

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH
MENTAL HEALTH SERVICES ACT – INNOVATION PROJECT**

County Name: Los Angeles County Department of Mental Health (LACDMH)
Date submitted: June 9, 2025
Project Title: Program Improvements for Valued Outpatient Treatment (PIVOT) - MHSA INNOVATION (INN) Project
Total Amount Requested: \$34,788,012.23 INN
Duration of project: 4 Years

County Contact and Specific Dates:

- Primary County Contact: Alejandro Silva
- Date Proposal posted for 30-day Public Review: March 7 through April 7, 2025
- Date of Local MH Board hearing: March 27, 2025
- Date of BOS approval or calendared date to appear before BOS: June 17, 2025

With the approval of Proposition 1 and the transition to the Behavioral Health Services Act (BHSA), a significant redesign of the system of care is required. This includes reimagining services across Full-Service Partnership, General Outpatient programs, MHSA Prevention programs, and Peer Resource Centers. In alignment with the Orange County's approved PIVOT multi-county project, LACDMH is opting into three (3) of the five (5) components of the PIVOT concepts to utilize its INN funds to further develop the activities and evaluation plan.

Proposed PIVOT Components to implement in Los Angeles County:

- Full-Service Partnership Reboot
- Integrated Complex Care Management for Older Adults
- Developing Capacity for Specialty MH Plan Services with Diverse Communities
- Innovating Countywide Workforce Initiatives
- Innovative Approaches to Delivery of Care

LACDMH is the largest county-operated mental health department in the United States, delivering services through over 85 directly operated clinics, nearly 1,000 contracted agencies and providers, and more than 300 co-located sites in collaboration with other County departments, schools, courts, and community organizations.

To support the transition to the BHSA and align with local community needs, LACDMH has

identified the three PIVOT initiatives. These initiatives aim to strengthen community infrastructure and expand the network of eligible providers to deliver specialty mental health services, peer support, and early intervention.

PIVOT Components

1. Full-Service Partnership Reboot

LACDMH currently funds Full-Service Partnership (FSP) programs for all age groups through both directly operated clinics and contracted agencies. In accordance with new guidelines from BHSA and BH-CONNECT, LACDMH must evaluate its FSP programs to define levels of care and establish appropriate criteria for step down services. The current FSP enrollment and transfer processes will need to be adapted to support transitions across varying levels of FSP care, as well as to lower levels of outpatient services. To ensure a seamless continuum of care, the FSP system must assess and revise its existing processes by developing the necessary infrastructure to collect data and generate reports that align with BHSA reporting requirements. To support these changes, LACDMH will need to provide training and technical assistance to both new contracted providers and existing partner agencies. Additionally, the upcoming implementation of the FSP ACT/FACT bundled rate claiming and documentation requirements, - combined with challenges related to field-based services, increasing mental health needs, workforce shortages, and administrative burdens – places growing pressure on the County to enhance service delivery. One major barrier is the existing documentation process, which remains time-intensive and complex, discouraging mental health professionals from working in the public sector and limiting the time available for direct client care. Successfully navigating this transition will require administrative adjustments and modifications to program workflows and operations to ensure that FSP programs are fully prepared for the changes ahead.

Through this PIVOT component, LACDMH aims to strengthen four key areas: 1) Technical and Data Infrastructure, 2) Modification and enhancement of current Electronic Health Record (EHR) System 3) Administrative Processes and 4) Provider Technical Assistance.

1) Technical and Data Infrastructure

- Identify technical requirements for developing a local data infrastructure that supports county and county-contracted providers in aligning with new FSP standards, while maintaining compliance with existing data collection and reporting standards.
 - The expanded infrastructure will include data on priority population indicators such as housing status, justice involvement, institutionalization, child welfare involvement, and juvenile justice involvement.

