

**COUNTY OF LOS ANGELES**

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**DEPARTMENT OF MENTAL HEALTH**

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Reply To: (213) 738-4601  
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September 22, 2005

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

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

**45**

**OCT 11 2005**

Dear Supervisors:

*Violet Varona-Lukens*  
VIOLET VARONA-LUKENS  
EXECUTIVE OFFICER

**APPROVAL UNDER DELEGATED AUTHORITY FOR THE DEPARTMENT OF MENTAL HEALTH (DMH) TO ENTER INTO FUTURE AGREEMENTS WITH PHARMACIES, COMMUNITY CARE RESIDENTIAL FACILITIES, PATIENT/CLIENT TRANSPORTATION PROVIDERS, OUT-OF-STATE CHILD PLACEMENT MENTAL HEALTH SERVICE PROVIDERS, LICENSED CLINICAL ASSESSORS AND SCHOOL DISTRICTS (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future service agreements, substantially similar to previously Board-approved Agreement formats identified in item number 29 of agenda April 12, 2005, and item number 55 of agenda June 21, 2005, with qualified and/or licensed Pharmacies, Community Care Residential Facilities (CCRF), Patient/Client Transportation Providers, Out-Of-State Child Placement Mental Health Service Providers, Licensed Clinical Assessors (Assessors), and School Districts, provided that: 1) any future agreements will not change the allocated monies for each service type referenced above; 2) any future Agreement shall be used to provide additional services or to reflect program and/or policy changes; 3) approval of County Counsel and the Chief Administrative Office (CAO) or his designee is obtained prior to any such Agreement; and 4) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Agreement.
2. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute future amendments to the previously mentioned multiple agreements provided that: 1) any increase shall be used to provide additional

services or to reflect program and/or policy changes; 2) the Board of Supervisors has appropriated sufficient funds for all changes; 3) approval of County Counsel and CAO or their designee is obtained prior to any such Amendment; 4) County and Contractor may, by written Amendment, reduce programs or services and revise the applicable contracted rate; and 6) the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The recommended action will authorize the Department of Mental Health (DMH) to enter into future agreements under delegated authority with qualified and/or licensed Pharmacies, CCRFs, Patient/Client Transportation Services, Out-Of-State Child Placement Mental Health Service Providers, Assessors, and School Districts. This delegated authority provision was inadvertently omitted from your Board's approval of the renewal of 56 Pharmacy Agreements, 11 CCRF Agreements, two (2) Out-Of-State Child Placement Mental Health Services Agreements, 62 Services Agreements for the Clinical Assessment Program, and three (3) School Districts on June 21, 2005, and your Board's approval of the supersession of the Patient/Client Transportation Services Agreements on April 12, 2005.

In the past, Board letters authorizing new and/or renewal agreements of the previously mentioned service types contained a clause whereby the Board authorized DMH to enter into future agreements with qualified service providers under delegated authority. This action was appropriate because through attrition the number of these service providers constantly declined, and it was necessary for DMH to find other qualified providers to fill the need for services. Therefore, Board approval of this request will once again allow DMH, under delegated authority, to enter into future agreements with qualified and/or licensed Pharmacies, CCRFs, Patient/Client Transportation Providers, Out-Of-State Child Placement Mental Health Providers, Assessors, and School Districts as you have authorized DMH to do so in the past.

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

The recommended Board action is consistent with the principles of the County's Programmatic Goals No. 5, "Children and Families' Well-Being," and No. 7, "Health and Mental Health," within the Countywide Strategic Plan. Allowing DMH to enter into future agreements will ensure the uninterrupted continued provision of services and will ensure that service delivery systems provide cost-effective and quality services.

### **FISCAL IMPACT/FINANCING**

There is no increase in net County cost.

Additional Pharmacy, CCRF, Patient/Client Transportation Provider, Out-Of-State Child Placement Mental Health Service Provider, Assessor, and School District agreements will not change the allocated monies for each in the Fiscal Year (FY) 2005-2006 Adopted Budget nor affect current rates. There are no Maximum Contract Amounts for these types of agreements.

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

In the past when your Board authorized DMH to enter into, renew, or supersede Pharmacy, CCRF, Patient/Client Transportation Provider, Out-Of-State Child Placement Mental Health Service Provider, Assessor, and School District Agreements; you also allowed DMH to enter into future new service agreements with other qualified and/or licensed Pharmacies, CCRFs, Patient/Client Transportation Providers, Out-Of-State Child Placement Mental Health Service Providers, Assessors, and School Districts. This provision was inadvertently omitted in the June 21, 2005, Board-approved letter renewing 56 Pharmacy Agreements, 11 CCRF Agreements, two (2) Out-Of-State Child Placement Mental Health Services Agreements, 62 Services Agreements for the Clinical Assessment Program, and three (3) School Districts, and the April 12, 2005, Board-approved letter superseding 11 Patient/Client Transportation Services Agreements.

Approval of this request will enable DMH to enter into future contracts with qualified and/or licensed Pharmacies, CCRFs, Patient/Client Transportation Providers, Out-Of-State Child Placement Mental Health Service Providers, Assessors, and School Districts; will ensure the uninterrupted continued provision of services; and will ensure that service delivery systems are effective and efficient and provide cost-effective and quality services.

### **CONTRACTING PROCESS**

Since there will be no increase in net County cost for any of these future agreements, and since DMH's service delivery system needs are continually changing, it is not feasible or cost effective to develop a contract solicitation process (e.g.. Request for Information, Request for Proposal). Responsible Pharmacies, CCRFs, Patient/Client Transportation Providers, Out-Of-State Child Placement Mental Health Service Providers, Assessors, and School Districts will be selected by program staff based upon 1) state's regulations/licensing requirements that govern the specific type of services

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being rendered, 2) unmet geographic and/or service delivery system needs, and 3) experience, qualifications, and/or cost effectiveness of each future contractor.

Upon Board approval, the Director of Mental Health will have delegated authority to execute new Service Agreements with Pharmacies, CCRFs, Patient/Client Transportation Providers, Out-Of-State Child Placement Mental Health Service Providers, Assessors, and School Districts.

As mandated by your Board, the performance of all contractors is evaluated by DMH on an annual basis to ensure the contractors' compliance with all terms and performance standards.

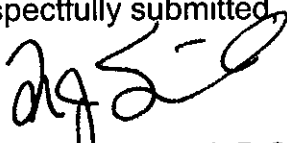
### **IMPACT ON CURRENT SERVICES**

Board approval of this action will allow current and future contractors to provide uninterrupted, accessible mental health services to residents of Los Angeles County.

### **CONCLUSION**

The Department of Mental Health will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684 when this document is available.

Respectfully submitted,



Marvin J. Southard, D.S.W.  
Director of Mental Health

MJS:MY:RK:aw

c: Chief Administrative Officer  
County Counsel  
Chairperson, Mental Health Commission

aw: Future Specialized Agreement BL