



DEPARTMENT OF MENTAL HEALTH
hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
Director

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

Rimmi Hundal, M.A.
Chief Deputy Director

December 17, 2024

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34 December 17, 2024

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

Edward Yen
EDWARD YEN
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVAL TO AMEND EXISTING LEGAL ENTITY CONTRACTS
FOR FISCAL YEARS 2024-25 AND 2025-26 TO INCREASE THEIR MAXIMUM
CONTRACT AMOUNTS FOR THE CONTINUED PROVISION OF SPECIALTY
MENTAL HEALTH SERVICES
(SUPERVISORIAL DISTRICTS 1, 4 and 5)
(3 VOTES)**

SUBJECT

Request approval to amend existing Department of Mental Health Legal Entity contracts for Fiscal Years 2024-25 and 2025-26 to increase their Maximum Contract Amounts for the continued provision of specialty mental health services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Mental Health (Director), or her designee, to prepare, sign, and execute amendments similar to Attachment I to existing Department of Mental Health (DMH) Legal Entity (LE) contracts as identified on Attachment II, to increase the Maximum Contract Amounts (MCA) for Fiscal Years (FYs) 2024-25 and 2025-26. The amendments will be effective upon Board approval; the total increase is \$16,470,808 per fiscal year for FYs 2024-25 and 2025-26, fully funded by Federal Financial Participation (FFP), 2011 Realignment, and State Mental Health Services Act (MHSA) revenues.
2. Delegate authority to the Director, or her designee, to prepare, sign, and execute future amendments to the contracts in Recommendation 1 in order to revise the language; revise the annual MCAs; add, delete, modify, or replace the Service

Exhibit(s) and/or Statement(s) of Work; and/or reflect federal, State, and County regulatory and/or policy changes provided that: 1) any increase to the Board-approved MCA in Recommendation 1 will not exceed 25 percent; and 2) sufficient funds are available. These amendments will be subject to prior review and approval as to form by County Counsel, with written notice to the Board and the Chief Executive Office (CEO).

3. Delegate authority to the Director, or her designee, to make non-material modifications to the LE contracts in Recommendation 1 through administrative amendments or change notices for the following and other similar reasons, as appropriate: change the LE contractor's business name and/or headquarter address; change, revise, add, or delete the LE contractor's provider site address(es), site number(s), and/or site name(s); make technical corrections; revise County and Contractor Administration Exhibits; and/or shift funds between currently contracted funded programs, so long as such shift(s) will not cause an increase in the MCA.
4. Delegate authority to the Director, or her designee, to terminate the contracts described in Recommendations 1 in accordance with the termination provisions of the contracts, including Termination for Convenience. The Director, or her designee, will provide written notification to your Board and CEO of such termination action.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Board approval of Recommendation 1 will allow DMH to amend existing LE contracts identified in Attachment II to increase their MCAs for the continued provision of Specialty Mental Health Services (SMHS) and to support their capacity in expanding services to new and existing beneficiaries since the LE contracts have reached their previously Board-approved delegated authority for FY 2024-25 and FY 2025-26.

Board approval of Recommendations 2 and 3 will allow DMH to amend the contracts in Recommendation 1 in a timely manner, as necessary, for the continued provision and expansion of SMHS and administrative corrections without interruption to clients in need of these services.

Board approval of Recommendation 4 will allow DMH to terminate the contracts in accordance with the contract's termination provisions, including Termination for Convenience, in a timely manner, as necessary.

Implementation of Strategic Plan Goals

The recommended action is consistent with the County's Strategic Plan North Star 1, Make Investments that Transform Lives, specifically Focus Area Goal A. Healthy Individuals and Families; and North Star 3. Realize Tomorrow's Government Today, specifically Focus Area Goal E. Data Driven Decision making.

FISCAL IMPACT/FINANCING

The total increase for the LE contracts is \$16,470,808 per fiscal year for FYs 2024-25 and 2025-26 fully funded by FFP, 2011 Realignment, and MHSA revenues. Sufficient appropriation is included in DMH's FY 2024-25 Budget.

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

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

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 7, 2024, your Board authorized the Director to extend the term of the LE contracts, including contractors listed on Attachment II. The same Board letter also delegated authority to DMH to amend the LE contracts to increase their MCAs up to 25 percent of their approved maximum contract amounts. As such, using the authority delegated, DMH amended these LE contracts up to the allowed 25 percent and is now returning to your Board for authority to further amend the contracts to increase their MCAs for FY 2024-25 and 2025-26. The increase of funds is for the provisions of DMH mental health services including full-service partnership, outpatient care services, inpatient special programs, prevention and early intervention services and programs.

