



Los Angeles County  
DEPARTMENT OF MENTAL HEALTH

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

29 May 1, 2018

May 01, 2018

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

  
CELIA ZAVALA  
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO AMEND AND ENTER INTO NEW LEGAL ENTITY AGREEMENTS FOR THE  
PROVISION OF SHORT TERM RESIDENTIAL THERAPEUTIC PROGRAM SERVICES  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to amend Department of Mental Health Legal Entity Agreements and enter into new Legal Entity Agreements for the provision of Short Term Residential Therapeutic Program (STRTP) services for Fiscal Year (FY) 2017-18 and 2018-19.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director of the Department of Mental Health (Director), or his designee, to prepare, sign, and execute an amendment substantially similar to Attachment I, to the existing Department of Mental Health (DMH) Legal Entity (LE) Agreements for David & Margaret Home, Inc., Optimist Boys' Home and Ranch, Inc., Trinity Youth Services, and Rosemary Children's Services to continue to provide Short Term Residential Therapeutic Program (STRTP) services. The amendment will be effective upon your Board's approval though June 30, 2018. The total cost for the four providers for Fiscal Year (FY) 2017-18 is \$1,544,000.
2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments as necessary to add funding to the 18 existing LE Agreements, listed in Attachment II, including the four Contractors in Recommendation No. 1, provided that the Contractors obtain their STRTP licenses prior to execution of such amendment and sufficient funds are available; and subject to the prior review and approval as to form by County Counsel, with written notice to the Board and Chief Executive Officer. The funding allotted for STRTP will not be subject to the 25 percent

delegated authority to increase the Maximum Contract Amount (MCA) previously approved for these LE Agreements for FYs 2017-18 and 2018-19.

3. Delegate authority to the Director, or his designee, to prepare, sign, and execute future LE Agreements with 31 new STRTP providers, listed in Attachment II, provided that the providers obtain their STRTP licenses prior to execution of such agreements and sufficient funds are available; and subject to the prior review and approval as to form by County Counsel, with written notice to the Board and Chief Executive Officer.

4. Delegate authority to the Director, or his designee, to increase the MCAs of the LE Agreements in Recommendation 3 for STRTP funding only, without being subject to the 25 percent delegated authority, for two consecutive fiscal years.

5. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the LE Agreements in Recommendations 1 through 3 to sustain the program throughout the term of the agreement, including but not limited to: provide or add additional/related services; modify or replace an existing Service Exhibit and/or Statement of Work; and/or, reflect federal, State, and County regulatory and/or policy changes; provided sufficient funds are available; and subject to the prior review and approved as to form by County Counsel, with written notice to the Board and Chief Executive Officer.

6. Delegate authority to the Director, or his designee, to terminate any Agreement, described in Recommendations 1 through 3 in accordance with the Agreement's termination provisions, including Termination for Convenience. The Director will notify the Board and Chief Executive Officer, in writing, of such termination action.

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

Approval of the requested actions will allow DMH to amend the four LE Agreements identified in Recommendation 1 to provide additional STRTP services for FY 2017-18. In addition, DMH projects that the remaining 14 existing LE providers and 31 new LE agreements, previously approved to receive STRTP funding in the March 8, 2017 Adopted Board Letter, will receive their STRTP licenses during FY 2017-18 or FY 2018-19 and will also exceed previously approved delegated authority. Consequently, your Board's approval is necessary for DMH to immediately amend the four LE agreements and to amend the remaining 45 LE agreements as each receives their respective STRTP license.

STRTPs are short-term residential facilities that provide culturally relevant, trauma-informed, 24-hour care and medically necessary specialty mental health services to children/youths under the custody of the Department of Children and Family Services (DCFS) and/or the Department of Probation (Probation).

Board approval of Recommendation 1 will enable DMH to amend the LE Agreements for David & Margaret Home, Inc., Optimist Boys' Home and Ranch, Inc., Trinity Youth Services, and Rosemary Children's Services to continue to provide STRTP services without interruption during FY 2017-18.

Board approval of Recommendations 2 through 5 will enable DMH to amend the 18 existing LE Agreements to add STRTP funds and make an exception so that the increase of these funds are not

subject to the previously approved 25 percent delegated authority; enter into 31 new LE Agreements; and amend all 49 LE Agreements, in a timely manner, so they can provide STRTP services during FYs 2017-18 and 2018-19 and sustain the program throughout the term.

Board approval of Recommendation 6 will enable DMH to terminate the Agreements in accordance with the Agreement's termination provisions, including termination for convenience, in a timely manner, as necessary.

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

These recommendations support the County's Strategic Plan Goal I, "Make Investments That Transform Lives" and Strategic Plan Goal II, "Foster Vibrant and Resilient Communities."

### **FISCAL IMPACT/FINANCING**

For FY 2017-18 the aggregate funding for the four Amendments in Recommendation No. 1 is \$1,544,000, fully funded by Federal Financial Participation (FFP) and 2011 Realignment-Early & Periodic Screening, Diagnosis and Treatment (EPSDT) revenue.

For FY 2018-19 the estimated aggregate funding for the 18 existing and 31 new LEs is \$122 million which will be requested through DMH's annual budget process.

There is no impact on net County cost for this action.

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

As part of the California Department of Social Services (CDSS's) ongoing Katie A. implementation efforts, in October 2015, the State Legislature enacted AB 403 Foster Care: Continuum of Care Reform (CCR). CCR comprehensively reforms placement and treatment options for probation and youth in foster care. Through CCR, reliance on congregate care is treated as a limited short-term, therapeutic intervention that is just one part of the continuum of care available for children, youth and young adults. STRTPs are a new community care facility category in which qualified children placed under the custody of DCFS and/or Probation are assessed and given short-term residence with intensive interventions, 24-hour care and supervision, and specialty mental health services. Implementation of CCR began on January 1, 2017.

STRTPs must be licensed by CDSS to begin providing service. Based on State requirements all providers must be licensed no later than December 31, 2018. In order to receive licensure, STRTPs must first be deemed eligible by DCFS and must have an established contract with DCFS and/or Probation. Upon receipt of licensure from CDSS, STRTPs are also required to contract with DMH, as the Local Mental Health Plan (LMHP), within one year, to establish Medi-Cal certified mental health programs prior to service provision.

In accordance with Board Policy No. 5.120, DMH notified your Board on March 2, 2018, of its intent to request an exception to the delegated authority for a percentage increase exceeding 10 percent of the total contract amount for contractors receiving STRTP funding (Attachment III).

Attachment I is the amendment format approved as to form by County Counsel.

Attachment II lists all LEs who will receive STRTP funding in FYs 2017-18 or 2018-19.

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

Board approval of the recommendations will allow DMH to remain in compliance with AB 403, and will ensure uninterrupted STRTP services to children/youths residing in STRTP facilities throughout the County.

Respectfully submitted,



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

JES:GP:RB:SK:rlr

Enclosures

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

AMENDMENT NO. \_\_\_\_\_

THIS AMENDMENT is made and entered into this \_\_\_ day of \_\_\_\_\_, 2018 by and between the COUNTY OF LOS ANGELES (hereafter "County") and \_\_\_\_\_ (hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated \_\_\_\_\_, 201X, identified as County Agreement No. MH, and as subsequently amended (hereafter collectively "Agreement"); and

WHEREAS, on October 11, 2015, Assembly Bill (AB) No. 403 mandated California counties to implement provisions of the Continuum of Care Reform (CCR); and

WHEREAS, the County recognizes the implementation of CCR will further improve California's child welfare system and its outcomes by reducing the use of congregate care placement settings; and

WHEREAS, included in the CCR is the Short Term Residential Therapeutic Program (STRTP), a new community care facility category in which qualified children placed under the custody of Department of Children and Family Services (DCFS) and/or Department of Probation are assessed and given short-term residence at STRTP facilities for the provision of intensive interventions, 24-hour care and supervision, and SMHS.

WHEREAS, Contractor was licensed to provide Short Term Residential Therapeutic Program (STRTP) services by the State; and

WHEREAS, for FY 2017-18 only, County and Contractor intend to amend the Agreement to increase DMH Mental Health Services Medi-Cal (MC) Program funds to provide STRTP for the provision of specialty mental health services for children and youth involved in foster care and probation systems and residing in congregate care; and

WHEREAS, for FY 2017-18 only, as a result of the above changes, the Maximum Contract Amount (MCA) will increase; and

WHEREAS, for Fiscal Year (FY) 2017-18 only, County and Contractor intend to amend this Agreement only as described hereunder; and

WHEREAS, Contractor warrants that it possesses 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, County and Contractor agree that this Agreement shall be amended to increase funding for the implementation of STRTP, as follows:

1. For FY 2017-18 DMH Mental Health Services MC Program funds are increased in the amount of \$\_\_\_\_\_.
2. The revised MCA for FY 2017-18 is \$\_\_\_\_\_.
3. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II to the Agreement, Paragraph C (REIMBURSEMENT FOR INITIAL PERIOD) or Paragraph D (REIMBURSEMENT IF AGREEMENT IS EXTENDED), shall be deleted in **its/their** entirety and the following substituted therefor:

“C. REIMBURSEMENT FOR INITIAL PERIOD

(1) The MCA for the Initial Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.”

or

“D. REIMBURSEMENT IF AGREEMENT IS EXTENDED

(1) Reimbursement For First Optional Extension Period: The MCA for the First Optional Extension Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.

(2) Reimbursement For Second Optional Extension Period: The MCA for the Second Optional Extension Period of this Agreement as described in Paragraph 1 (TERM) of the Legal Entity Agreement shall not exceed \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_) and shall consist of Funded Programs as shown on the Financial Summary.” (whichever one is applicable)

4. Financial Summary (Attachment III of the Agreement) - \_\_\_\_\_ for FY 2017-18, shall be deleted in its entirety and replaced with Financial Summary - \_\_\_\_\_ (Attachment III of the Agreement) for FY 2017-18 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary (Attachment III of the Agreement) - \_\_\_\_\_ for FY 2017-18, shall be deemed amended to state

“Financial Summary - \_\_\_\_\_ (Attachment III of the Agreement) for FY 2017-18 only.”

5. Contractor shall provide services in accordance with Contractor’s FY 2017-18 Negotiation Package for this Agreement and any addenda thereto approved in writing by the County’s Director of Mental Health or his designee.
6. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by County's Director of Mental Health or his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
JONATHAN E. SHERIN, M.D., Ph.D.  
Director of Mental Health

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_  
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

**County of Los Angeles - Department of Mental Health  
Prevention Services Bureau - Continuum of Care Reform**

**STRTP PROVIDER LIST FOR FISCAL YEARS 2017-18 AND 2018-19**

**EXISTING LEGAL ENTITY PROVIDERS RECEIVING STRTP  
FUNDING  
FOR FY 2017-18**

LE #	Agency	Amounts	Licensure Date
1 1227	David & Margaret	\$ 200,000	10.19.17
2 781	Optimist Boy's Home	\$ 355,191	8.1.17
3 848	Rosemary Children's Svs.	\$ 347,166	3.7.18
4 1026	Trinity Children Family	\$ 641,417	9.14.17
<b>Total</b>		<b>\$ 1,543,774</b>	

**EXISTING LEGAL ENTITY PROVIDERS RECEIVING STRTP  
FUNDING  
FOR FY 2018-19**

LE #	Agency	Licensure Date
1 192	Hathaway-Sycamores	11.1.17
2 196	Vista Del Mar	
3 201	Penny Lane Centers	
4 320	San Gabriel Children's Ctr	
5 321	Hillsides Home for Children	
6 647	Five Acres	
7 697	Leroy Haynes Center	
8 781	Optimist Boy's Home	8.1.17
9 805	Phoenix House Academy	
10 848	Rosemary Children's Svs.	3.7.18
11 870	Florence Crittenton Services of O.C.	
12 971	McKinley Children's Center	
13 1026	Trinity Children Family	9.14.17
14 1034	Maryvale	
15 1186	St. Anne's Maternity	
16 1227	David & Margaret	10.19.17
17 1798	Junior Blind of America	
18 1853	Eggleston	

