

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**AUTHORIZATION TO AMEND LEGAL ENTITY AGREEMENT
WITH MARYVALE FOR FISCAL YEAR 2007-08
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

Request approval to amend the Department of Mental Health's Legal Entity Agreement with Maryvale to increase the maximum contract amount by \$170,000 to \$3,009,200 for services rendered during Fiscal Year 2007-08.

REQUEST

1. Approve and instruct the Director of Mental Health, or his designee, to prepare, sign and execute three copies of Amendment, No. 5 (Amendment) to the existing Department of Mental Health (DMH) Legal Entity Agreement No. MH120166 (Agreement) with Maryvale for Fiscal Year (FY) 2007-08. The Amendment will be effective upon Board approval and will increase the Maximum Contract Amount (MCA) for Maryvale for FY 2007-08 by \$170,000, from \$2,839,200 to \$3,009,200. The increased amount will be funded by Federal Financial Participation (FFP) Medical revenue of \$85,000, Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) State general funds (SGF) of \$72,556, and matching County general funds (CGF) of \$12,444.
2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to the Agreement with Maryvale to reflect any additional amounts owed as a result of the Federal Certified Public Expenditure (CPE) regulations, and/or Cost Report and State Audit Settlement processes, provided that approval by County Counsel and the Chief Executive Officer (CEO), or their designees, is obtained prior to any such amendment and your Board has appropriated sufficient funds for all changes.

PURPOSE/JUSTIFICATION

Board approval of the above recommendations is necessary in order for DMH to reimburse Maryvale for the additional services rendered during FY 2007-08. The total amount of services rendered by the contractor during FY 2007-08 exceeded its MCA for that fiscal year by \$643,200. This requires DMH to obtain your Board's approval since \$170,000 of the total \$643,200 is beyond the 20 percent increase allowed under delegated authority from your Board.

In order to satisfy the State and Federal Certified Public Expenditure (CPE) certification requirements, DMH must incur the actual expense prior to the State submitting Medi-Cal claims for Federal Financial Participation (FFP) reimbursement.

Previously, if a contractor exceeded the MCA, DMH would stop processing payments until the cost settlement process determined the final payment due to the provider and, if necessary at the time, would execute an amendment to the contract under delegated authority or request Board approval of an amendment if the amount exceeded the delegated authority. Due to the recent CPE requirements, DMH no longer has the option of waiting until cost settlement to pay its contractors.

Therefore, DMH is required to reimburse its contractors for services provided to Short-Doyle/Medi-Cal (SD/MC) eligible clients even if the total amount of services provided exceeds their MCA.

CONTRACTOR

- Maryvale is located at 7600 E. Graves Avenue, Rosemead, California 91770, in Supervisorial District 1, Mental Health Service Area 3. Maryvale is a residential treatment center operated as a nonsectarian, nonprofit corporation by the Daughters of Charity of St. Vincent de Paul. Founded in 1856 as The Los Angeles Orphan Asylum, Maryvale has continued to adapt to the needs of children and now offers programs for children whose needs cannot be met in their own homes or in foster homes. Maryvale serves children who are dependents of the court and are placed by the Department of Children and Family Services and/or the Probation Department from Los Angeles County and other counties in California. These children may be dually diagnosed as emotionally disturbed and/or neurologically damaged.
- The Amendment format has been approved as to form by County Counsel. The CEO has been reviewed the proposed actions. Administrative staff of DMH will continue to administer and supervise the Agreement and ensure that the Agreement provisions and Departmental policies are being followed.

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APPROVED BY:

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Chief Executive Officer – James Sokalski
County Counsel – Stephanie Farrell