In accordance with Board Policy No. 5.120 (Authority to Approve Increases to Board-Approved Contract Amounts) requirements, DMH notified your Board (Attachment III), of its intent to request delegated authority of more than ten percent.

Under Board Policy No. 5.100 (Sole Source Contracts and Amendments), DMH is required to notify your Board six months in advance of amendments to existing contracts when DMH does not have delegated authority to increase the maximum amount of the current contract. On May 7, 2024, your Board adopted a Board letter exempting DMH LE contracts from Board Policy No. 5.100 as these contracts provide federal entitlement services to Medi-Cal members.

The amendment format (Attachment I) has been approved as to form by County Counsel. Attachment II lists the LE contractors, along with their headquarter addresses, Supervisorial District(s), Service Area(s), and current MCA.

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

IMPACT ON CURRENT SERVICES OR PROJECTS

Board approval of the recommended actions will allow the LE contractors to provide ongoing SMHS and allow DMH to make revisions/updates to the work provided by the contractors in a timely manner.

Respectfully submitted,



Lisa H. Wong, Psy.D.
Director

LHW:RH:KN:SK:CM:atm

Attachments (3)

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel

CONTRACT NO. MH122xxx

AMENDMENT NO. _____

THIS AMENDMENT is made and entered into this ___ day of December, 2024, by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____ (hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "Department of Mental Health (DMH) Legal Entity Contract" dated July 1, 2021, and further identified as County Contract No. MH122xxx, and any amendments thereto (hereafter collectively "Contract"); and

WHEREAS, on December xx, 2024, the Board of Supervisors delegated authority to the Director of Mental Health, or designee, to execute amendments to the Contract to revise the annual Maximum Contract Amount (MCA) and make other designated changes; and

WHEREAS, said Contract provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, County and Contractor intend to amend the contract to increase Mental Health Services Act (MHSA) Outpatient Care Services (OCS) Medi-Cal (MC) Funded Program funds and make other hereinafter designated changes; and (Center for Integrated Family & Health Services, Inc.)

WHEREAS, County and Contractor intend to amend the contract to increase DMH Mental Health Services (MHS) Non-Medi-Cal (Non-MC) Funded Program funds, increase DMH Inpatient – Special Programs Non-MC Funded Program funds, increase Mental

Health Services Act (MHSA) Outpatient Care Services (OCS) Medi-Cal (MC) Funded Program funds, decrease MHSA Prevention & Early Intervention (PEI) MC Funded Program funds, and make other hereinafter designated changes; and (**Gateways**)

WHEREAS, County and Contractor intend to amend the contract to increase Mental Health Services Act (MHSA) Prevention & Early Intervention (PEI) Non-Medi-Cal (Non-MC) Funded Program funds, increase MHSA PEI Medi-Cal (MC) Funded Program funds, and make other hereinafter designated changes; and (**LAUSD**)

WHEREAS, County and Contractor intend to amend the contract to increase Mental Health Services Act (MHSA) Full Service Partnership (FSP) Medi-Cal (MC) Funded Program funds, and make other hereinafter designated changes; and (**Star View**)

WHEREAS, County and Contractor intend to amend the contract to increase Mental Health Services Act (MHSA) Outpatient Care Services (OCS) Medi-Cal (MC) Funded Program funds, increase MHSA Prevention & Early Intervention (PEI) Non-Medi-Cal (Non-MC) Funded Program funds, increase MHSA PEI MC Funded Program funds, and make other hereinafter designated changes; and (**The Children's Center of the Antelope Valley**)

WHEREAS, as a result of the above change(s) in Funded Program funds the MCA will increase; and

WHEREAS, Contractor warrants that it continues to possess the competence, expertise, and personnel necessary to provide services consistent with the requirements of the Contract, and consistent with the professional standard of care for these services.

