, the Public Health requests that an executed, stamped copy of the attached Resolution be returned to Public Health.

Respectfully submitted,

Barbara Ferrer, Ph.D., M.P.H., M.Ed.  
Director

BF:db  
#08091

Enclosure

c: Chief Executive Officer  
County Counsel  
Executive Office, Board of Supervisors  
Public Works  
CEO Office of Emergency Management

**RESOLUTION BY THE COUNTY OF LOS ANGELES BOARD OF SUPERVISORS TO CONTINUE THE LOCAL HEALTH EMERGENCY FOR THE JANUARY 2025 CRITICAL FIRE EVENTS**

**WHEREAS**, pursuant to Section 101080 of the California Health and Safety Code, the existence of a local health emergency was declared by the County Health Officer on January 10, 2025, and ratified by the Board of Supervisors (Board) on January 14, 2025, due to conditions of disaster or of extreme peril to the safety of persons and property arising from the January 2025 Windstorm and Critical Fire Events, beginning on January 7, 2025, affecting areas throughout the County of Los Angeles (County); and

**WHEREAS**, the January 2025 Critical Fire Events, beginning on January 7, 2025, are an ongoing local health emergency in the County, whose conditions have included an ongoing response to a number of destructive and wind-driven fires, which include, among others, the Palisades Fire, Eaton Fire, Hurst Fire, Creek Fire, Lidia Fire, and the Kenneth Fire, and post-fire hazards in the form of burned common household hazardous materials and contaminated ash, soot and fire debris remaining in the burn zones and surrounding areas. These conditions are or will likely be beyond the control of the resources of the County and require the combined forces of other political subdivisions and the ongoing need for federal and/or State financial assistance. To the extent which departments continue to engage in essential emergency-related activities that are dependent on the local health emergency remaining in effect; and

**WHEREAS**, there continues to be conditions of disaster or of extreme peril to the safety of persons and property arising from the January 2025 Critical Fire Events in the County, and to mitigate the risks to health created by the fires and post-fire health hazards, which include the presence of extensive amounts of common household items burned in the wildfires that created contaminated ash and fire debris, must be removed, transported, and disposed of from properties in accordance with federal and State standards, which is an on-going effort; and

**WHEREAS**, Health and Safety Code Section 101080 and Chapter 2.68 of the Los Angeles County Code requires the Board to review the need for a declared local health emergency to remain in effect at least once every 30 days, until it is terminated by the Board at the earliest possible date that conditions warrant; and

**WHEREAS**, the Board has reviewed the need to continue the local emergency for the January 2025 Critical Fire Events, which was already ratified on January 14, 2025, and continued thereafter; and

**WHEREAS**, the Board determines that there continues to exist conditions of disaster or of extreme peril to the health and safety of people arising from the local health emergency for the January 2025 Critical Fire Events such that continuation of this local health emergency is warranted.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Board of Supervisors of the County of Los Angeles that the local health emergency due to the January 2025 Critical Fire



Events in the County continues to exist and is hereby extended for thirty (30) additional days, unless sooner terminated by the Board.

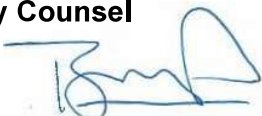
The foregoing resolution was on the *8th* day of *April 2025*, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

**EDWARD YEN**  
**Executive Officer**  
**Board of Supervisors**

By \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

**DAWYN R. HARRISON**  
**County Counsel**

By  \_\_\_\_\_  
**BLAINE D. McPHILLIPS**  
**Senior Deputy County Counsel**  
**Health Services Division**

**IMPLEMENTING CONSULTANT RECOMMENDATIONS TO ENHANCE THE COUNTY’S OVERSIGHT OF SKILLED NURSING FACILITIES**

Skilled nursing facilities (SNFs) are an integral part of the Los Angeles County healthcare system, serving some of the most medically vulnerable of our residents. Across the state, the California Department of Public Health (CDPH) is responsible for the licensing and monitoring of SNFs. In Los Angeles County (County), however, the Department of Public Health’s Health Facilities Inspection Division (HFID) is responsible for overseeing operations, monitoring resident quality of life, responding to complaints of violations, and implementing improvements. Since the 1960s, HFID has contracted with CDPH to provide these monitoring services and is the only local agency in California to do so. HFID oversees 380 of the state’s 1,195 SNFs.

