



**DEPARTMENT OF MENTAL HEALTH**  
hope. recovery. wellbeing.

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

Curley L. Bonds, M.D.  
Chief Deputy Director  
Clinical Operations

Gregory C. Polk, M.P.A.  
Chief Deputy Director  
Administrative Operations

May 21, 2019

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

40 May 21, 2019

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  
EXECUTIVE OFFICER

Dear Supervisors:

**ADOPT A RESOLUTION TO EXTEND THE TERM OF A  
PARTICIPATION AGREEMENT WITH  
THE CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY  
TO FUND THE STATE HOSPITAL BED PROCUREMENT PROGRAM  
AND  
APPROVAL OF THE EXTENSION OF THE MEMORANDUM OF UNDERSTANDING  
FOR THE PURCHASE OF STATE HOSPITAL BEDS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request adoption of a resolution approving an extension of the Participation Agreement with the California Mental Health Services Authority to continue participation in the State Hospital Bed Procurement Program, and approval to execute an extension to the Purchase of State Hospital Beds Memorandum of Understanding with the California Department of State Hospitals and the California Mental Health Services Authority.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Adopt and instruct the Chair of your Board to sign a resolution (Attachment I), authorizing the Chief Deputy Director of Mental Health (Chief Deputy Director) to sign Amendment No. 238-2016-SHB-LA-A1 (Attachment II) to extend the term of the Participation Agreement (Agreement) with the California Mental Health Services Authority (CalMHSA), governed by CalMHSA's Joint Exercise of Powers Agreement, to continue participation in the State Hospital Bed Procurement Program for Fiscal Year (FY) 2019-20. The Agreement authorizes CalMHSA to negotiate and contract on behalf of participating counties for the procurement of State hospital beds. The Agreement is funded by

2011 Realignment-Mental Health (MH) revenue with an annual Total Contract Amount (TCA) of \$269,000, which includes a daily administrative rate of \$3.68 per bed. The cost of the Participation Agreement does not include the cost of State hospital beds.

2. Authorize the Chief Deputy Director, or his designee, to sign an extension to the Purchase of State Hospital Beds Memorandum of Understanding (MOU), (Attachment III), with the California Department of State Hospitals (DSH) and CalMHSA for FY 2019-20 to allow CalMHSA to act as the administrative agent for participating counties and negotiate a joint agreement with DSH and serve as liaison agency for matters of compliance with terms and conditions.

3. Delegate authority to the Chief Deputy Director, or his designee, to sign future amendments or modifications to the Agreement, including amendments that reduce or increase services, reflect federal, State, and County regulations and/or policy changes, and increase the TCA for FY 2019-20 provided that: 1) the County's total payment does not exceed an increase of 10 percent from the applicable TCA approved by your Board; 2) sufficient funds are available; 3) subject to County Counsel's review and approval as to form, with notification to the Board and the Chief Executive Office (CEO).

4. Delegate authority to the Chief Deputy Director, or his designee, to withdraw from the Agreement in accordance with the Agreement's withdrawal provision with prior notification to the Board and CEO.

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

Adoption of the resolution and approval of Recommendations No. 1 and No. 2 will allow DMH, through the CALMHSA State Hospital Bed Procurement Program, to extend the term of the Agreement and the MOU, which are set to expire on June 30, 2019. Extension of the Agreement and MOU will enable DMH to join other counties in negotiations with DSH regarding the use and cost of State hospital beds. CalMHSA acts on behalf of member counties in the development of an annual joint purchase agreement with DSH for statewide utilization of State hospital beds, and will be responsible for fiscal accountability, ensuring quality of care, and the development of alternatives to State hospitals.

Approval of Recommendation No. 3 will allow DMH to amend the Agreement with CalMHSA for FY 2019-20 and to increase the TCA by not more than 10% in the event of an increase in use of State hospital beds.

Approval of recommendation 4 will allow DMH to withdraw from the Agreement in accordance with the agreement's withdrawal provision.

The Agreement authorizes CalMHSA to contract on behalf of the county and the MOU is a tripartite agreement between the County, State and CalMHSA for the purchase of State hospital beds.

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

The recommended actions support the County's Strategic Plan Goal 1, Make Investments that Transform Lives via Strategy I.2 - Enhance Our Delivery of Comprehensive Interventions.

**FISCAL IMPACT/FINANCING**

The Agreement with CalMHSA for FY 2019-20 is funded by 2011 Realignment-MH revenue in the amount of \$269,000, which is included in the FY 2019-20 Recommended Budget.

There is no net County cost impact associated with this action.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Welfare and Institutions Code (WIC) Section 17601 requires cities and counties to reimburse the State for their use of State hospital beds. WIC Sections 4330 through 4335 allow counties, including those counties acting jointly, to contract with the DSH for use of State hospital facilities.

CalMHSA is a Joint Powers Authority under Government Code Section 6500 et seq. of counties and cities with mental health programs and provides administrative and fiscal services in support of, and addresses common interests in, the administration of such programs. Los Angeles County is a member county of CalMHSA.

CalMHSA was formed in July 2009 for the purpose of jointly developing and funding mental health services and education programs on a statewide, regional, or local basis. CalMHSA provides a mechanism to facilitate the efficient use of resources for multiple counties by maximizing group purchasing power for products, jointly developing requests for proposals and establishing contracts with providers to accomplish mutual goals, such as the reduction of administrative overhead, the centralization of compliance with reporting requirements, sharing research information and strategies and negotiation of cost-effective rates with various subcontractors Statewide.

