

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**AUTHORIZATION TO AMEND DEPARTMENT OF MENTAL HEALTH
LEGAL ENTITY AGREEMENTS WITH EXISTING PROVIDERS TO REBASE
THE COUNTY GENERAL FUND ALLOCATIONS
FOR FISCAL YEAR 2006-07
AND
APPROVAL OF REQUEST FOR APPROPRIATION ADJUSTMENT
(ALL SUPERVISORIAL DISTRICTS)
(4 VOTES)**

REQUEST

Authorize the Director of Mental Health or his designee to prepare, sign, and execute amendments, effective upon Board approval to existing Department of Mental Health (DMH) Legal Entity (LE) Agreements for the rebasing of County General Fund (CGF) allocations identified in existing Maximum Contract Amounts (MCA) for services to the uninsured and those eligible for benefit programs. The rebasing will realign the match and non-match CGF to allow contract providers the ability to draw down additional revenues for services to clients eligible for benefits in Fiscal Year (FY) 2006-07.

Approve the Request for Appropriation Adjustment for FY 2006-07 in the amount of \$2,888,000 to increase Services and Supplies to provide spending authority for DMH LE Agreements. This appropriation adjustment is fully funded with Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Federal Financial Participation (FFP) Medi-Cal in the amount of \$505,000, EPSDT-State General Funds (SGF) in the amount of \$425,000, Non-EPSDT-FFP in the amount of \$1,449,000, and Healthy Families revenues in the amount of \$509,000.

PURPOSE/JUSTIFICATION

Board approval of the recommended actions will enable existing DMH providers the ability to draw down additional FFP, SGF, and Healthy Families revenues by realigning the match and non-match CGF within their respective contracts consistent with the services provided to those eligible for benefit programs and the uninsured. This will align the use of contract dollars based on actual services delivered.

BACKGROUND

In June 2006, the Board approved the LE Amendment for the 15 percent CGF flexibility as a temporary measure to enable contractor's flexibility to shift CGF among the categories of the MCA. DMH also committed to allow a one-time rebasing of each LE MCA for the FY 2006-07 as the Association of Community Human Service Agencies (ACHSA) and DMH jointly agreed to allow this action to address negotiations that did not occur prior to the finalization of the FY 2006-07 MCA.

The MCAs of DMH LE Agreements categorize the CGF allocations between match and non-match dollars. The distinction between the match and non-match dollars serves as a basis for payment of services provided to mental health clients. ACHSA has voiced the need to realign the CGF allocations based on the client mix of actual clients served. Without the realignment of the CGF allocations, as services are provided to clients eligible for benefits with insufficient dollars allocated to the respective category in the MCA, the contract provider will not receive payment for services until after DMH's reconciliation of the State settlement, which is up to 24 months after the close of the fiscal year. In addition, they may have available CGF allocated in other categories that will not be used. The rebasing of the CGF allocations and the addition of the FFP, SGF, and Healthy Families revenues will allow the contract providers the ability to reflect services based on their respective client mix and receive timely payments for services provided. All legal entity contract providers were given the opportunity to submit proposals to DMH to rebase their CGF allocations within their contracts. As a result, out of the nine (9) contract providers who submitted proposals, eight (8) contract providers were approved and one (1) contract provider's request was withdrawn.

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