



LOS ANGELES COUNTY DEPARTMENT OF MENTAL HEALTH  
550 S. VERMONT AVE., LOS ANGELES, CA 90020 HTTP://DMH.LACOUNTY.GOV



MARVIN J. SOUTHARD, D.S.W.  
Director  
ROBIN KAY, Ph.D.,  
Chief Deputy Director  
RODERICK SHANER, M.D.  
Medical Director

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

June 02, 2015

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

35 OF JUNE 2, 2015

PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO AMEND SIX EXISTING DEPARTMENT OF MENTAL HEALTH  
LEGAL ENTITY AGREEMENTS FOR FISCAL YEAR 2014-15  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to amend six existing Department of Mental Health Legal Entity Agreements to expand the contractors' capacity to serve consumers who are eligible to receive mental health services under the Affordable Care Act and/or Mental Health Services Act - Institutions for Mental Disease Step Down or Prevention and Early Intervention Programs.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and authorize the Director of Mental Health (Director), or his designee, to prepare, sign, and execute amendments, substantially similar to Attachment I, to six existing Department of Mental Health (DMH) Legal Entity (LE) Agreements as listed on Attachment II to expand each contractor's capacity to serve consumers who are eligible to receive mental health services under the Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act (ACA) and/or Mental Health Services Act (MHSA) - Institutions for Mental Disease (IMD) Step Down or Prevention and Early Intervention (PEI) Programs. These amendments will be effective upon your Board's approval and will increase various categories of funded programs in the total amount of \$1,663,354 for all six contractors, fully funded by Federal Financial Participation (FFP) Medi-Cal revenue in the amount of \$1,409,513 and State MHSA revenue in the amount of \$253,841. The increases to the Contractors' Maximum Contract Amounts (MCAs) are listed on Attachment II for Fiscal Year (FY)2014-15.

2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future

amendments to the LE Agreements listed on Attachment II and, for each contract, establish as a new MCA the aggregate of the original agreement and all amendments provided that: 1) the County's total payment to each contract provider for each fiscal year do not exceed an increase of 20 percent from the applicable MCA which the Board is being asked to approve in Attachment II; 2) any such increase is used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel, or designee, is obtained prior to any such amendment; 5) the County and each contractor may, by written amendment, reduce programs or services without reference to the 20 percent limitation and revise the applicable MCA; and 6) the Director, or his designee, notifies your Board and the Interim Chief Executive Officer (CEO) of Agreement changes in writing within 30 days after execution of each amendment.

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

Approval of the requested actions will allow DMH to amend its LE Agreements with each contractor listed on Attachment II and expand each contractor's capacity to serve consumers eligible for mental health services under the ACA.

As a routine business practice, DMH examined its contractors' estimated service delivery needs and determined that the LE Contractors listed on Attachment II would require additional funds due to the increased demand for services to already eligible consumers and/or the increase in number of consumers that sign up for ACA, requiring mental health services. One LE Agreement with Social Model Recovery Systems, Inc., also requires additional funding for the MHSA - IMD Step Down Program, and one LE Agreement with Dignity Health requires additional funding for the MHSA - PEI Program only, to meet the increased demands in providing much needed services to the community.

Consequently, your Board's approval is necessary to amend these six LE Agreements because DMH has reached its 20 percent delegated authority for FY 2014-15 for these specific contractors. DMH amended these LE Agreements up to their applicable authorized 20 percent delegated authority and now DMH is seeking your Board's approval to further amend these LE Agreements for the amounts that exceeded that authority.

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

The recommended actions are consistent with County's Strategic Plan Goal 3, Integrated Services Delivery.

### **FISCAL IMPACT/FINANCING**

The total increase of these six amendments is \$1,663,354 fully funded by FFP Medi-Cal revenue in the amount of \$1,409,513 and State MHSA revenue in the amount of \$253,841. Funding for these amendments is included in DMH's FY 2014-15 Final Adopted Budget.

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

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

On June 4, 2014, your Board authorized the Director to renew 67 Legal Entity Agreements and in

doing so approved a MCA for each LE Agreement. Additionally, in a separate Board action on June 4, 2014, your Board authorized the Director to supersede the remaining 67 LE Agreements that were not renewed and in doing so approved a MCA for each superseded LE Agreement. The LE Agreements listed on Attachment II were part of one or the other of those Board actions. As part of these June 4, 2014, actions, DMH also asked and was delegated authority to increase the MCAs of all its LE Agreements up to 20 percent of their then approved MCAs.