During the COVID-19 crisis, SNFs became the epicenter of the epidemic in the County. The facilities consistently had a high number of staff and patients test positive for the virus, and of the many COVID-related deaths that occurred in institutional settings, the vast majority were SNF residents. The crisis prompted deeper analysis into the standard of living within the facilities and exploration of how HFID could improve their response to complaints of violations within the system.

In light of the crisis, in May 2020 the Board of Supervisors directed the Auditor-Controller (A-C) and the Office of the Inspector General (OIG) to conduct a report and investigation into HFID’s oversight and operations of SNFs in the County, including recommendations on the operational and programmatic changes necessary to improve the County’s oversight of the facilities. The report and investigation detailed a number of programmatic and structural recommendations to enhance HFID’s oversight, and also recommended that the County hire an independent consultant to conduct a further comprehensive assessment of the agency. DPH has regularly updated the Board on the status of these recommendations, with most, besides the consultant’s report, having been completed.

MOTION

SOLIS \_\_\_\_\_

MITCHELL \_\_\_\_\_

HORVATH \_\_\_\_\_

HAHN \_\_\_\_\_

BARGER \_\_\_\_\_

Health Management Associates (HMA) was contracted to conduct this assessment and released the report in December 2024. The report, titled “*Health Facilities Inspection Division (HFID) Comprehensive Assessment*”, examines HFID’s staffing levels and productivity, management practices and policies, record keeping, and training. The assessment includes 52 recommendations intended to augment HFID’s ability to meet state programmatic requirements and, in particular, improve HFID’s ability to respond to complaints of violations. The recommendations center on bolstering HFID’s staff by attracting and retaining qualified individuals, implementing policies to optimize workforce productivity, and creating clearer guidelines for complaints and investigations. DPH already has, or is in the process, of implementing many of these recommendations.

As the only local jurisdiction that provides direct oversight for SNFs, the County is responsible for ensuring that SNFs are held to the highest standard when caring for the region’s most vulnerable residents. The County is uniquely positioned to implement the report’s recommendations and work directly with stakeholders to advocate for an enhanced system of care and ensure that HFID is best equipped to serve and respond to our residents in need. Not only does the County serve in a regulatory capacity, but our departments serve as advocates for these residents, promoting the structural changes they need.

**I, THEREFORE, MOVE** that the Board of Supervisors:

1. Direct the Department of Public Health (DPH) to implement the recommendations from the HMA report titled “Health Facilities Inspection Division (HFID) Comprehensive Assessment” from the report dated December 6, 2024, and report back biannually in writing on the status of the recommendations,
2. Direct the Department of Aging and Disability, in consultation with the Department of Public Health and CEO-LAIR, to engage skilled nursing advocates and stakeholders, and report back in 90 days on legislative opportunities to increase protections and quality of life for SNF residents, and
3. Direct the Auditor-Controller to conduct a subsequent follow-up audit of DPH-HFID’s oversight of SNFs.

# # #

KB:ac

MOTION BY SUPERVISOR KATHRYN BARGER

April 1, 2025

**Authorize the Los Angeles County Development Authority to Act as an Agent of the County in Participating in and Implementing the Homekey+ Program**

In July 2020, Governor Gavin Newsom announced the Homekey Program ("Homekey"), which made funding available for local jurisdictions to purchase and rehabilitate hotels and other properties to be used as interim and permanent housing for people experiencing homelessness ("PEH") who have been impacted by COVID-19. Since the launch of Homekey Round 1 in 2020, there have been two additional Homekey rounds. The County of Los Angeles ("County"), led by the Homeless Initiative in the Chief Executive Office ("CEO-HI"), has collaborated with development partners to participate in all three Homekey rounds.

To date, CEO-HI and selected co-applicants have been awarded approximately \$523 million for 32 projects, totaling 2,053 units; these consist of 1,447 Permanent Supportive Housing ("PSH") units and 606 interim housing ("IH") units across the County. The State's Homekey funds were used to pay for the cost to acquire, develop, and/or rehabilitate each property. To support in the acquisition, development, and/or rehabilitation of each Homekey property, the County allocated a portion of its American Rescue Plan Act (ARP) funding as a local match, in accordance with the spending plan approved by the Los Angeles County Board of Supervisors ("Board") on November 30, 2021.