NOW, THEREFORE, County and Contractor agree as follows:

1. This amendment is hereby incorporated into the original Contract, and all its terms and conditions, including capitalized terms defined therein, shall be given full force and effect as if fully set forth herein.
2. This amendment is effective upon execution for Fiscal Year (FY) 2024-25 and any subsequent fiscal year.
3. For FY 2024-25 and any subsequent fiscal year, DMH MHS Non-MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
4. For FY 2024-25 and any subsequent fiscal year, DMH Inpatient – Special Programs Non-MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
5. For FY 2024-25 and any subsequent fiscal year, MHSA FSP MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
6. For FY 2024-25 and any subsequent fiscal year, MHSA OCS Non-MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
7. For FY 2024-25 and any subsequent fiscal year, MHSA OCS MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
8. For FY 2024-25 and any subsequent fiscal year, MHSA PEI Non-MC Funded Program funds are increased by \$_____, from \$_____ to \$_____.
9. For FY 2024-25 and any subsequent fiscal year, MHSA PEI MC Funded Program funds are increased **or** decreased by \$_____, from \$_____ to \$_____.
10. For FY 2024-25 and any subsequent fiscal year, the MCAs are increased by \$_____, from \$_____ to \$_____.

11. Exhibit A (FINANCIAL PROVISIONS), Paragraph C (REIMBURSEMENT IF CONTRACT IS AUTOMATICALLY RENEWED AND EXTENDED), subparagraphs (3) and (4), are deleted in their entireties and replaced as follows:
- “(3) Reimbursement For First Extension Period: The MCA for the First Extension of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract shall not exceed _____ DOLLARS (\$_____) and shall consist of Funded Programs as shown in Exhibit B - ____, Financial Summary.
- (4) Reimbursement for Second Extension Period: The MCA for the Second Extension of the Contract as described in Paragraph 4 (TERM OF CONTRACT) of the DMH Legal Entity Contract must not exceed _____ DOLLARS (\$_____) and shall consist of Funded Programs as shown in Exhibit B - _____, Financial Summary.”
12. Financial Summary (Exhibit B) – _ for FY 2024-25 is deleted in its entirety and replaced with Financial Summary (Exhibit B) – _ for FY 2024-25, attached hereto and incorporated by reference. All references in the Contract to "Financial Summary (Exhibit B) – ___ for FY 2024-25", shall be deemed amended to state "Financial Summary (Exhibit B) – _ for FY 2024-25.”
13. Financial Summary (Exhibit B) – _ for FY 2025-26 is deleted in its entirety and replaced with Financial Summary (Exhibit B) – _ for FY 2025-26, attached hereto and incorporated by reference. All references in the Contract to "Financial Summary (Exhibit B) – ___ for FY 2025-26", shall be deemed amended to state "Financial Summary (Exhibit B) – _ for FY 2025-26.”
14. Paragraph 10.0 (Survival) is deleted in its entirety and replaced as follows:

”10.0 In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

Paragraph 1.0	Applicable Documents
Paragraph 2.0	Definitions
Paragraph 3.0	Work
Paragraph 7.6	Confidentiality
Paragraph 8.1	Amendments
Paragraph 8.2	Assignment and Delegation/Mergers or Acquisitions
Paragraph 8.6	Compliance with Applicable Law
Paragraph 8.19	Fair Labor Standards
Paragraph 8.20	Force Majeure
Paragraph 8.21	Governing Law, Jurisdiction, and Venue
Paragraph 8.23	Indemnification
Paragraph 8.24	General Provisions for all Insurance Coverage
Paragraph 8.25	Insurance Coverage
Paragraph 8.34	Notices
Paragraph 8.38	Record Retention and Inspection-Audit Settlement
Paragraph 8.42	Termination for Convenience
Paragraph 8.43	Termination for Default
Paragraph 8.50	Validity
Paragraph 8.51	Waiver
Paragraph 8.57	Prohibition from Participation in Future Solicitation(s)
Paragraph 8.59	Campaign Contribution Prohibition Following Final Decision in Contract Proceeding
Paragraph 9.2	Health Insurance Portability and Accountability Act of 1996 (HIPAA)
Paragraph 10.0	Survival”

- 15. Contractor shall provide services in accordance with Contractor's FY 2024-25 Service Delivery Plan for the Contract, and any addenda thereto approved in writing by the County's Director of Mental Health or designee.
- 16. Except as provided in this amendment, all other terms and conditions of the Contract shall remain in full force and effect.