In May 2015, the LE Agreements listed on Attachment II were amended to increase the Medi-Cal funds to expand the Contractors' capacity to serve consumers in need of these services. Now, DMH is seeking your Board's approval to further amend these LE Agreements for the amounts that exceeded the original 20 percent delegated authority.

Attachment II includes information regarding these LE Agreements, the contractor names, the Supervisorial Districts in which their headquarters are located, and the revised MCAs.

In accordance with your Board Policy Manual, Section No. 5.120, Authority to Approve Increases to Board Approved Contract Amounts, DMH notified your Board on April 30, 2015 (Attachment III) of its intent to request delegated authority of more than 10 percent for these agencies. This authority will allow DMH greater capacity to amend the Agreement and implement additional services in a more timely and expeditious manner.

The attached amendment format (Attachment I) has been approved as to form by County Counsel. DMH clinical and administrative staff will administer and monitor the agreements, evaluate programs to ensure that quality services are being provided to clients, and make certain that agreement provisions and departmental policies are followed.

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

Board approval of the proposed actions will allow the LE Contractors to maintain business continuity in the provision of current mental health services to severely and persistently mentally ill adults, seriously emotionally disturbed children, adolescents, and their families throughout the County of Los Angeles.

The Honorable Board of Supervisors

6/2/2015

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mg Southard". The signature is written in a cursive, flowing style.

MARVIN J. SOUTHARD, D.S.W.

Director of Mental Health

MJS:DM:RK:sk

Enclosures

c: Acting Executive Officer, Board of Supervisors  
Interim Chief Executive Officer  
County Counsel  
Chairperson, Mental Health Commission

CONTRACT NO. MH \_\_\_\_\_AMENDMENT NO. \_\_\_

THIS AMENDMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2015, by and between the COUNTY OF LOS ANGELES (hereafter "County") and \_\_\_\_\_ (hereafter "Contractor").

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

WHEREAS, for Fiscal Year (FY) 2014-15 only, County and Contractor intend to amend this Agreement only as described hereunder; and

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend this Agreement to increase the Maximum Contract Amount (MCA) to expand Contractor's capacity to serve consumers who are eligible to receive mental health services under the Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act (ACA); and (*use if applicable*)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend this Agreement to increase the Maximum Contract Amount (MCA) to expand Contractor's capacity to serve consumers who are eligible to receive mental health services under the Medicaid (Medi-Cal in California) Coverage Expansion under the Affordable Care Act (ACA) and Mental Health Services Act (MHSA) – Institutions for Mental Disease (IMD) Step Down Program; (*Social Model Recovery only*) and

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend this Agreement to increase the Maximum Contract Amount (MCA) to expand Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) Program; (*Dignity Health only*) and

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase DMH Mental Health Services (CGF) Medi-Cal (MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase MHSA Field Capable Clinical Services (FCCS) Medi-Cal (MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase MHSA Wellness Center Medi-Cal (MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase MHSA Urgent Care Center (Medi-Cal (MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase MHSA IMD Step Down Non Medi-Cal (Non-MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase MHSA IMD Step Down Medi-Cal (MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15 only, County and Contractor intend to amend Agreement to increase MHSA Prevention & Early Intervention (PEI) Medi-Cal (MC) Funded Program funds in the amount of \$\_\_\_\_\_; and (if applicable)

WHEREAS, for FY 2014-15, as a result of the above changes in funded programs, the MCA will increase in the amount of \$\_\_\_\_\_ and the revised MCA will be \$\_\_\_\_\_.

NOW, THEREFORE, County and Contractor agree that this Agreement shall be amended only as follows:

1. For FY 2014-15 only, DMH Mental Health Services (CGF) MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) MHSA FCCS MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) MHSA Wellness Center MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) MHSA Urgent Care Center MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) MHSA IMD Step Down Non-MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) MHSA IMD Step Down MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) MHSA PEI MC Funded Program funds are increased in the amount of \$\_\_\_\_\_; (if applicable) to expand Contractor's capacity to serve consumers eligible for mental health services under the ACA. (use if applicable); to expand Contractor's capacity to serve consumers eligible for mental health services under the ACA and MHSA – IMD Step Down Program. (*Social Model Recovery only*); to expand Contractor's MHSA PEI Program. (*Dignity Health only*) For FY 2014-15, the MCA is increased by \$\_\_\_\_\_ and the revised MCA is \$\_\_\_\_\_.

2. Financial Exhibit A (FINANCIAL PROVISIONS), Attachment II, Paragraph C (REIMBURSEMENT FOR INITIAL PERIOD), shall be deleted in its entirety and the following substituted therefor:

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

3. Financial Summary (Attachment III) - \_ for FY 2014-15, shall be deleted in its entirety and replaced with Financial Summary (Attachment III) - \_ for FY 2014-15 attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary (Attachment III) - \_ for FY 2014-15, shall be deemed amended to state “Financial Summary (Attachment III) - \_ for FY 2014-15.”
4. Contractor shall provide services in accordance with Contractor’s FY \_\_\_\_\_ Negotiation Package for this Agreement and any addenda thereto approved in writing by the County’s Director of Mental Health or his designee.
5. 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 on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
MARVIN J. SOUTHARD, D.S.W.  
Director of Mental Health

\_\_\_\_\_  
CONTRACTOR

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:  
OFFICE OF THE COUNTY COUNSEL

APPROVED AS TO CONTRACT  
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By \_\_\_\_\_  
Chief, Contracts Development  
and Administration Division

MM: FY 2014-15 – Amendment format over 20% Delegated Authority

Mental Health Contract Providers

FY 2014-15

No.	Legal Entity No.	Legal Entity Agreement	Supervisorial District of HQ's office	Revised MCAs
1	00177	Alcott Center for Mental Health Services 1433 S. Robertson Blvd. Los Angeles, CA 90035	2	\$2,420,871
2	00274	Braswell Rehabilitation Institute for Development of Growth and Educational Services, Inc. 1977 N. Garey Ave., Suite 6 Pomona, CA 91767	1	\$3,876,165
3	00695	Eldorado Community Service Center 26460 Summit Circle Avenue Santa Clarita, CA 91350	5	\$926,002
4	00317	LAMP, Inc. 526 S. San Pedro Street Los Angeles, CA 90013	2	\$2,520,501
5	00212	Social Model Recovery Systems, Inc. 223 East Rowland Street Covina, CA 91723	5	\$3,930,240
6	01285	Dignity Health 1401 S. Grand Avenue Los Angeles, CA 90015	1	\$1,310,141



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Medical Director

April 30, 2015

TO: Each Supervisor  
FROM: Marvin J. Southard, D.S.W.  
Director

*Robin Kay for*

**SUBJECT: NOTICE OF INTENT TO REQUEST DELEGATED AUTHORITY TO APPROVE A PERCENTAGE INCREASE EXCEEDING TEN PERCENT OF THE MAXIMUM CONTRACT AMOUNTS OF SIX LEGAL ENTITY AGREEMENTS FOR MENTAL HEALTH SERVICES FOR FISCAL YEAR 2014-15**

This is to advise your Board that the Department of Mental Health (DMH) is scheduling a Board letter for the May 19, 2015, agenda requesting approval to amend six Legal Entity (LE) Agreements that have reached their previously approved delegated authority and to establish a new Maximum Contract Amount (MCA) for each LE Agreement. The Board letter also requests an additional ten percent for a total of twenty percent delegated authority to increase the revised MCAs of the six LE Agreements.

In accordance with Board of Supervisors Policy No. 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts over ten percent.

### **JUSTIFICATION**

This authority will allow DMH greater capacity to amend contracts to implement new funding streams, programs, and services in an expeditious manner. It will also allow DMH and its LE contractors to maintain business continuity in the provision of current mental health services to severely and persistently mentally ill adults and seriously emotionally disturbed children, adolescents, and their families throughout the County of Los Angeles. In most instances where speed and response time are of key importance, the increased delegated authority will allow DMH and its network of contract agencies to maximize, prioritize, and increase access to services on a continuous and ever-increasing basis to its ever-growing clientele, which more effectively meets the County's mission, "To Enrich Lives Through Effective And Caring Service."

Should there be a need to exceed the twenty percent delegated authority, DMH will return to your Board with a request for authority to amend the contracts accordingly.

Each Supervisor  
April 30, 2015  
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**NOTIFICATION TIMELINE**

Consistent with the procedures of Board Policy No. 5.120, we are informing your Board of our intention to proceed with filing the Board letter with the Executive Office of the Board of Supervisors for the May 19, 2015, Board meeting.

If you have any questions or concerns please contact me, or your staff may contact Richard Kushi, Chief, Contracts Development and Administration Division, at (213) 738-4684.

MJS:DM:RK:SK:mm

c:     Acting Executive Officer, Board of Supervisors  
        Interim Chief Executive Officer  
        County Counsel  
        Robin Kay, Ph.D.  
        Dennis Murata, M.S.W.  
        Kimberly Nall  
        Richard Kushi