On March 5, 2024, California voters approved Proposition 1, which includes the Behavioral Health Infrastructure Bond Act. Building on the success of the original Homekey program in expediting the development of housing, over \$2 billion of this funding has been allocated to Homekey+, a program for PSH projects with supportive services for individuals experiencing homelessness or at risk of homelessness, particularly Veterans and individuals facing mental health or substance use challenges.

--- MORE ---

MOTION

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MITCHELL \_\_\_\_\_

HORVATH \_\_\_\_\_

HAHN \_\_\_\_\_

BARGER \_\_\_\_\_

The Notice of Availability ("NOFA") for Homekey+ was released by the California Department of Housing and Community Development ("HCD") on November 26, 2024, and the application was released in January 2025. The deadline, originally set for March 14, is now April 3, 2025, to fill gap financing needs for PSH projects already existing in the County's pipeline. The final deadline for all other projects is May 30, 2025, with continuous award announcements being rolled out starting in June 2025. Once awarded, most projects must be financed and completed within 24 months. The County is eligible for \$599 million in Homekey+ funding, with \$277.86 million allocated for Veterans' projects and \$321.43 million allocated for other eligible population projects.

On December 17, 2024, the Board directed the CEO, in collaboration with the Department of Mental Health ("DMH"), Department of Public Health-Substance Abuse and Prevention Control ("DPH-SAPC"), Department of Health Services ("DHS"), and the Department of Military and Veterans Affairs ("DMVA"), collectively ("Departments"), and the Los Angeles County Development Authority ("LACDA") to report back on the County's readiness and plans to participate in the Homekey+ program.

Given the focus of Homekey+ on those facing behavioral health challenges, as well as Veterans, it is imperative that the County leverage its expertise across participating Departments to best serve these populations. Furthermore, without access to additional ARP dollars, it is critical to leverage resources from and across these Departments to maximize the number of projects the County can support through this program.

In the report submitted on March 7, 2025, CEO-HI recommends leveraging the expertise of the LACDA to act as an agent of the County in identifying eligible project proposals, and jointly applying to HCD with selected entities for funding to develop or acquire and rehabilitate selected projects, starting with the 4 properties listed on Attachment 1 (collectively, "Properties," and singularly, a "Property"). For the approved application(s), CEO-HI further recommends authorizing LACDA to act as an agent of the County in implementing the Homekey+ program, by entering into agreements with the State and co-applicants to facilitate the funding, and development of the Properties for their intended use consistent with the requirements of Homekey+, and leveraging funding resources from participating County Departments to be used as a local match.

Assembly Bill 140 (2021) establishes a statutory exemption from the California Environmental Quality Act for activities meeting certain conditions that receive funding through the Homekey+ NOFA, but other exemptions are also applicable to the proposed projects.

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**I, THEREFORE, MOVE** that the Board of Supervisors:

1. Find that the below actions do not constitute a project under Public Resources Code section 21065 and are excluded from the definition of a project under section 15378(b) of the California Environmental Quality Act ("CEQA") Guidelines. The activities involved are organizational or administrative activities of government that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and will not result in any direct or indirect physical changes in the environment;
2. Approve and authorize the participating Departments to enter into a Memorandum of Agreement (MOA), either singly or jointly, with Los Angeles County Development Authority (LACDA) for the purpose of implementing the Homekey+ Program, administering any funding committed by the Departments to Homekey+ projects, and to carry out any programmatic requirements associated with Homekey+ projects, including delegate authority to negotiate and execute future amendments to revise the MOA language to reflect non-material and/or operational changes; revise and/or accept additional funding; extend the term of the MOA; or modify other terms and conditions, subject to review and approval by County Counsel and notification to the Board and Chief Executive Office;
3. Designate LACDA, through its Executive Director, or his designee, to act as an agent of the County in participating in and implementing the Homekey+ program, which includes evaluating and submitting to HCD Homekey+ applications, facilitating any funding committed by participating County Departments, executing Homekey+ Program documents with HCD, administering the Homekey+ Program, executing any ancillary documents with developer co-applicants, and providing long-term monitoring of any resultant projects for both fiscal and programmatic requirements;
4. Find that the 4 "Projects," which include the proposed acquisition and renovation or development, as applicable, of the properties listed on Attachment 1, are exempt from the CEQA pursuant to Health and Safety Code section 50675.1.4, to the extent the proposed activities utilize Homekey funds allocated pursuant to Health and Safety Code section 50675.1.3 and meet the applicable conditions contained in Health and Safety Code section 50675.1.4, pursuant to Government Code section 65650 et seq., to the extent they are by right supportive housing developments, pursuant to Government Code section 65660 et seq., to the extent they are by right low barrier navigation center developments, pursuant to Public Resources Code section 21080.27, to the extent they are emergency shelter or supportive housing developments within the City of Los Angeles, and pursuant to Public Resources Code section 21080.50, to the extent they are interim motel housing conversions. Further, find that the Projects are statutorily exempt from CEQA pursuant to section 21080(b)(4) of the Public Resources Code and section 15269(c) of the State CEQA Guidelines, which exempts

