



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

**LISA H. WONG, Psy.D.**  
Director

**Curley L. Bonds, M.D.**  
Chief Medical Officer

**Connie D. Draxler, M.P.A.**  
Acting Chief Deputy Director

December 19, 2023

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

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

51 December 19, 2023

CELIA ZAVALA  
EXECUTIVE OFFICER

**APPROVAL OF INTERIM ORDINANCE AUTHORITY AND REQUEST DELEGATED  
AUTHORITY TO EXECUTE MEMORANDA OF UNDERSTANDING WITH MANAGED CARE  
PLANS  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval of interim ordinance authority for the Department of Mental Health to recruit and hire 11 positions and delegate authority to execute new Memoranda of Understanding with Managed Care Plans for the support and coordination of specialty and non-specialty mental health services available to Medi-Cal beneficiaries.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve interim ordinance authority, pursuant to Section 6.06.020 of the County Code, for Department of Mental Health (DMH) to recruit and hire 11 key personnel to support and coordinate mental health services with the Managed Care Plans (MCPs). The estimated annual cost of these positions is \$2,654,000 and fully funded by departmental operating revenues.
2. Delegate authority to the Director of Mental Health (Director), or designee, to prepare, sign, and execute amendments to the existing Memoranda of Understanding (MOUs) with the MCPs, to extend the term, until such time that new MOUs are negotiated and executed. These amendments will be subject to review and approval as to form by County Counsel with written notification to your Board and the Chief Executive Office (CEO).
3. Delegate authority to the Director, or designee, to prepare, sign, and execute new MOUs with MCPs identified by the State Department of Health Care Services (DHCS) to participate in the

expansion of specialty and non-specialty mental health services available to Medi-Cal beneficiaries within the County, subject to review and approval as to form by County Counsel with written notification to your Board and the CEO.

4. Delegate authority to the Director, or designee, to prepare, sign, and execute future amendments to the MOUs in Recommendations 2 and 3 provided that any such amendment: 1) is necessary to improve care coordination; 2) improves operational processes; 3) meets State and/or federal requirements related to the coordination of medically necessary mental health services to Medi-Cal beneficiaries; and 4) makes non-substantive changes to the MOU language. These amendments will be subject to prior review and approval as to form by County Counsel, with written notification to your Board and CEO.

5. Delegate authority to the Director, or designee, to terminate MOUs described in Recommendations 2 and 3 in accordance with the provisions set forth in the MOU. The Director, or designee, will provide written notification to your Board and CEO of such termination action.

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

Board approval of Recommendation 1 will allow DMH to permanently hire dedicated personnel to work with the MCPs to ensure coordination of care between the health systems.

Board approval of Recommendation 2 will allow DMH to extend the term of the existing MOUs with the MCPs while we complete negotiations and execute new MOUs. The current MOUs are set to expire on June 30, 2024. DMH is in negotiations with the MCPs for new MOUs; however, the extension of term until such time that we have completed the negotiations is necessary to make sure there is no interruption of service coordination.

Board approval of Recommendation 3 will allow DMH to execute new MOUs with MCPs identified by DHCS. The MOUs will establish the mutual understandings, commitments, and protocols for the coordination and management of specialty and non-specialty mental health services to beneficiaries by DMH and the MCPs.

Board approval of Recommendation 4 will allow DMH to execute future amendments to the MOUs with the MCPs in Recommendations 2 and 3, as necessary.

Board approval of Recommendation 5 will allow DMH to terminate the MCP MOUs in Recommendations 2 and 3, in accordance with the MOU termination provisions.

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

These recommended actions are consistent with the County's Strategic Plan Goal I, Make Investments that Transform Lives, specifically Strategy I.1 – Increase Our Focus on Prevention Initiatives and Strategic Plan Goal II, Foster Vibrant and Resilient Communities via Strategy II.1 – Drive Economic and Workforce Development in the County.

### **FISCAL IMPACT/FINANCING**

The estimated cost of these positions is \$2,654,000 annually and will be funded by departmental operating revenues.

Funding for future fiscal years will be requested through DMH's annual budget request process.

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

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

On January 1, 2014, in addition to primary care, the MCPs became responsible for the delivery of certain mental health services to Medi-Cal beneficiaries with mild to moderate impairment of mental, emotional, or behavioral functioning resulting from a mental health disorder, as defined by the Diagnostic and Statistical Manual of Mental Disorders (DSM), that are outside of the primary care physician's scope of practice. The Coordinated Care Initiative, enacted through Senate Bill 1008, also requires the MCPs to provide initial mental health assessments to determine if clients should receive non-specialty mental health services from the MCPs and/or their provider groups and plans, or if the client should be referred to DMH for specialty mental health services. The federal Section 1915(b) Medi-Cal Specialty Mental Health Services Waiver requires Medi-Cal beneficiaries needing specialty mental health services to access these services through DMH, the County's Mental Health Plan.

As the Mental Health Plan, DMH is statutorily required to execute an MOU with any MCP that provides Medi-Cal eligible services to the same Medi-Cal recipients managed by DMH. Through this Board letter, DMH will extend the term of the existing MOUs with the MCPs, for the coordination of the expansion of integrated services provided to shared Medi-Cal beneficiaries throughout the County. Additionally, DMH will execute new MOUs with the MCPs upon completion of negotiations.

The Health Access and Integration Division is a new division within DMH that manages the Department's health plan operations. To ensure compliance with the State, DMH is seeking your Board's approval to request ordinance authority to hire 11 interim ordinances to manage all MCPs for serious mental health services coordination. These positions will not only fulfill the State's contractual obligations but will also support the increasing number of Medi-Cal beneficiaries who are now required to be enrolled in MCPs. The State anticipates that 99% of all Medi-Cal beneficiaries will be assigned to MCPs by 2025. By having an expanded, dedicated department staff, this will allow for better coordination of care between DMH, as the local Mental Health Plan and the MCPs.

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

Board approval of the recommended actions will allow DMH to permanently hire personnel to address the growing population of Medi-Cal beneficiaries enrolled in Medi-Cal MCPs and to execute new and future MOU's with MCPs that provide Medi-Cal eligible services to the same Medi-Cal recipients managed by DMH.

The Honorable Board of Supervisors

12/19/2023

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa H. Wong, Psy.D.", written in a cursive style.

LISA H. WONG, Psy.D.

Director

LHW:CDD:KN:SK:MG:atm

Enclosures

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