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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 designee, and Contractor has caused this amendment to be subscribed on its behalf by its duly authorized officer, on the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
LISA H. WONG, Psy.D., Director
County of Los Angeles
Department of Mental Health

CONTRACTOR

By _____
Name _____
Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
OFFICE OF THE COUNTY COUNSEL

By: WILLIAM BIRNIE
Senior Deputy County Counsel

Legal Entity Contracts - Fiscal Year 2024-25

	Legal Entity Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 24-25 Current MCA	FY 24-25 Total Increase	FY 24-25 Revised MCA
1	Center for Integrated Family and Health Services, Inc.	540 S. Eremland Dr., Covina, CA 91723	1,5	3	\$2,763,870	\$531,226	\$3,295,096
2	Gateways Hospital and Mental Health Center	1891 Effie Street, Los Angeles, CA 90026	1	4, 7	\$25,535,978	\$12,740,021	\$38,275,999
3	Los Angeles Unified School District	333 S. Beaudry Ave., 29th Fl. Los Angeles, CA 90017	4	2,4,6	\$10,384,919	\$1,162,016	\$11,546,935
4	Star View Behavioral Health, Inc.	1501 Hughes Way, Suite 150, Long Beach, CA 90810	4	All	\$62,665,409	\$566,918	\$63,232,327
5	The Children's Center of the Antelope Valley	45111 Fern Avenue, Lancaster, CA 93534	5	1	\$3,548,574	\$1,470,627	\$5,019,201
TOTAL					\$16,470,808		

Legal Entity Contracts - Fiscal Year 2025-26

	Legal Entity Contractor Name	Headquarters Address	Service Provider Supervisorial District(s)	Service Provider Service Area(s)	FY 25-26 Current MCA	FY 25-26 Total Increase	FY 25-26 Revised MCA
1	Center for Integrated Family and Health Services, Inc.	540 S. Eremland Dr., Covina, CA 91723	1,5	3	\$2,763,870	\$531,226	\$3,295,096
2	Gateways Hospital and Mental Health Center	1891 Effie Street, Los Angeles, CA 90026	1	4, 7	\$25,535,978	\$12,740,021	\$38,275,999
3	Los Angeles Unified School District	333 S. Beaudry Ave., 29th Floor Los Angeles, CA 90017	4	2,4,6	\$10,384,919	\$1,162,016	\$11,546,935
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TOTAL					\$16,470,808		



DEPARTMENT OF MENTAL HEALTH

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LISA H. WONG, Psy.D.
Director

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

Rimmi Hundal, M.A.
Chief Deputy Director

November 21, 2024

TO: Supervisor Lindsey P. Horvath, Chair
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Janice Hahn
Supervisor Kathryn Barger

FROM: Lisa H. Wong, Psy.D.
Director

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED AUTHORITY FOR A PERCENTAGE INCREASE EXCEEDING TEN PERCENT OF THE MAXIMUM CONTRACT AMOUNT FOR DEPARTMENT OF MENTAL HEALTH LEGAL ENTITY CONTRACTS**

In accordance with the Los Angeles County Board of Supervisors' (Board) Policy No. 5.120 (Authority To Approve Increases To Board-Approved Contract Amounts), the Department of Mental Health (DMH) is notifying your Board of our Department's intent to request delegated authority for a percentage increase exceeding ten percent of the Maximum Contract Amount (MCA) for five existing Legal Entity (LE) Contracts. DMH will request delegated authority for a 25 percent increase of their MCAs for the existing LE Contracts for Fiscal Years (FYs) 2024-25 and 2025-26.

JUSTIFICATION

DMH will present to your Board a letter for approval to amend the five LE contracts for FYs 2024-25 and 2025-26 to increase their MCAs as the contractors have reached their previously Board-approved 25 percent delegated authority. The total aggregate increase is \$32,941,616, with \$16,470,808 for FY 2024-25 and \$16,470,808 for FY 2025-26, fully funded by Federal Financial Participation, 2011 Realignment, and State Mental Health Services Act revenues.

The authority to increase the percentage exceeding ten percent allows DMH to amend the LE contracts in a timely manner for the continuous provision and expansion of

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specialty mental health services without interruption to clients who need these services.

NOTIFICATION TIMELINE

Board Policy No. 5.120 (Authority To Approve Increases To Board-Approved Contract Amounts) requires departments to provide written notice to your Board, with a copy to the Chief Executive Officer, at least two weeks prior to the Board Meeting at which the request to exceed ten percent of the MCA will be presented. In compliance with this policy, DMH is notifying your Board of our intent to request delegated authority for up to 25 percent of the MCA through a Board letter to be presented in December 2024.

If you have any questions, or require additional information, please contact me at LWong@dmh.lacounty.gov or (213) 947-6670, or your staff may contact Stella Krikorian, Division Manager, Contracts Development and Administration Division, at SKrikorian@dmh.lacounty.gov or (213) 943-9146.

LHW:RH:KN
SK:CM:atm

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel