

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF AMENDMENT TO AN EXISTING DEPARTMENT
OF MENTAL HEALTH LEGAL ENTITY AGREEMENT WITH PROTOTYPES
FOR FISCAL YEAR 2003-2004
(SUPERVISORIAL DISTRICT 5)**

REQUEST:

Authorize the Director of Mental Health or his designee to prepare, sign, and execute Amendment No. 6 (substantially similar to the Attachment), to the Department of Mental Health (DMH) Legal Entity Agreement No. DMH-01536 with Prototypes for Fiscal Year (FY) 2003-2004. The Amendment to increase the Maximum Contract Amount (MCA) by \$415,880, from \$1,565,720 to \$1,981,600, will be fully funded by County General Funds (CGF) of \$154,071, General Relief Opportunities for Work (GROW) funds of \$35,334, California Work Opportunities and Responsibilities to Kids Act (CalWORKs) funds of \$125,000 redirected from Tri-City Mental Health Center (Tri-City MHC) and Federal Financial Participation (FFP) funds of \$101,475 redirected from within DMH's existing FY 2003-2004 budget.

BACKGROUND:

On February 12, 2004, Tri-City MHC notified DMH that it was filing for Chapter 9 bankruptcy protection. In response to this filing, the Director of Mental Health issued a letter on March 23, 2004, advising the Board of Supervisors that DMH was terminating its LE Agreement with Tri-City MHC effective March 5, 2004.

Tri-City is continuing to provide services only to mental health consumers who reside in the cities of Pomona, La Verne, and Claremont under its contractual Agreement with the State of California Department of Mental Health (SDMH). DMH assumed responsibility for programs and services to Los Angeles County consumers that reside outside of those three cities. On March 2, 2004, DMH submitted a transition plan to the Board outlining the steps that DMH would take to maintain services. The plan included the redistribution of Tri-City MHC funds to DMH providers who had the capacity to quickly expand services to those impacted consumers. The redistribution plan that was developed by DMH is supported by DMH contractors, including Prototypes, in Mental Health Service Area (MHSA) 3 and reflects the funding level that is needed to maintain services.

INTENT:

Amending the Agreement with Prototypes will allow for reimbursement of services that Prototypes has provided and will continue to provide to impacted

consumers from Tri-City MHC.

JUSTIFICATION:

DMH is required by the State Department of Mental Health (SDMH) to provide mental health services to individuals who meet medical necessity criteria as defined by SDMH and who are eligible for Medi-Cal benefits. Even though Tri-City MHC is no longer providing mental health services to Los Angeles County consumers, its impacted consumers meet the state requirements and DMH must render appropriate treatment services. Prototypes has been selected to participate in the Tri-City redirection plan to provide services to such Los Angeles County consumers.

Board approval is being requested to amend the Agreement with Prototypes as the recommended increase of \$415,880 to the MCA is not within DMH's delegated authority. This amount of \$415,880 will increase the MCA from \$1,565,720 to \$1,981,600.

CONTRACTING PROCESS:

DMH surveyed interested current MHSA 3 providers. The criteria used to select providers included: demonstrating the ability to quickly expand services; having extensive experience in serving special populations (i.e. AB3632, Children's System of Care, CalWORKs and Assertive Community Treatment); possessing multiple language capacities and providing services in or near the community in which the consumers reside. The providers also had to meet DMH's financial viability requirements and be in good standing.

The dollars allocated to each provider including Prototypes, were determined based on the number of consumers referred to each agency, staffing needs, as well as administrative and indirect costs.

Prototypes is being recommended to receive an Amendment to its LE Agreement to include additional funding in the amount of \$415,880, consisting of funds redirected from Tri-City MHC's former LE Agreement No. DMH-01487 of \$154,071 in CGF, \$35,334 in GROW, \$125,000 in CalWORKs and \$101,475 in FFP funds redirected from within DMH's existing FY 2003-2004 budget. The revised MCA for Prototypes will be \$1,981,600.

Attachment

EA:Prototypes (6-16-04)

ATTACHMENT

CONTRACT NO. _____

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. _____, 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 amend Agreement to enhance mental health services through the reallocations of these funding sources: County General Funds (CGF), Federal Financial Participation (FFP) funds, General Relief Opportunities For Work (GROW) funds and California Work Opportunities and Responsibilities to Kids Act (CalWORKs) funds; and

WHEREAS, for Fiscal Year 2003-2004, County and Contractor intend to add CGF in the amount of \$ _____ to the Maximum Contract Amount; and

WHEREAS, for Fiscal Year 2003-2004, County and Contractor intend to add FFP funds in the amount of \$ _____ to the Maximum Contract Amount; and

WHEREAS, for Fiscal Year 2003-2004, County and Contractor intend to add GROW funds in the amount of \$_____ to the Maximum Contract Amount; and

WHEREAS, for Fiscal Year 2003-2004, County and Contractor intend to add CalWORKs funds in the amount of \$_____ to the Maximum Contract Amount to fund mental health supportive services to CalWORKs recipients.

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), shall be deleted in its entirety and the following substituted therefore:

"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. Furthermore, Contractor shall inform County when up to seventy-five percent (75%) of the Maximum Contract Amount has been incurred. Contractor shall send such

notice to those persons and addresses which are set forth in Paragraph 57 (NOTICES)."

1. 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."

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

3. 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.

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL

COUNTY OF LOS ANGELES

By _____
Principal Deputy County Counsel

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

CONTRACTOR

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO CONTRACT
ADMINISTRATION:

DEPARTMENT OF MENTAL HEALTH

By _____
Chief, Contracts Development
and Administration Division