- Design, test, and implement applications that allow real-time access to view an FSP member's current level of care and functioning, supporting timely and appropriate transitions across levels of care.
 - Ensure that all data systems comply with federal and state Information technology security and privacy requirements.
 - Conduct a thorough cleaning and validation of local data systems to ensure accuracy and readiness for implementation of the new standards.
- 2) Modification and enhancement of current Electronic Health Record System (EHR)
- Enhance and adapt the EHR system to support the upcoming FSP ACT/FACT bundled rate claiming and documentation requirements, enabling both directly operated clinics and contracted providers to submit claims with minimal disruption.
 - Improve EHR system to support higher-quality documentation and streamline billing processes, reducing administrative burden.
 - Pilot the integration of an Artificial Intelligence (AI) application within the EHR system to reduce claiming errors, standardize documentation practices, increase access to care, and enhance operational efficiency.
- 3) Administrative Processes
- Determine administrative procedures to support seamless transitions between FSP levels, minimizing disruptions to service delivery.
 - Establish a standardized process for tracking and reporting member transitions across levels of care.
 - For contracted programs, identify necessary updates to contract language to reflect the new requirements and levels of care.
 - Develop a consistent contracting framework that aligns with state's standard and enables effective monitoring and reimbursement.
 - Explore and identify a process for fidelity monitoring to ensure adherence to program models and service quality.
- 4) Provider Technical Assistance
- Identify and implement strategies to build or expand provider capacity for field-based service delivery, thereby increasing access to care under the FSP models as outlined in BHSA.
 - Explore and apply approaches to improve and ensure the quality of care for providers transitioning from traditional clinic-based services to field-based FSP level of care.

- Provide targeted training and resources to FSP providers – through contracted consultants or trainers - to ensure they are prepared to deliver care across the full continuum of FSP services.

LACDMH recognizes the critical need to examine and strengthen its data infrastructure, EHR system, administrative processes, and provider technical assistance to ensure a successful transition according to the upcoming BHSA changes and new requirements for FSP programs. This INN project provides an opportunity system-wide readiness and long-term sustainability of enhanced FSP service delivery.

2. Developing Capacity for Specialty MH Plan Services with Diverse Communities

Providing Access to Treatment, Health, Wellness, and Youth Support (PATHWAYS)

Approval of Proposition 1 and the imminent centralization of Mental Health Services Act (MHSA) Prevention funds at the state level will impact numerous MHSA Prevention programs in Los Angeles County.

Many of the Prevention Contractors/Community Based Organizations (CBOs) aim to provide non-traditional services and enhance equity workforce capacity and do not have the infrastructure to provide a full range of specialty mental health services (mode 15); however, they do provide a great deal of case management and rehabilitative services.

The Los Angeles County (LAC) Board of Supervisors (BOS) prioritizes equitable contracting processes that encourage small businesses to partner with the County. This aligns with efforts to support small CBOs in building capacity and infrastructure to deliver sustainable, community-focused services. Through this Innovations (INN) project, LACDMH will continue to advance non-traditional programs that enhance access to quality mental health services while helping to transition to a self-sustaining funding stream through Medi-Cal billable services. This can help LAC explore ways to increase the number of non-traditional services that are eligible for Medi-Cal claims, ultimately increasing access to mental health care for its most vulnerable and underserved populations.

The goal of this program is to empower CBOs that provide prevention services to underserved populations. This INN project seeks to transition existing MHSA funded prevention programs to the Behavioral Health Services Act (BHSA) Early Intervention (EI) programs, enabling them to bill for Outreach and Engagement (O&E) services in addition to Medi-Cal billable services. The transition will help sustain these programs and ensure they can continue serving their communities. This approach enhances the ability of non-traditional programs to reach, identify, and engage individuals and communities, ultimately connecting them to the behavioral health system for ongoing support.

This project will support:

- 1) Assist DMH Prevention contractors and United Mental Health Promoters in building necessary capacity to transition into Medi-Cal rendering providers
 - Assist providers and contracted agencies with the credentialing and enrollment process to become Medi-Cal providers.
 - Research and purchase an Electronic Health Record (EHR) system to streamline service documentation and billing.
 - Support service delivery infrastructure and capacity building, including providing trainings and claiming supports.
 - Facilitate data collection and documentation, such as outcome gathering, and offer Quality Assurance (QA) liaison/consultant services

- 2) Prevention administration will do a solicitation to select a Third-Party Administrator (TPA) to oversee the capacity building and onboarding aspects of this project. The TPA will work with each organization to provide training and support, guiding them through the transformation from an agency that submits invoices for services to an organization that utilizes an EHR system to claim specialty mental health services, leveraging the established Children and Youth Behavioral Health Initiative (CYBHI) Fee Schedule rates and DMH specialty mental health services rates.

3. Innovative Approaches to Delivery of Care

Transformation from Peer Resource Centers to Clubhouses

According to the approval of Proposition 1, LACDMH proposes this Innovation project to redesign the system in preparation for the county's transition to BHSA and Behavioral Health Community Based Organized Networks of Equitable Care and Treatment (BH-CONNECT). The purpose of this INN Project is to transform the existing Peer Resource Centers into the Clubhouse model, assuring alignment with BHSA and BH-CONNECT.

To support and facilitate this system-wide transformation, LACDMH plans to contract with a consultant to assess the system's readiness for these changes, evaluate and identify effective strategies, and successfully redesign and implement the Clubhouse model.

The consultant will provide comprehensive technical assistance (TA) to transform six Peer Resource Centers (PRCs) operated by the Los Angeles County Department of Mental Health (LACDMH) into fully operational clubhouses. Aligned with LACDMH's strategic priorities, this initiative ensures continuity of community engagement while transitioning to the clubhouse model with fidelity.

The consultant will deliver the following services to LACDMH, including but not limited to:

- 1) Targeted workforce training
 - Provide intensive training and peer workforce

- Development of toolkits and best practices
 - Coaching and consultation
- 2) Operational Transition planning
 - Support transition of clinical space into community centered designed spaces
 - Develop and implement transition plans
 - 3) Data-driven evaluation
 - Research and qualitative assessment
 - Stakeholder engagement and community insight
 - 4) Establishment of a regional training hub and ongoing technical support.

Through the proposed Innovation project, LACDMH seeks to transform the existing Peer Resource Centers into Clubhouses that utilize the International Standards for Clubhouse Programs that are defined by Clubhouse International, https://clubhouse-intl.org/wp-content/uploads/2020/12/standards_2020_eng.pdf. This includes obtaining and maintaining Clubhouse International Accreditation.

This project proposal aims to implement a promising community-driven practice or approach that has proven successful in a non-mental health context and adapt it for the mental health system. It also ensures a collaborative and inclusive approach to understanding community priorities through a community-driven partnership that engages the large, multicultural, and diverse community stakeholder group within the County.

The project will establish clubhouses by supporting, educating, and providing centralized technical assistance to providers. The goal is to phase in an expansion of billable revenue streams, ensuring that Peer-led locations can sustain essential prevention and early intervention programs within our community.

Local Need

LACDMH is the largest county-operated mental health system in the United States. Serving as the local mental health plan in an area with over 10 million residents, LACDMH ensures access to quality mental health care to people of all ages through its provider network composed of directly operated clinic sites, contracted clinic sites, and co-located sites. These sites provide an array of programs and services to the community. Los Angeles has several geographically defined communities with a concentration of inequalities, including disproportionate levels of poverty, high concentrations of unserved and underserved individuals and poor health and well-being outcomes, including educational and unemployment inequities. Therefore, it is crucial to evaluate the impact of changes under BHSA and BH-CONNECT and redesign the system. Through this INN proposal, LACDMH aims to address these critical service integration needs so

that its system successfully transitions and implements changes under BHSA and BH-CONNECT while enhancing access to quality mental health services to the community.

Local Community Planning Process

LACDMH has initiated an inclusive community planning process to guide the development of this INN proposal.

The community planning process ensures a collaborative, inclusive, and transparent approach to decision-making. It actively involves stakeholders from vulnerable populations in identifying needs, developing proposals, and providing ongoing input.

The following outlines the Community Planning Process in LAC:

- 1) Outreach and Proposal Development
 - LACDMH connects with stakeholders from unserved, underserved, and vulnerable populations to ensure broad representation to identify key topics to address (challenges, obstacles, and successes).
 - Solicitation of Recommendations and Draft Proposals: Stakeholders provide feedback on specific proposals and offer recommendations based the community needs.
 - This proposal was presented to the stakeholders on March 11, 2025.
- 2) Public Review and Feedback Period (30 days)
 - This proposal was posted for public review from March 7 through April 7, 2025
- 3) Ongoing Monitoring & Accountability
 - LACDMH provides stakeholders with regular updates in scheduled bi-weekly meetings to assess the effectiveness of the proposals and the progress of the plan's implementation.

Alignment with BHSA

The overarching goal of this project is to prepare Los Angeles County for the upcoming changes under the new legislation and each component listed below aligns with BHSA.

1. Full -Service Partnership Reboot

BHSA requires 35 % of funds to be directed toward FSP programs. The new legislation provides additional guideline for FSP programs, including tiered levels of care and implementation of Evidenced-Based practices. This FSP Reboot focuses on adapting to new changes and providing support for its administrative process, building the data/technical infrastructure and technical assistance needed for providers to align with new requirements under BHSA.

2. Developing Capacity for Specialty MH Plan Services with Diverse Communities-P.A.T.H.W.A.Y.S

BHSA Early Intervention guidelines target at-risk individuals who display signs of mental health or substance use issues that are becoming severe and disabling in order to reduce disparities in behavioral health. The following demonstrates the alignment of this proposal with new BHSA guidelines:

- The proposed programs aim to prevent mental illnesses and substance use disorders from becoming severe and disabling and to reduce disparities in behavioral health in underserved populations. These programs provide innovative outreach, engagement and individually tailored services, enhancing overall wellbeing while targeting BHSA prioritized communities.
- The proposed programs align with BHSA goals, focusing on reducing the risk of negative outcomes, including suicide and self-harm, school suspensions and expulsions, prolonged suffering, removal of children from their homes, and other mental health issues.
- The target population for our proposed programs includes trauma-exposed individuals, those experiencing serious psychiatric illness, individuals facing extreme stressors, at risk of entering the justice system, and underserved cultural groups. This aligns with BHSA goals, focusing on children and youth under 25, who meet specialty mental health service access criteria, specifically aiming to support children and youth who are chronically homeless, at risk of entering the justice system, transitioning from correctional facilities, involved in the child welfare system, or facing institutionalization.
- This proposal aligns with BHSA's goal of maximizing the leveraging of Medi-Cal funds.

3. Innovative Approaches to Delivery of Care- Transformation from PRCs to Clubhouse

This component aligns with BHSA's goal of strengthening continuum of care and providing culturally responsive service as this program aims to increase access to wholistic and integrated services by building peer-led programs that provides essential prevention and early intervention services in the community.

Sustainability

The sustainability of this INN project is embedded in its design, ensuring that successful practices and system improvements are maintained once INN funding concludes.

- This proposal will prepare and establish the administrative changes, data infrastructure, and technical assistance needed to successfully transition to the new program requirement under BHSA and support ongoing program operation and sustain service delivery to those who are most vulnerable population in the community.

- This proposed INN project will assist providers in identifying alternate funding streams to sustain their program by building capacity to meet State standards outlined by BHSA and expand their services. By doing so, they will be able to maximize Medi-Cal revenue, diversify funding sources, and enhance long-term sustainability.
- This proposal will increase access to community-based behavioral health services and support individual's recovery. Once providers are successfully transitioned to Medi-Cal billable entities, the service delivery will be sustained as an ongoing Medi-Cal covered program under BHSA and BH-CONNECT.

These strategies will help LACDMH sustain the improvements achieved through this INN project, benefiting staff, providers, clients, and the broader community. The project is designed to prepare the system for long-term impact by continuing to expand access to behavioral health for unserved and underserved communities. Each component has intentionally developed with sustainability in mind – aligning with BHSA goals and establishing the infrastructure necessary to support Medi-Cal billing.

Evaluation

LACDMH plans to contract with evaluator(s) to develop an evaluation plan and create reports that reflect a shared narrative of successes, challenges, and lessons learned for each component. The evaluators will work collaboratively with all project managers to:

- Develop an evaluation plan
- Gather information to track progress
- Provide recommendations to improve implementation efforts
- Prepare reports that highlight successful approaches and strategies, barriers and challenges, and lessons learned.

These reports will be shared with the project managers to provide a comprehensive narrative of the component.

Budget Narrative:

Los Angeles County is requesting approval to utilize \$34,788,012.23 in MHSA INN funds to implement this four-year project. A detailed budget for each PIVOT component will be developed through ongoing planning meetings that will further define component needs.

All three selected PVIOT components listed in this proposal require contracting consultants who will be able to provide their expertise in data infrastructure, program design, data analysis, and technical assistance in order to ensure successful transitioning to meet changes and requirements under BHSA.

