

COUNTY OF LOS ANGELES

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Medical Director



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DEPARTMENT OF MENTAL HEALTH

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June 17, 2004

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

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JUN 29 2004

Dear Supervisors:

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

**APPROVAL OF AMENDMENTS TO TWO EXISTING
DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY AGREEMENTS WITH
FLORENCE CRITTENTON SERVICES OF ORANGE COUNTY, INC. AND
ST. FRANCIS MEDICAL CENTER – CHILDREN’S COUNSELING CENTER TO
ALLOW FOR PAYMENT OF TITLE XIX MEDICAL SERVICES
FOR FISCAL YEAR 2003-2004
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute Amendment No.5, substantially similar to the Attachment, to the existing Legal Entity (LE) Agreement No. DMH-01587 with Florence Crittenton Services of Orange County, Inc. dba Crittenton Services for the provision of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Title XIX Medi-Cal services in Fiscal Year (FY) 2003-2004. The Amendment increases the Maximum Contract Amount (MCA) for Crittenton Services for FY 2003-2004 by \$500,000, from \$1,750,000 to \$2,250,000, fully funded with \$105,100 in budgeted Realignment appropriation for the EPSDT growth match, \$266,500 in Federal Financial Participation (FFP) Medi-Cal revenue, and \$128,400 in EPSDT-State General Funds (SGF). Department of Mental Health (DMH) will utilize \$500,000 of existing appropriation included in its FY 2003-2004 Adopted Budget to fund the increase in the MCA for FY 2003-2004.
2. Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute Amendment No. 3, substantially similar to the Attachment, to the

existing LE Agreement No. DMH-01543 with St. Francis Medical Center – Children’s Counseling Center (St. Francis Medical Center) for the provision of EPSDT Title XIX Medi-Cal services in FY 2003-2004. The Amendment increases the MCA for St. Francis Medical Center for FY 2003-2004 by \$200,000, from \$955,330 to \$1,155,330, fully funded with \$9,800 in budgeted Realignment appropriation for the EPSDT growth match, \$106,600 in FFP Medi-Cal revenue, and \$83,600 in EPSDT-SGF. DMH will utilize \$200,000 of existing appropriation included in its FY 2003-2004 Adopted Budget to fund the increase in the MCA for FY 2003-2004.

3. Delegate authority to the Director of Mental Health or his designee to prepare, sign, and execute amendments to the existing LE Agreements with Crittenton Services of Orange County and St. Francis Medical Center – Children’s Counseling Center, provided that: 1) the County’s total payments to the contractor under the Agreement for this fiscal year shall not exceed a change of 20 percent from the applicable revised MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer (CAO) or his designee is obtained prior to any such Amendment; 5) the parties may, by written Amendment, mutually agree to reduce programs or services without reference to the 20 percent limitation; 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

DMH analyzed the FY 2003-2004 EPSDT allocations of its existing contractors and determined that some contractors were underutilizing their EPSDT resources while others were in need of additional resources because of over utilization. As a result of this analysis, DMH will need to redirect existing EPSDT resources from DMH contractors underutilizing their current fiscal year allocation to better align the actual demand for mandated EPSDT services with the contractor’s capacity to provide and be reimbursed timely for those services. The resulting technical adjustments to the County General Fund (CGF) and EPSDT-SGF sources will also align the EPSDT baseline Medi-Cal local match and EPSDT growth match with DMH’s FY 2003-2004 Adopted Budget.

While most of these technical adjustment amendments are within previously delegated authority, Board approval is requested to amend only the Agreements with Crittenton Services and St. Francis Medical Center as the resulting increase to the MCA, because of the redirection of EPSDT resources, is not within DMH’s delegated authority.

The Crittenton Services Amendment increases the MCA for FY 2003-2004 by \$500,000, from \$1,750,000 to \$2,250,000; and the St. Francis Medical Center Amendment increases the MCA for FY 2003-2004 by \$200,000, from \$955,330 to \$1,155,330.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the County's Organizational Goal #4, "Fiscal Responsibility," and Programmatic Goal #5, "Children and Families' Well-Being," within the Countywide Strategic Plan. Board approval of these Amendments will enable DMH to make FY 2003-2004 payments to these two contract agencies and also strengthen the mental health services delivery system.