specific actions necessary to prevent or mitigate an emergency and also categorically exempt pursuant to sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), 15303 (New Construction or Conversion of Small Structures), 15304 (Minor Alterations to Land), 15311 (Accessory Structures), and 15332 (Infill Development) of the State CEQA Guidelines, and Classes 1, 2, 3, 4, and 11 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, because the Projects are within certain classes of projects that have been determined not to have a significant effect on the environment. In addition, based on the records of the proposed Projects, they will comply with all applicable regulations, and are not in a sensitive environment and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indication that they may cause a substantial adverse change in the significance of a historical resource that would make the exemptions inapplicable. Upon approval of these actions, the LACDA will file Notices of Exemption (Notices) with the County Clerk pursuant to section 21152 of the Public Resources Code and will post the Notices to the County's website pursuant to section 20192.2 of the Public Resources Code;

5. Approve the Projects; and
6. Approve the attached authorizing resolution(s), authorizing and directing the Executive Director of the LACDA, or his designee, to submit joint Application(s) to HCD in response to the Notice of Funding Availability, and to jointly apply for Homekey+ grant funds in the amounts indicated in each authorizing resolution.

**I, FURTHER, MOVE** that the Board of Supervisors, acting as the Board of Commissioners for LACDA:

1. Find that the below actions do not constitute a project under Public Resources Code section 21065 and are excluded from the definition of a project under section 15378(b) of the CEQA Guidelines. The activities involved are organizational or administrative activities of government that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment and will not result in any direct or indirect physical changes in the environment;
2. Accept the designation to act as the agent of the County in participating in and implementing the Homekey+ program, as agreed to by the County and LACDA;
3. Approve and authorize the LACDA to enter into a Memorandum of Agreement (MOA), either singly or jointly, with the participating Departments for the purpose of implementing the Homekey+ Program, administering any funding committed by the participating Departments to Homekey+ projects; carrying out any programmatic requirements associated with Homekey+ projects, including authority to negotiate and execute future amendments to revise the MOA

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language to reflect non-material and/or operational changes; revise and/or accept additional funding and incorporate any funding received by participating Departments into the LACDA's Fiscal Year 2024-2025 budget and future Fiscal Year budgets, as needed; extend the term of the MOA; or modify other terms and conditions, subject to review and approval by County Counsel and notification to the Board and Chief Executive Office;

4. Find that the 4 "Projects," which include the proposed acquisition and renovation or development, as applicable, of the properties listed on Attachment 1, are exempt from the CEQA pursuant to Health and Safety Code section 50675.1.4, to the extent the proposed activities utilize Homekey funds allocated pursuant to Health and Safety Code section 50675.1.3 and meet the applicable conditions contained in Health and Safety Code section 50675.1.4, pursuant to Government Code section 65650 et seq., to the extent they are by right supportive housing developments, pursuant to Government Code section 65660 et seq., to the extent they are by right low barrier navigation center developments, pursuant to Public Resources Code section 21080.27, to the extent they are emergency shelter or supportive housing developments within the City of Los Angeles, and pursuant to Public Resources Code section 21080.50, to the extent they are interim motel housing conversions. Further, find that the Projects are statutorily exempt from CEQA pursuant to section 21080(b)(4) of the Public Resources Code and section 15269(c) of the State CEQA Guidelines, which exempts specific actions necessary to prevent or mitigate an emergency and also categorically exempt pursuant to sections 15301 (Existing Facilities), 15302 (Replacement or Reconstruction), 15303 (New Construction or Conversion of Small Structures), 15304 (Minor Alterations to Land), 15311 (Accessory Structures), and 15332 (Infill Development) of the State CEQA Guidelines, and Classes 1, 2, 3, 4, and 11 of the County's Environmental Document Reporting Procedures and Guidelines, Appendix G, because the Projects are within certain classes of projects that have been determined not to have a significant effect on the environment. In addition, based on the records of the proposed Projects, they will comply with all applicable regulations, and are not in a sensitive environment and there are no cumulative impacts, unusual circumstances, damage to scenic highways, listing on hazardous waste site lists compiled pursuant to Government Code Section 65962.5, or indication that they may cause a substantial adverse change in the significance of a historical resource that would make the exemptions inapplicable. Upon approval of these actions, the LACDA will file Notices of Exemption (Notices) with the County Clerk pursuant to section 21152 of the Public Resources Code and will post the Notices to the County's website pursuant to section 20192.2 of the Public Resources Code;
5. Approve the Projects;

- - - MORE - - -



6. Approve the attached authorizing resolution(s), authorizing and directing the Executive Director of the LACDA, or his designee, to submit joint Application(s) to Housing and Community Development (HCD) in response to the Notice of Funding Availability, and to jointly apply for Homekey+ grant funds in the amounts indicated in each authorizing resolution;
7. If the Application(s) is/are approved, as agent of the County, the Executive Director of the LACDA, or his designee, is hereby authorized and directed to enter into, execute, and deliver Standard Agreement(s) in a total amount not to exceed the amounts specified in each authorizing resolution, and any and all other documents, including amendments and terminations, required or deemed necessary or appropriate to secure the Homekey+ funds from HCD and to participate in the Homekey Program; and
8. As the agent of the County, authorize the Executive Director of the LACDA, or his designee, to enter into, execute, and deliver any ancillary agreements needed, and any and all other documents, including amendments and terminations, required or deemed necessary or appropriate to implement the Homekey Program with selected developers, and their County authorized designees.

###

KB:tcs

**HEALTH AND MENTAL HEALTH CLUSTER  
FY 2025-26 RECOMMENDED CHANGES  
MARCH 19, 2025**

**Changes From 2024-25 Budget**

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>HEALTH SERVICES</b>					
<b>2024-25 Final Adopted Budget</b>	<b>11,014,577,000</b>	<b>391,947,000</b>	<b>9,173,306,000</b>	<b>1,449,324,000</b>	<b>27,605.0</b>
<b><i>Curtailments</i></b>					
1. <b>Staffing Reduction:</b> Reflects reductions in salaries and employee benefits, including the deletion of 3.0 vacant, budgeted positions, in the Juvenile Court Health Services unit.	(362,000)	--	--	(362,000)	(3.0)
<b><i>New/Expanded Programs</i></b>					
1. <b>L.A. General Medical Center – Medical School Affiliation Agreement (MSAA):</b> Primarily reflects a reduction in the physician services provided to L.A. General under the MSAA with the University of Southern California, which will be replaced by the net addition of 33.0 positions and other appropriation.	16,521,000	--	8,299,000	8,222,000	33.0
2. <b>Office of Diversion and Re-entry (ODR):</b> Reflects an increase in funding and the addition of 14.0 positions to support the Incompetent to Stand Trial Solutions and Harm Reduction programs.	18,368,000	--	18,368,000	--	14.0
3. <b>ICHS Recruitment and Retention Bonuses:</b> Reflects funding to right-size the recruitment and retention bonuses for select ICHS classifications that became effective May 2023, to address provisions of a Department of Justice settlement concerning mental health services and suicide prevention in custody facilities.	5,000,000	--	--	5,000,000	--
4. <b>Other Program Changes:</b> Reflects an increase of 9.0 positions, partially offset by the deletion of 8.0 positions, to expand services in areas such as psychiatry, gender-affirming care, data analytics, and leadership development.	1,605,000	--	--	1,605,000	1.0
<b><i>Other Changes</i></b>					
1. <b>Salaries and Employee Benefits:</b> Primarily reflects Board-approved increases in salaries and health insurance subsidies.	58,497,000	--	--	58,497,000	--
2. <b>Retirement:</b> Reflects a projected increase in retirement, as well as a scheduled increase in the Department's proportional share of costs to prefund the County's retirement benefits.	26,383,000	--	--	26,383,000	--
3. <b>Retiree Health Insurance:</b> Reflects a projected increase in retiree health insurance premiums, as well as a scheduled increase in the Department's proportional share of costs to prefund the County's retiree healthcare benefits.	13,269,000	--	--	13,269,000	--
4. <b>Workers' Compensation, Long-Term Disability and Unemployment Insurance:</b> Reflects a projected increase in workers' compensation and long-term disability costs, as well as a scheduled increase in the	2,666,000	--	--	2,666,000	--