Total Proposed Budget: \$34,788,012.23

- County Costs: \$1,414,428.57
- Contractor Costs: \$33,373,583.66

Detailed Budget Justification

1. Full-Service Partnership Reboot

- Total proposed budget: \$8,529,055.66
 - County cost: \$0.00
 - Contractor cost: \$8,529,055.66

FSP Reboot	FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
FSP Dashboard	\$330,000.00				\$330,000.00
AI Project	\$1,062,220.00	\$917,730.00	\$945,261.90	\$973,619.76	\$3,898,831.66
Technical Assistance	\$4,300,224.00				\$4,300,224.00
Total	\$5,692,444.00	\$917,730.00	\$945,261.90	\$973,619.76	\$8,529,055.66

2. Developing Capacity for Specialty MH Plan Services with Diverse Communities- P.A.T.H.W.A.Y.S

- Total proposed budget: \$19,858,128.57
 - County costs: Total of \$1,414,428.57
 - Year 1: \$471,476.19
 - Year 2: \$471,476.19
 - Year 3: \$471,476.19

County Staffing	FY 25/26	FY 26/27	FY 27/28	Total
One (1) Staff Assistant	\$126,308.54	\$126,308.54	\$126,308.54	\$378,925.62
Two (2) Management Analyst	\$345,167.65	\$345,167.65	\$345,167.65	\$1,035,502.95
Total	\$471,476.19	\$471,476.19	\$471,476.19	\$1,414,428.57

- Contractor Three-year costs: Total of \$18,443,700.00
 - Capacity building Three-year cost: \$16,038,000.00
 - TPA allocation Three-year cost: \$2,405,700.00

- Budget by Fiscal Year and Specific Budget Category for County Specific Needs
 - Annual total:
 - Year 1: \$9,786,476.19
 - Year 2: \$6,991,976.19
 - Year 3: \$3,079,676.19

FY 25/26	FY 26/27	FY 27/28	Total
\$9,786,476.19	\$6,991,976.19	\$3,079,676.19	\$19,858,128.57

3. Innovative Approaches to Delivery of Care- Transformation from PRCs to Clubhouse

- Total proposed budget: \$4,400,828.00
 - County cost: \$0.00
 - Contractor cost: \$ \$4,400,828.00
 - Year 1: \$1,100,207.00
 - Year 2: \$1,100,207.00
 - Year 3: \$1,100,207.00
 - Year 4: \$1,100,207.00
 - Contract Consultants Personal and Staffing: \$594,223 x 4years
 - Training & Technical Assistance Personnel
 - Travel & Lodging for Training Staff
 - On- Site Clubhouse Support Staff
 - Administrative and Coordination
 - Program Costs: \$505,984 x 4years
 - Training Material Development
 - Toolkits and Documentation
 - Data & Evaluation Infrastructure
 - Facility Costs for Training Center

FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
\$1,100,207.00	\$1,100,207.00	\$1,100,207.00	\$1,100,207.00	\$4,400,828.00

4. Evaluation

FY 25/26	FY 26/27	FY 27/28	FY 28/29	Total
\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$2,000,000.00

Budget Grid

Projects	Fiscal Year 2025-26	Fiscal Year 2026-27	Fiscal Year 2027-28	Fiscal Year 2028-29	Total
Consultants					
FSP Reboot	\$5,692,444.00	\$917,730.00	\$945,261.90	\$973,619.76	\$8,529,055.66
P.A.T.H.W.A.Y.S	\$9,315,000.00	\$6,520,500.00	\$2,608,200.00	N/A	\$18,443,700.00
PRC to Clubhouse	\$1,100,207.00	\$1,100,207.00	\$1,100,207.00	\$1,100,207.00	\$4,400,828.00
Staffing					
P.A.T.H.W.A.Y.S	\$471,476.19	\$471,476.19	\$471,476.19	N/A	\$1,414,428.57
Evaluation					
All Projects	\$500,000.00	\$500,000.00	\$500,000.00	\$500,000.00	\$2,000,000.00
Total	\$17,079,127.19	\$9,509,913.19	\$5,625,145.09	\$2,573,826.76	\$34,788,012.23