

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**AUTHORIZATION TO TRANSFER OUTPATIENT MENTAL HEALTH SERVICES AT LAC+USC MEDICAL CENTER FROM DEPARTMENT OF HEALTH SERVICES TO THE DEPARTMENT OF MENTAL HEALTH
AND
REQUEST FOR APPROVAL OF A SOLE SOURCE PROFESSIONAL SERVICES AGREEMENT WITH USC CARE MEDICAL GROUP, INC. OF THE UNIVERSITY OF SOUTHERN CALIFORNIA
FISCAL YEARS 2008-09, 2009-10, 2010-11
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

SUBJECT

Request Board approval to transfer outpatient mental health services at Los Angeles County + University of Southern California Medical Center from the Department of Health Services to the Department of Mental Health. These actions will also authorize interim ordinance authority for additional Department of Mental Health staff positions, and approve a new sole source professional services agreement for specialized psychiatric and education services (Proposition A) with USC Care Medical Group, Inc. of the University of Southern California for physician services for the outpatient services, and for on-call psychiatric coverage at Augustus F. Hawkins Urgent Care Center.

REQUEST

1. Authorize the transfer of responsibility for the management and operation of outpatient mental health services at Los Angeles County + University of Southern California (LAC+USC) Medical Center from the Department of Health Services (DHS) to the Department of Mental Health (DMH) to provide a new family-focused outpatient service known as the LAC+USC Family-Focused Treatment Services (FFTS)), effective August 1, 2008, or two weeks after DHS and DMH execute a Memorandum of Understanding on the Transfer and Operation of LAC+USC Mental Health Outpatient Services, whichever is later.
2. Approve interim ordinance authority for 17.0 additional positions identified in Attachment I, of which 11.0 positions will be filled with existing DHS

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employees, pursuant to Section 6.06.020 of the County Code, subject to allocation by the Chief Executive Office (CEO).

3. Make a finding, as required by Los Angeles County Code Section 2.121.420, that certain specialty psychiatric services as described in the fourth recommendation below, can be performed more feasibly by contracting with the private sector, and that it is not feasible to conduct a formal bidding or competitive negotiation process for these critically needed services.
4. Authorize the Director of Mental Health, or his designee, to prepare, sign, and execute a new sole source DMH professional services agreement for specialized psychiatric and education services substantially similar to Attachment II, effective upon transfer of DHS Outpatient Clinic to DMH, with University of Southern California Care Medical Group, Inc. (USC Care) for psychiatric and psychiatry training services for the LAC+USC FFTS outpatient services and for weekend and holiday on-call psychiatric coverage at Augustus F. Hawkins (AFH) Urgent Care Center (UCC) funded by Mental Health Services Act (MHSA) funds in the amount of \$892,500 for Fiscal Year 2008-09.
5. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to the USC Care professional services agreement, provided that: 1) the County's total payments to the USC Care under the agreement for each fiscal year will not exceed an increase of 20 percent from the applicable Board-approved Total Compensation Amount (TCA); 2) any such increase will 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 CEO or their designee is obtained prior to any such amendment; 5) the County and USC Care may, by written amendment, mutually agree to reduce programs or services without reference to the 20 percent limitation; and 6) the Director of Mental Health will notify the Board of Supervisors of agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

Board approval of the recommended actions will enable DHS to realize operational savings as a result of transferring the outpatient mental health

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services, while allowing DMH to provide FFTS at LAC+USC for clients of all ages in accordance with their family and social support systems. The transfer will promote DMH's overall transformation of service delivery from traditional individual-oriented clinical services to a Recovery Model of client- and family-driven, recovery-oriented services and supports, in accordance with the DMH's MHSA Community Services and Supports (CSS) Plan. The transfer is intended to enhance DMH's ability to meet the needs of unserved/underserved populations in Service Area (SA) 4 and ensure that individuals have access to appropriate resources in the network of care.

Due to the DMH's on-going difficulty in recruiting physicians, a situation exacerbated by the drain of the available physician applicant pool to the State correctional and hospital systems, where salaries exceed those offered by the County, the provision of contracted physician services is integral to the success of this transfer. DMH is proposing to enter into a sole source professional services agreement for specialized psychiatric and education services (Proposition A) with USC Care to provide psychiatrists and the psychiatry training program for the LAC+USC FFTS, and also for weekend and holiday on-call psychiatric coverage at AFH UCC.

BACKGROUND

On November 12, 2006, your Board approved an amendment to the Proposition A ordinance that permits contracting for "physician services" upon a determination that the use of independent contractors is more feasible than County employees. Due to the persistent shortage of physicians throughout the DMH's outpatient services and inability to compete with the salaries offered by the State correctional and hospital systems, it is not feasible for the Department to directly provide physician services. USC Care, on behalf of the University of Southern California's Department of Psychiatry, currently provides the psychiatry/psychology training program in the LAC+USC Medical Center's emergency, urgent care, inpatient and outpatient services as well as the physician services for the inpatient psychiatric units at AFH. Contracting with USC Care for physician services/psychiatry training program for the LAC+USC FFTS and the weekend and holiday on-call psychiatric coverage at AFH UCC will promote continuity of care.

The transfer and restructuring of LAC+USC outpatient program supports DMH's initiative to bring all outpatient mental health resources within the local community into a geographically responsive system that reflects and effectively addresses the needs of the community served. Additionally, the recommended

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actions are consistent with DHS' five-year strategic plan that includes the transfer of DHS' outpatient mental health programs to DMH.

FISCAL IMPACT/FINANCING

The proposed transfer to DMH and transformation of services is estimated to result in savings to DHS of \$1,332,241.

The estimated cost to DMH for implementing the LAC+USC FFTS is \$6,261,000 for Fiscal Year (FY) 2008-09. This amount includes \$1,331,000 for the cost of 17 FTE positions and \$4,930,000 in associated LAC+USC FFTS program costs, including \$747,000 to fund up to 15.0 FTE psychiatry residents to receive training and clinical experience as part of the mental health program provided at the LAC+USC FFTS, \$481,025 in occupancy costs paid through a Departmental Service Order to DHS.

In addition, DMH will establish a new professional services agreement with USC Care for a sum of \$892,500 that includes \$856,136 for the LAC+USC FFTS and \$36,364 annually for the provision of weekend and holiday on-call physician coverage at the AFH UCC. USC Care provided some services at AFH UCC in the past fiscal year through a purchase order. The costs for physician services are funded by MHSA.

The LAC+USC FFTS educational program will be integrated with the urgent care, emergency, and inpatient components at LAC+USC Medical Center, as well as with the SA 4 network of care providers. The new Agreement with USC Care will include payment for psychiatry residents training, physician services, and start-up costs. It will also include payment on behalf of USC Care of "tithes" to the University of Southern California which provides support and benefit to the physicians' related to their clinical and academic responsibilities.

Funding has been included in the DMH's FY 2008-09 Adopted Budget. Additional funding and any adjustments required between Salaries and Employee Benefits and Services and Supplies allocations will be included in the FY 2008-09 Supplemental Budget process.

IMPACT ON CURRENT SERVICES

The LAC+USC FFTS program model, through the utilization of integrated teams of educators, clinicians and trainees responsible for treating individuals in their

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family context, will provide an innovative and effective approach to service provision and workforce development. The LAC+USC FFTS will also enhance linkage and collaboration with the SA 4 network of care providers, including the full range of recovery-oriented services available through the MHSA.

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