**HEALTH AND MENTAL HEALTH CLUSTER  
FY 2025-26 RECOMMENDED CHANGES  
MARCH 19, 2025**

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>HEALTH SERVICES</b>					
Department's proportional share of costs to prefund the County's retiree healthcare benefits.					
5. <b>Pharmaceutical Costs:</b> Reflects an increase in costs based on anticipated utilization trends, as well as an estimated 5.5% inflation in prices based on Centers for Medicare and Medicaid Services projections.	65,166,000	--	--	65,166,000	--
6. <b>Capital Projects and Deferred Maintenance:</b> Reflects a net decrease primarily due to the completion of several capital projects.	(35,722,000)	--	(9,967,000)	(25,755,000)	--
7. <b>Los Angeles Network for Enhanced Services (LANES):</b> Reflects funding to support the operation of LANES, a public-private organization with the goal of facilitating the electronic exchange of patient health information in the County.	2,000,000	--	--	2,000,000	--
8. <b>One-Time Funding:</b> Reflects the removal of prior-year funding that was provided on a one-time basis for the Housing for Health, Office of Diversion and Re-entry, and various other programs.	(297,733,000)	--	(117,994,000)	(179,739,000)	--
9. <b>Ministerial Changes:</b> Primarily reflects increases in insurance costs, judgments and damages, utility costs, and Board-approved contracts.	13,795,000	(23,306,000)	20,488,000	16,613,000	--
10. <b>Revenue Changes and Operating Subsidies:</b> Reflects an aggregate increase in revenues, primarily related to the Medi-Cal Managed Care, specialty mental health, and Enhanced Payment Program revenues. Also includes appropriation and revenue adjustments for operating subsidies, an increase to DHS's contribution to the IHSS Health Benefit MOE, and a one-percent increase in the MOE related to AB 85.	(78,124,000)	--	84,987,000	(163,111,000)	--
<b>Total Changes</b>	<b>(188,671,000)</b>	<b>(23,306,000)</b>	<b>4,181,000</b>	<b>(169,546,000)</b>	<b>45.0</b>
<b>2025-26 Recommended Budget</b>	<b>10,825,906,000</b>	<b>368,641,000</b>	<b>9,177,487,000</b>	<b>1,279,778,000</b>	<b>27,650.0</b>

**HEALTH AND MENTAL HEALTH CLUSTER  
FY 2025-26 RECOMMENDED CHANGES  
MARCH 19, 2025**

**Changes From 2024-25 Budget**

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>MENTAL HEALTH</b>					
<b>2024-25 Final Adopted Budget</b>	4,150,845,000	153,680,000	3,923,628,000	73,537,000	7,434.0
<b><i>New/Expanded Programs</i></b>					
<b>1. Behavioral Health Services Act (BHSA) Planning:</b> Reflects the addition of 13.0 positions to plan and provide ongoing support for the forthcoming transition from Mental Health Services Act (MHSA) to BHSA.	2,750,000	--	2,750,000	--	13.0
<b>2. Housing:</b> Reflects the addition of 8.0 positions (\$1.8 million) to manage housing resources and administer bridge housing, rental subsidies, and other housing-related supports. Also reflects the addition of funding (\$5.3 million) to support approximately 180 additional housing subsidies.	7,053,000	--	7,053,000	--	8.0
<b>3. Child &amp; Adolescent Programs:</b> Reflects the addition of 13.0 positions (\$1.6 million) and funding for a psychiatry fellowship (\$0.9 million), to facilitate increased capacity in child and adolescent psychiatry, which is a specialty that focuses on prevention, diagnosis, and treatment of disorders of thinking, feeling and behavior in children, adolescents, and their families.	2,473,000	--	2,473,000	--	13.0
<b>4. Alternative Crisis Response (ACR):</b> Reflects the addition of 17.0 positions (\$2.1 million) and funding for contracted services (\$4.6 million), to add six Psychiatric Mobile Response Teams (PMRT) and other ACR resources, which will support adherence to State standards and goals for crisis response services.	6,749,000	--	6,749,000	--	17.0
<b>5. Direct Services:</b> Reflects the addition of 27.0 positions to support direct mental health services provided to County consumers, which primarily includes pharmacy, laboratory, and other services provided through directly operated mental health clinics and Public Guardian services provided by the Lanterman-Petris-Short (LPS) Act conservatorship program.	3,875,000	--	3,875,000	--	27.0
<b><i>Other Changes</i></b>					
<b>1. Program Support:</b> Reflects the net addition of 49.0 positions to provide the program resources needed to support operational effectiveness, which primarily includes support for co-occurring disorders programs, transition age youth and child outpatient programs, and health access.	8,958,000	--	8,958,000	--	49.0

