COUNTY OF LOS ANGELES

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Director

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Chief Deputy Director

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BOARD OF SUPERVISORS
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DEPARTMENT OF MENTAL HEALTH

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March 18, 2004

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

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VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

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:

APPROVAL OF AMENDMENT NO. 5 TO MENTAL HEALTH SERVICES AGREEMENT - LEGAL ENTITY WITH ASC TREATMENT GROUP DBA THE ANNE SIPPI CLINIC FOR FISCAL YEAR 2003-2004 (SUPERVISORIAL DISTRICT 1) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Mental Health to prepare, sign and execute Amendment No. 5 (substantially similar to the Attachment) to Contract No. DMH - 01435 with ASC Treatment Group dba The Anne Sippi Clinic (Anne Sippi) to continue to fund 18 residential treatment beds. The Amendment will be effective upon Board approval through June 30, 2004. The Amendment adds $245,000 of one-time only County General Funds (CGF) to the Maximum Contract Amount (MCA), making the revised MCA $735,573 for Fiscal Year (FY) 2003-2004.

2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign and execute future amendments to the existing Agreement with Anne Sippi, provided that: 1) the County's total payments to the Contractor under the Agreement for each fiscal year shall not exceed a change of twenty percent from the applicable MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Administrative Officer or his designee is obtained prior to any such amendment; 5) the parties may, by written Amendment, mutually agree to reduce programs or services without reference to the twenty percent limitation; and 6)

the Director of Mental Health shall notify the Board of Supervisors of Agreement changes in writing within 30 days after execution of each Amendment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

During June through August 2003, DMH increased the number of clients to be served at the Anne Sippi facility, located at 2457 Endicott Street, Los Angeles, CA 90032, from 8 to 18 to assist in accommodating clients needing placement due to the closure of the Golden State Health Centers, Inc., facilities. This recommended action will enable DMH to continue to fund these18 treatment beds from the date of Board approval through June 30, 2004 with monies available in the Institutions for Mental Diseases (IMD) Administration budget, pending conversion of the mental health treatment component of the program to a Medi-Cal certified clinic.

For FY 2004-2005 and continuing, the Department intends to work with Anne Sippi to develop a Medi-Cal certified clinic, off-site from the residential location, to provide mental health services for the residential clients. This would allow the CGF, which currently is the only funding source for the program, to be matched by Federal Financial Participation (FFP) revenue for Medi-Cal reimbursable outpatient services, thus reducing the amount of CGF required per client for this residential treatment program. Savings realized by this conversion will help to reduce the cost of continuing to fund the 18 beds in FY 2004-2005.

Implementation of Strategic Plan Goals

The recommended Board actions are consistent with the principles of the Countywide Strategic Plan, Goal #1 Service Excellence: Provide the public with easy access to quality information and services that are both beneficial and responsive; Goal #3 Organizational Effectiveness: Ensure that service delivery systems are efficient, effective and goal-oriented.

FISCAL IMPACT/FINANCING

There is no impact on net County cost. The revised MCA for FY 2003-2004 will be $735,573 after the amendment to add $245,000 of one-time only CGF is approved. This amount will be financed by the redirection of existing resources from the IMD Administration budget, which is made possible by the reduced IMD bed availability resulting from the closure of the Golden State Health Centers, Inc., facilities. The appropriation for this funding is included in DMH's Adopted Budget for FY 2003-2004.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Anne Sippi facility, established in Los Angeles County in 1978 at 2457 Endicott Street, Los Angeles, CA 90032, provides a 37-bed residential mental health treatment program. The facility, which is licensed by Community Care Licensing as an Adult Residential Facility, serves mentally ill clients, including both Lanterman-Petris-Short (LPS) mental health conservatees and voluntary clients, who require intensive support to maintain stable community placement and to prepare for more independent community living. Staffing consists of a multi-disciplinary team of mental health workers, with program provided seven days per week and 24-hour per day availability. In addition to Los Angeles County, the program serves individuals from Kern, Contra Costa, San Diego, Riverside, San Bernardino, and Orange counties.

DMH has had a contract with Anne Sippi since 1998 to serve 8 clients at the rate of $140 per day, funded by CGF. As previously indicated, during June through August 2003, the number of persons placed at the facility was increased from 8 to 18. DMH uses this contract to place clients from long-term care institutions who have been evaluated as ready for community living with intensive mental health support. Clients that receive Supplemental Security Income (SSI) pay the SSI Adult Residential Care rate as a share of cost, which is reported as revenue to the legal entity agreement with DMH.

The proposed actions have been reviewed and approved by County Counsel, the Chief Administrative Office, and DMH's Director and Program, Fiscal, and Human Resources staff.

CONTRACTING PROCESS

Due to the unique nature of the services provided by Anne Sippi and the emergency circumstances under which the capacity within this contract was initially expanded, proposals for a ten-person, unlocked, residential intensive treatment program were not solicited. This contract opportunity was not posted on the Office of Small Business (OSB) website for the same reasons.

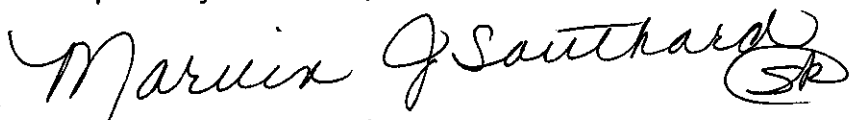
IMPACT ON CURRENT SERVICES

Board approval will allow DMH to continue to augment mental health services throughout the County for severely mentally ill clients, including both LPS mental health conservatees and voluntary clients, who require intensive support to maintain stable community placement and to prepare for more independent community living.

CONCLUSION

The Department of Mental Health will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer of the Board notifies the Department of Mental Health's Contracts Development and Administration Division at (213) 738-4684, when these documents are available.

Respectfully submitted,



Marvin J. Southard, D.S.W.
Director of Mental Health

MJS:RK:LQ:ea

Attachment

c: Chief Administrative Officer
County Counsel
Chairperson, Mental Health Commission

ATTACHMENT

CONTRACT NO. DMH-_____

AMENDMENT NO. __

THIS AMENDMENT is made and entered into this ___ day of_____, 2004, by and between the COUNTY OF LOS ANGELES (hereafter "County") and _____(hereafter "Contractor").

WHEREAS, County and Contractor have entered into a written Agreement, dated _____, identified as County Agreement No. DMH-_____, and any subsequent amendments (hereafter collectively "Agreement"); and

WHEREAS, for Fiscal Year 2003-2004 only, County and Contractor intend to amend Agreement only as described hereunder; and

WHEREAS, for Fiscal Year 2003-2004, County and Contractor intend to add CGF (All Other County General Fund) in the amount of $_____to fund an increase of ten treatment beds for the residential mental health treatment program. The revised Maximum Contract Amount for Fiscal Year 2003-2004 will be $_____.

NOW, THEREFORE, County and Contractor agree that Agreement shall be amended only as follows:

1. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph B (Reimbursement For Initial Period) and Subparagraph C (Reimbursement If Agreement Is Automatically Renewed) shall be deleted in their entirety and the following substituted therefor:

"B. Reimbursement For Initial Period: The Maximum Contract Amount for the Initial Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____ DOLLARS ($_____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes Cash Flow Advance, which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Initial Period.

C. Reimbursement If Agreement Is Automatically Renewed:

(1) Reimbursement For First Automatic Renewal Period: The Maximum Contract Amount for the First Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____DOLLARS ($_____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event

shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the First Automatic Renewal Period.

(2) Reimbursement For Second Automatic Renewal Period: The Maximum Contract Amount for the Second Automatic Renewal Period of this Agreement as described in Paragraph 1 (TERM) shall not exceed _____ DOLLARS ($_____) and shall consist of County, State, and/or Federal funds as shown on the Financial Summary. This Maximum Contract Amount includes the Cash Flow Advance which is repayable through cash and/or appropriate SFC units and/or actual and allowable costs as authorized by other provisions of this Agreement. Notwithstanding any other provision of this Agreement, in no event shall County pay Contractor more than this Maximum Contract Amount for Contractor's performance hereunder during the Second Automatic Renewal Period."

2. Paragraph 4 (FINANCIAL PROVISIONS), Subparagraph K (Cash Flow Advance In Expectation of Services/Activities To Be Rendered), Subsection (1) shall be deleted in its entirety and the following substituted therefor:

"K. Cash Flow Advance In Expectation of Services/Activities To Be Rendered:

(1) Each month of each fiscal year not to exceed three (3)

consecutive months, or portion thereof, that this Agreement is in effect, Contractor may request, separately for each month, in writing from County a monthly County General Fund Cash Flow Advance for any funds, which may be part of the Maximum Contract Amount for such fiscal year as identified on the Financial Summary Page. Contractor shall specify in their request the amount of the monthly Cash Flow Advance not to exceed $_____ per month and the total Cash Flow Advance for the three (3) months shall not exceed $_____. The Cash Flow Advance monthly amount is 1/12th of Maximum Contract Amount as identified on the Financial Summary Page, annualized Maximum Contract Amount if a partial year.

3. Financial Summary - for Fiscal Year 2003-2004 shall be deleted in its entirety and replaced with Financial Summary - for Fiscal Year 2003-2004, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - for Fiscal Year 2003-2004 shall be deemed amended to state "Financial Summary - for Fiscal Year 2003-2004."

4. Financial Summary - for Fiscal Year 2004-2005 shall be deleted in its entirety and replaced with Financial Summary - for Fiscal Year 2004-2005, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - for Fiscal Year 2004-2005 shall be deemed amended to state "Financial Summary - for Fiscal Year 2004-2005."

5. Financial Summary - for Fiscal Year 2005-2006 shall be deleted in its entirety and replaced with Financial Summary - for Fiscal Year 2005-2006, attached hereto and incorporated herein by reference. All references in Agreement to Financial Summary - for Fiscal Year 2005-2006 shall be deemed amended to state "Financial Summary - for Fiscal Year 2005-2006."

6. Contractor shall provide services in accordance with Contractor's Fiscal Year 2003-2004 Negotiation Package for this Agreement and any addenda thereto approved in writing by Director.

7. Except as provided in this Amendment, all other terms and conditions of the Agreement 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 his designee, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By_____
MARVIN J. SOUTHARD, D.S.W.
Director of Mental Health

_____
CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

LLOYD W. PELLMAN
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division

EA:\D\ASC Amend