FISCAL IMPACT/FINANCING

There is no increase in net County cost.

Amendment No. 5 to the existing LE Agreement with Crittenton Services for FY 2003-2004 in the amount of \$500,000 will be funded by \$105,100 in budgeted Realignment appropriation for the EPSDT growth match, \$266,500 in FFP Medi-Cal revenue, and \$128,400 in EPSDT-SGF included in DMH's FY 2003-2004 Adopted Budget. Crittenton Services' revised MCA will total \$2,250,000 for FY 2003-2004.

Amendment No. 3 to the existing LE Agreement with St. Francis Medical Center for FY 2003-2004 in the amount of \$200,000 will be funded by \$9,800 in budgeted Realignment appropriation for the EPSDT growth match, \$106,600 in FFP Medi-Cal revenue, and \$83,600 in EPSDT-SGF included in DMH's FY 2003-2004 Adopted Budget. St. Francis Medical Center's revised MCA will total \$1,155,330 for FY 2003-2004.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Board approval is required for Amendment No. 5 to increase Crittenton Services' MCA for FY 2003-2004 by \$500,000, from \$1,750,000 to \$2,250,000, and to increase St. Francis Medical Center's MCA for FY 2003-2004 by \$200,000, from \$955,330 to \$1,155,330. These amendments will enable DMH to better align the actual demand for EPSDT services with the contractors' capacity to provide and be reimbursed timely for those services. The Amendment increases exceed the 20 percent MCA authority delegated to the Director of Mental Health or his designee by your Board on December 16, 2003.

Since the implementation of the Medicaid's EPSDT program in FY 1994-1995, DMH has been required to significantly increase the availability of mental health services to Medi-Cal

eligible beneficiaries under 21 years of age and thus has been able to achieve a comprehensive system of care to Medicaid recipients. The EPSDT program provides medically necessary services to Medi-Cal eligible beneficiaries under 21 years of age to correct or ameliorate a physical or mental disability or condition.

Crittenton Services is a fully licensed, 112-bed, Rate Classification Level (RCL) 12 residential group home program located in Orange County. Los Angeles County's existing Agreement with Crittenton Services provides an additional option for children and adolescents from Los Angeles County to receive the necessary care in Orange County when the RCL12 group homes in Los Angeles County's geographic region become overcrowded and contain long waiting lists causing unnecessary delays in care. DMH also has a contract with Crittenton Services to provide enhanced mental health services to the severely emotionally disturbed (SED) children and adolescents residing in their RCL12 group homes.

St. Francis Medical Center - Children's Counseling Center has an existing mental health services contract with DMH and has been providing mental health services to SED children and their families located primarily in Supervisorial Districts 2 and 4.

The services of both these agencies have considerably expanded in keeping with DMH's guiding principles for EPSDT expansion, and the increased funding will help these agencies to maintain their mental health services.

The attached Amendment format has been approved as to form by the County Counsel. CAO and DMH's Fiscal and Program Administrations have reviewed the proposed actions.

CONTRACTING PROCESS

This subject does not apply.

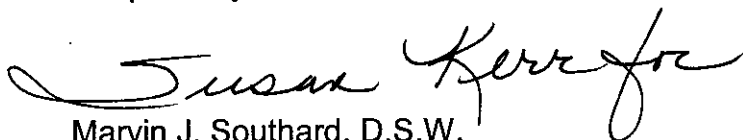
IMPACT ON CURRENT SERVICES

The Board's approval of these Amendments will enable DMH to continue to augment current levels of EPSDT program entitlement services in critically-needed areas throughout 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:CK:mi

Attachment

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

CONTRACT NO. _____

AMENDMENT NO. ____

THIS AMENDMENT is made and entered into this _____ day of _____, 2004, 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. DMH-_____, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2003-2004 only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program is a Federal entitlement for children and youth who are Medicaid beneficiaries and provides specialty mental health services that maintain severely emotionally disturbed (SED) children and youth in the community and/or least restrictive setting. The State Department of Mental Health allocates State General Fund (SGF) to the County of Los Angeles – Department of Mental Health to provide local match dollars to Federal Financial Participation (FFP) Medi-Cal dollars used to fund full-scope Medi-Cal beneficiaries under 21 years of age; and