**HEALTH AND MENTAL HEALTH CLUSTER**  
**FY 2025-26 RECOMMENDED CHANGES**  
**MARCH 19, 2025**

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>MENTAL HEALTH</b>					
<b>2. Central Administrative Support:</b> Reflects the net addition of 22.0 positions to provide the central administrative resources needed to support the overall mission of the department, which primarily includes additional information technology resources and the recognition of completed reclassification studies for human resources and budget and financial reporting.	5,972,000	--	5,972,000	--	22.0
<b>3. One-Time Funding:</b> Reflects an adjustment to remove prior-year funding that was provided on a one-time basis to jumpstart the Department's efforts to employ alternative means of responding to mental health crises.	(32,838,000)	--	(32,086,000)	(752,000)	--
<b>4. Operating Costs:</b> Reflects various adjustments to align the budget with service levels among other departments and more closely reflect anticipated funding and expenditure levels, which primarily includes reductions in services and supplies appropriation to support budget right-sizing efforts.	(22,036,000)	(713,000)	(21,323,000)	--	--
<b>5. Salaries and Employee Benefits:</b> Primarily reflects Board-approved increases in salaries and health insurance subsidies.	9,977,000	--	9,977,000	--	--
<b>6. Retirement:</b> Reflects an increase primarily due to adjustments for position changes as well as prior-year investment gains and losses in the Los Angeles County Employees Retirement Association's investment portfolio.	9,737,000	--	9,737,000	--	--
<b>7. Retiree Health Insurance:</b> Reflects a projected increase in retiree health insurance premiums, as well as a scheduled increase in the Department's proportional share of costs to prefund the County's retiree healthcare benefits.	12,290,000	--	12,290,000	--	--
<b>8. Unavoidable Costs:</b> Reflects changes in workers' compensation and long-term disability costs due to medical cost trends and decreases in claims.	(179,000)	--	(179,000)	--	--
<b>Total Changes</b>	<b>14,781,000</b>	<b>(713,000)</b>	<b>16,246,000</b>	<b>(752,000)</b>	<b>149.0</b>
<b>2025-26 Recommended Budget</b>	<b>4,165,626,000</b>	<b>152,967,000</b>	<b>3,939,874,000</b>	<b>72,785,000</b>	<b>7,583.0</b>