The amendment to the Agreement and the MOU have been approved as to form by County Counsel.

The Director of DMH currently serves on the Board of Directors of CalMHSA Joint Exercise of Powers Agreement, but he is not compensated and does not benefit financially in any way from serving in that position. Additionally, the Director did not participate in the approval process for this amendment to the Agreement with CalMHSA.

**CONTRACTING PROCESS**

Statutory authority permits counties acting singularly or in combination with other counties to contract with DSH for State hospital beds. On May 11, 2010, your Board authorized DMH to sign the CalMHSA Joint Exercise of Powers Agreement to jointly exercise powers with other participating CalMHSA member counties and cities, for the development and funding of mental health services and education programs on a Statewide, regional, or local basis. Currently there are 54 CalMHSA member counties, including Los Angeles.

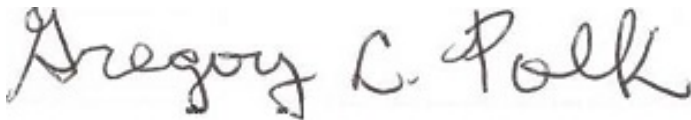
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will allow DMH to continue utilizing CalMHSA to negotiate for the use of State hospital beds and authorize execution of the Agreement and MOU for FY 2019-20.

**CONCLUSION**

DMH requires three original executed resolutions. It is requested that the Executive Office, Board of Supervisors, notify the DMH Contracts Development and Administration Division at (213) 738-4023 when the documents are available.

Respectfully submitted,

A handwritten signature in black ink that reads "Gregory C. Polk". The signature is written in a cursive, flowing style.

GREGORY C. POLK, M.P.A.  
Chief Deputy Director, Administrative Operations

GP:ES:SK:pd

Enclosures

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

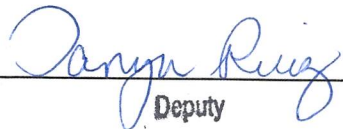
**RESOLUTION OF  
THE BOARD OF SUPERVISORS OF  
COUNTY OF LOS ANGELES  
STATE OF CALIFORNIA**

NOW, THEREFORE BE IT RESOLVED that the Board of Supervisors (Board) of the County of Los Angeles (County) does hereby approve and authorize the Chief Deputy Director of Mental Health, to sign Participation Agreement Amendment No. 238-2016-SBH-LA-A1 entered into by and between the County and the California Mental Health Services Authority. It is further resolved that the Board approves and authorizes the Chief Deputy Director of the Department of Mental Health to sign future Amendments or modifications to Agreement No. 238-2016-SBH-LA for Fiscal Year 2019-20.

The foregoing Resolution was adopted on the 21<sup>st</sup> day of MAY, 2019 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.

CELIA ZAVALA,  
Executive Officer-Board of Supervisors of  
the County of Los Angeles

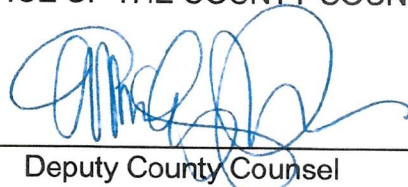
By   
Chair, Board of Supervisors

By   
Deputy



APPROVED AS TO FORM:

MARY C. WICKHAM  
OFFICE OF THE COUNTY COUNSEL

By   
Deputy County Counsel

CALIFORNIA MENTAL HEALTH SERVICES AUTHORITY  
PARTICIPATION AGREEMENT AMENDMENT  
COVER SHEET

1. Los Angeles County ("Participant") desires to participate in the Program identified below.  
Name of Program: State Hospitals Program
2. This Participation Agreement Amendment extends the current term for one additional fiscal year, from 7/1/2019 to 6/30/2020, for a funding amount not to exceed \$269,000.00.
3. All other terms of Participation Agreement 238-2016-SHB-LA shall remain in full force and effect.
4. Authorized Signatures:

**CalMHSA**

Signed: \_\_\_\_\_

Name (Printed): John E. Chaquica, CPA, MBA, ARM

Title: Chief Operating Officer

Date: \_\_\_\_\_

**Participant: LOS ANGELES COUNTY**

Signed: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Purchase Agreement Amendment of State Hospital Beds**

**Fiscal Year 2018-19 through Fiscal Year 2019-20**

**California Department of State Hospitals**

By signing this Memorandum of Understanding (MOU) Purchase Agreement Amendment, the Department of State Hospitals, County, and CalMHSA agree to amend the original FY 2014-15/FY 2015-16 MOU for the purchase of state hospital beds, that was extended through FY 2018-19 for one additional fiscal year through 2019-20.

Once this Amendment is signed by all parties contained in the original FY 2014-15/FY 2015-16 MOU, it shall become effective on July 1, 2019, and shall terminate on June 30, 2020.

\_\_\_\_\_  
Name of County

\_\_\_\_\_  
Name:  
County Mental Health Director or Director designee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dawan Utecht  
CalMHSA President or CalMHSA designee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Dawn DiBartolo  
Department of State Hospitals,  
Chief of Acquisitions and Business Services Office

\_\_\_\_\_  
Date