WHEREAS, for Fiscal Year 2003-2004 only, County and Contractor intend to amend Agreement to either add or decrease County General Funds (CGF) EPSDT Baseline Match funds in the amount of \$ _____, add or decrease CGF-EPSDT

Growth Match funds in the amount of \$ _____, add or decrease EPSDT-FFP Medi-Cal funds in the amount of \$ _____, and/or add or decrease EPSDT-SGF funds in the amount of \$ _____, for a combined total of \$ _____, to or from the Maximum Contract Amount (MCA) for the redirection of countywide, community-based children's mental health care services; and

WHEREAS, for Fiscal Year 2003-2004 only, the MCA will be increased or decreased with a revised MCA of \$ _____; and

WHEREAS, County and Contractor intend to amend Agreement to add contract language in regards to "No Payment for Services Provided Following Expiration/Termination of Contract"; and

WHEREAS, County and Contractor intend to amend Agreement to include revised contract language on "Child Support Compliance Program" and "Contractor Responsibility and Debarment"; and

WHEREAS, County and Contractor intend to amend Agreement to add contract monitoring language to protect against contract overruns and require that Contractor notify the County when the MCA has been incurred up to seventy-five percent (75%), and when the contract is within six (6) months of expiration; and

WHEREAS, County and Contractor intend to amend Agreement to include the Board-mandated Preamble, which is incorporated herein by reference as though fully set forth; and

WHEREAS, County and Contractor agree that the Preamble establishes that the basis for this Agreement is the provision of the highest level of quality services to improve outcomes for children and families, and that the County and its contracting partners are the foundation for the provision of services and must share this commitment to excellence.

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

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph B (Reimbursement For Initial Period) shall be deleted in its entirety and the following substituted therefor:

"B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____ DOLLARS (\$ _____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period. Furthermore, Contractor shall inform County

when up to seventy-five percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 57 (NOTICES)."

2. Subparagraph J (12) (No Payment for Services Provided Following Expiration/Termination of Contract) shall be added to Paragraph 4 (FINANCIAL PROVISIONS):

"J. (12) No Payment for Services Provided Following Expiration/Termination of Contract: Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract."

3. Paragraph 48 (Child Support Compliance Program) shall be deleted in its entirety and the following substituted therefor:

"48. CHILD SUPPORT COMPLIANCE PROGRAM:

A. Contractor's Warranty of Adherence to County's Child Support Compliance Program: Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through contract are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or CSSD Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

B. Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program: Failure of Contractor to

maintain compliance with the requirements set forth in Subparagraph A (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 90 calendar days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 34 (TERMINATION FOR DEFAULT) and pursue debarment of Contractor, pursuant to County Code Chapter 2.202."

4. Paragraph 51 (CONTRACTOR RESPONSIBILITY AND DEBARMENT) shall be deleted in its entirety and the following substituted therefor:

"51. CONTRACTOR RESPONSIBILITY AND DEBARMENT: The following requirements set forth in the County's Non-Responsibility and Debarment Ordinance (Title 2, Chapter 2.202 of the County Code) are effective for this Agreement, except to the extent applicable State and/or Federal laws are inconsistent with the terms of the Ordinance.

A. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

B. The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Agreements which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County Agreements for a specified period of time not to exceed 3 years, and terminate any or all existing Agreements the Contractor may have with the County.

C. The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated a term of an Agreement with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

D. If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

E. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

F. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

G. These terms shall also apply to subcontractors of County Contractors."

5. Subparagraph E "Six Months Notification of Agreement Expiration" shall be added to Paragraph 1 (TERMS):

"E. Six Months Notification of Agreement Expiration: Contractor shall notify County when this Agreement is within six (6) months of expiration. Contractor shall send such notice to those persons and addresses which are set forth in Paragraph 57 (Notices)."

6. Financial Summary - ____ for Fiscal Year 2003-2004 shall be deleted in its entirety and replaced with Financial Summary - ____ for Fiscal Year 2003-2004, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - ____ for Fiscal Year 2003-2004 shall be deemed amended to state "Financial Summary - ____ for Fiscal Year 2003-2004."
7. The provisions of Attachment IX, Preamble, attached hereto and incorporated herein by reference, shall be added to the Agreement.
8. Contractor shall provide services in accordance with the Contractor's Fiscal Year 200 -200 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.
9. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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 _____
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