**HEALTH AND MENTAL HEALTH CLUSTER  
FY 2025-26 RECOMMENDED CHANGES  
MARCH 19, 2025**

**Changes From 2024-25 Budget**

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>Public Health</b>					
<b>2024-25 Final Adopted Budget</b>	1,784,134,000	114,056,000	1,371,429,000	298,649,000	5,631.0
<b>Curtailments</b>					
1. <b>Net County Cost (NCC) Reduction:</b> Reflects a decrease in services and supplies.	(4,893,000)	--	--	(4,893,000)	--
<b>New/Expanded Programs</b>					
1. <b>Substance Abuse and Prevention Control (SAPC):</b> Reflects a net increase in funding to meet programmatic and operational needs as follows: a) increase of \$156.0 million in substance abuse and prevention contract services funding to align the budget with anticipated service levels, fully offset with revenue; b) increase of \$5.7 million for 24.0 positions to meet various operational needs, fully offset with revenue; and c) decrease of (\$6.9 million) to align the budget with available State and Federal grant funding.	154,872,000	--	154,872,000	--	24.0
2. <b>Gender-Based Violence (GBV):</b> Reflects ongoing funding in response to a Board motion for the GBV program. This adjustment completes program funding needs and augments contract services for promoting healthy relationships, encouraging community-based solutions, and implementing solutions for LGBTQ+ youth.	1,650,000	--	--	1,650,000	--
<b>Other Changes</b>					
1. <b>Gender Impact Assessment (GIA):</b> Reflects one-time funding (Year 2 of 5) to continue progress on program development and leadership.	125,000	--	--	125,000	--
2. <b>Sexually Transmitted Infections (STI):</b> Reflects the continuation of one-time Tobacco Settlement funding to support the County's response to the rise in STI cases.	2,500,000	--	--	2,500,000	--
3. <b>Doula Hub (Year 3 Funding):</b> Reflects the addition of one-time funding, Year 3 of 3, for Doula Hub operations, consisting of contract services, training, communications, and workforce development.	900,000	--	--	900,000	--
4. <b>Public Health Services:</b> Reflects a net increase in funding to meet programmatic and operational needs as follows: a) increase of \$11.1 million and 5.0 positions for the health facilities inspection program, fully offset with revenue; b) addition of 1.0 position for public health laboratory, fully offset by the deletion of 1.0 position; c) decrease of \$0.8 million to align with available grant funding for the CalFresh program, as well as a realignment of existing resources to add 2.0 positions; and d) decrease of \$5.9 million to align with available funding for the Tobacco Prevention and Control program, as well as a realignment of existing resources to add 1.0 position.	4,445,000	--	4,445,000	--	8.0

**HEALTH AND MENTAL HEALTH CLUSTER**  
**FY 2025-26 RECOMMENDED CHANGES**  
**MARCH 19, 2025**

	Gross Appropriation (\$)	Intrafund Transfer (\$)	Revenue (\$)	Net County Cost (\$)	Budg Pos
<b>Public Health</b>					
5. <b>Grant Funding:</b> Reflects a decrease in funding due to expired COVID-19 grant funding.	(17,524,000)	--	(17,524,000)	--	--
6. <b>One-Time Funds:</b> Reflects a net decrease in prior-year one-time funding primarily comprised of: a) a decrease of \$35.5 million for American Rescue Plan Act (ARPA) programs funded by revenue and ARPA-enabled funding; b) a decrease of \$9.4 million in Tobacco Settlement funding for sexually transmitted infections; c) a decrease of \$7.9 million in one-time net County cost (NCC) related to a prior-year fund balance carryover; d) a decrease of \$5.0 million in Opioid Settlement carryover funding; d) a decrease of \$1.5 million in Measure B funding; and e) a decrease of \$1.5 million in various other funding.	(60,835,000)	--	(14,221,000)	(46,614,000)	--
7. <b>Ministerial Changes:</b> Reflects various adjustments on a ministerial level to meet operational needs including changes to other County department costs, special revenue funds, and other budgetary realignments.	(15,874,000)	(15,986,000)	112,000	--	(2.0)
8. <b>Salaries and Employee Benefits:</b> Primarily reflects Board-approved increases in salaries and health insurance subsidies.	3,289,000	--	1,910,000	1,379,000	--
9. <b>Retirement:</b> Reflects a decrease primarily due to adjustments for position changes as well as prior year investment gains and losses in the Los Angeles County Employees Retirement Association's investment portfolio.	(2,285,000)	--	(1,365,000)	(920,000)	--
10. <b>Retiree Health Insurance and Other Post-Employment Benefit (OPEB):</b> Reflects a projected increase in retiree health insurance premiums, as well as a scheduled increase in the Department's proportional share of costs to prefund the County's retiree healthcare benefits and OPEB.	2,829,000	--	1,690,000	1,139,000	--
11. <b>Countywide Cost Allocation Adjustment:</b> Reflects an adjustment in rent charges to comply with federal Office of Management and Budget claiming guidelines (2 CFR Part 200).	(11,000)	--	--	(11,000)	--
<b>Total Changes</b>	<b>68,188,000</b>	<b>(15,986,000)</b>	<b>129,919,000</b>	<b>(44,745,000)</b>	<b>30.0</b>
<b>2025-26 Recommended Budget</b>	<b>1,853,322,000</b>	<b>98,070,000</b>	<b>1,501,348,000</b>	<b>253,904,000</b>	<b>5,661.0</b>