



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

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December 15, 2020

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

APPROVED BY THE CEO

DEC 15 2020

BY DELEGATED AUTHORITY

Dear Supervisors:

**APPROVAL TO EXTEND THE MEMORANDUM OF UNDERSTANDING FOR THE
PURCHASE OF STATE HOSPITAL BEDS FOR FISCAL YEAR 2020-21
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request 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 for Fiscal Year 2020-21.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Director of Mental Health (Director), or his designee, to sign an extension to the Purchase of State Hospital Beds Memorandum of Understanding (MOU), attached, with the California Department of State Hospitals (DSH) and California Mental Health Services Authority (CalMHSA) for Fiscal Year (FY) 2020-21, effective from July 1, 2020, through June 30, 2021, with an additional one year optional extension, as necessary, to allow the Department of Mental Health (DMH) to purchase and utilize State hospital beds.
2. Delegate authority to the Director, or his designee, to prepare, sign, and execute future amendments to the MOU in Recommendation 1 for the purchase and utilization of State Hospital Beds on terms negotiated by CalMHSA, provided the amendments are

subject to prior review and approval as to form by County Counsel, with written notification to the Board and Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of Recommendation 1 will allow DMH to extend the term of the MOU by one year, effective July 1, 2020, through June 30, 2021. This extension will enable DMH to join other counties in purchasing and utilizing State hospital beds at the rate negotiated by CalMHSA. 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 is responsible for fiscal accountability, ensuring quality of care, and the development of alternatives to State hospitals.

Approval of Recommendation 2 will allow DMH to amend the MOU on terms negotiated by CalMHSA for the purchase and utilization of State Hospital Beds as needed.

The MOU is a tripartite agreement between the County, State, and CalMHSA for the purchase and utilization of State hospital beds.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support the County's Strategic Plan Goal I, Make Investments That Transform Lives, via Strategy I.1, Increase Our Focus on Prevention Initiatives, and Strategy I.2, Enhance Our Delivery of Comprehensive Interventions, by delivering comprehensive and seamless services to those seeking assistance from the County.

FISCAL IMPACT/FINANCING

There is no cost associated with the MOU between DMH, DSH, and CalMHSA. The extension of the MOU will enable DMH to continue to join other counties in purchasing and utilizing State hospital beds at the rate negotiated by CalMHSA. DMH's FY 2020-21 Final Adopted Budget for State Hospital beds is \$78,969,000, fully funded with 1991 Realignment.

There is no impact on net County cost.

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.

DMH has a Participation Agreement (PA) with CalMHSA as an administrative agent for State hospital beds, through which CalMHSA, DMH, and State DSH sign a tripartite MOU for the use of State hospital beds negotiated by CalMHSA on behalf of participating counties, including Los Angeles County. The MOU lays out the responsibilities of the parties, covered hospital services, admission and discharge procedures, the bed rates, and other terms and conditions, including a mutual indemnification clause.

On June 2, 2020, your Board authorized DMH to extend its PA with CalMHSA for State Hospital Beds. In the past, DMH presented both actions regarding the PA with CalMHSA and the MOU to the Board simultaneously. However, on the onset of FY 2020-21, due to the COVID-19 public health crisis, negotiations between CalMHSA and the State on the terms of the MOU were delayed. The State decided to extend the MOU for FY 2020-21 and sent the amendment to the County after DMH sought your Board's approval to extend the term of the PA, thus necessitating a second Board action.

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. It 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 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. CalMHSA and participating counties have negotiated successfully with the State to develop the MOU that maintains FY 2014-15 bed rates.

The amendment to the MOU has been approved as to form by County Counsel.

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IMPACT ON CURRENT SERVICES OR PROJECTS

The recommended actions will allow DMH to continue utilizing State hospital beds at rates negotiated by CalMHSA and authorize execution of the amendment to the MOU for FY 2020-21.

Respectfully submitted,



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

JES:GCP:ES
SK:AL:atm

Attachment

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

Purchase Agreement Amendment of State Hospital Beds

Fiscal Year 2020-21

California Department of State Hospitals

By signing this Memorandum of Understanding (MOU) Purchase Agreement Amendment, the Department of State Hospitals (DSH), County, and CalMHSA (collectively "Parties") agree to amend the original FY 2014-15/FY 2015-16 MOU for the purchase of state hospital beds. This Amendment follows extensions of the FY 2014-15/FY 2015-16 MOU in FY 2016/17 through FY 2019, and FY 2019-20.

Once this Amendment is signed by all parties identified in the original FY 2014-15/FY 2015-16 MOU, it shall become effective on July 1, 2020, and shall terminate on June 30, 2021. The Parties agree that the terms and conditions in the FY 2014-15/FY 2015-16 MOU, except for the extension of the MOU for an additional fiscal year, shall remain in effect.

It is acknowledged that DSH is currently developing new bed rates for each Level of Care (LOC) and anticipates notification to CalMHSA and participating counties in the coming months and implementation in accordance with Welfare and Institutions Code sections 4330 – 4335 for a July 2021 effective date.

Name of County

County Mental Health Director or Director designee
(Please include printed name and signature)

Date

Dawan Utecht
CalMHSA President or CalMHSA designee

Date



July 31, 2020

George Maynard
Department of State Hospitals
Deputy Director, Administrative Services Division

Date