**NEW LEGAL ENTITY PROVIDERS RECEIVING STRTP  
FUNDING  
FOR FY 2018-19**

LE #	Agency	Licensure Date
1 TBD	Bourne Inc	
		12.8.18, 12.13.17, 2.2.18, 2.16.18
2 TBD	Boys/Girls Republic*	
3 TBD	Careprovider Org Foundation	
4 TBD	Center for Positive Changes	
5 TBD	Childhelp	
6 TBD	Children's Homes of So California	
7 TBD	Dangerfield Group Home	
8 TBD	Delilu Achivement Home	
9 TBD	Dream Catcher Foundation	
10 TBD	Dream Home Care, Inc.	
11 TBD	Fields Comprehensive Youth Services	
12 TBD	Fleming & Barnes Inc.	
13 TBD	Fred Jefferson Memorial Home	
14 TBD	Garces Residential/Bright Horizons	
15 TBD	Heritage Group Homes	
16 TBD	House of Bethesda	
17 TBD	Human Services Network (Youth Services)	
18 TBD	Humanistic Foundation	
19 TBD	Los Angeles Youth Network	3.2.18
20 TBD	Luvlee's Residential Care/New Dawn GH	
21 TBD	Mary's Shelter Dependent Program	
22 TBD	Murrell's Farm Boys Home	
23 TBD	New Beginnings	
24 TBD	Rancho San Antonio Boys Home	3.19.18
25 TBD	Seneca Family (University Village)	
26 TBD	South Bay Bright Future Youth Center	
27 TBD	South Coast Children's Society	
28 TBD	Starshine Treatment Center	9.14.17
29 TBD	T & T Home For Boys	
30 TBD	West Covina FFA (Homes of Hope)	
31 TBD	West Covina Grp Hm	

Total of 9 agencies are licensed as STRTP providers.

Five agencies out of 9 are existing LE Contractors with DMH.

\* Boys/Girls Republic has four sites licensed for STRTP on different dates.



Los Angeles County  
**DEPARTMENT OF MENTAL HEALTH**

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

March 2, 2018

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

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

SUBJECT: **NOTICE OF INTENT TO REQUEST AN EXCEPTION TO THE  
 DELEGATED AUTHORITY FOR A PERCENTAGE INCREASE  
 EXCEEDING 10 PERCENT OF THE TOTAL CONTRACT AMOUNT**

In accordance with Los Angeles County Board of Supervisors' (Board) Policy No. 5.120, the Department of Mental Health (DMH) is notifying your Board of our Department's intent to request an exception to the delegated authority for a percentage increase exceeding 10 percent of the total contract amount. More specifically, DMH is requesting an exception to the delegated authority policy to add funding to the Legal Entity (LE) Agreements for the implementation of Short Term Residential Therapeutic Program (STRTP) only. If granted, the exception will allow DMH to omit the STRTP funding amount from the Maximum Contract Amount (MCA) when calculating the 25 percent delegated authority previously granted to DMH for these LE Agreements for Fiscal Years (FYs) 2017-18 and 2018-19. DMH will apply this exception to LE Agreements that will be qualified to provide STRTP and it will only apply to FYs 2017-18 and 2018-19. All other funded programs will still be included in the MCA and be subject to the 25 percent delegated authority as previously approved by your Board.

**JUSTIFICATION**

For FYs 2017-18 and 2018-19 only, DMH will be executing new LE agreements with approximately 37 contractors and amending the existing agreements of approximately 19 LE contractors to add funding for the provision of STRTP services.

Passed by the State in October 2015, Assembly Bill 403, Foster Care: Continuum of Care Reform (CCR) created the framework for a comprehensive redesign of the

Each Supervisor  
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March 2, 2018

services and supports provided to probation and child welfare foster care youth. Included in the CCR is the STRTP, a new community care facility category in which qualified children placed under the custody of Department of Children and Family Services and/or Department of Probation are assessed and given short-term residence at STRTP facilities for the provision of intensive interventions, 24-hour care and supervision, and specialty mental health services. STRTPs must be licensed by California Department of Social Services (CDSS) to begin providing service. Once a contractor receives its STRTP license, DMH will amend the contract to add the STRTP mental health services funding. Per the State requirements, all providers must be licensed no later than December 31, 2018.

Approval of this request will allow DMH to expeditiously amend each of the agreements upon receipt of the STRTP license without having to return to your Board. At this time, it is not possible for DMH to anticipate or accurately estimate the need for these services for each of the LE Agreements, thus the need for the exception to the delegated authority policy.

#### **NOTIFICATION TIMELINE**

Board Policy No. 5.120 requires departments to provide written notice to your Board, with a copy to the Chief Executive Officer, at least two weeks prior to the Board meeting at which the request to exceed 10 percent of the MCA will be presented. In compliance with this policy, DMH is notifying your Board of our intent to request an exception to this policy for FYs 2017-18 and 2018-19 only, for contractors receiving STRTP funding through a Board letter to be presented at a Board hearing date during the month of April 2018.

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

JES:GP:SK:rlr

c: Executive Office, Board of Supervisors  
Chief Executive Office  
County Counsel  
Gregory Polk  
Kimberly Nall  
Robert Byrd, Ph.D.  
Stella Krikorian