

**COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH**

**FACT SHEET**

**APPROVAL TO RENEW MENTAL HEALTH SERVICES AGREEMENTS WITH 26  
FEE-FOR-SERVICE MEDI-CAL ACUTE PSYCHIATRIC INPATIENT HOSPITALS  
AND ONE UNIQUE FEE-FOR-SERVICE MEDI-CAL ACUTE PSYCHIATRIC  
INPATIENT HOSPITAL  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to renew Contract Allowable Rate - Fee-for-Service Medi-Cal Acute Psychiatric Inpatient Hospital Services Agreements to allow uninterrupted, medically-necessary acute psychiatric inpatient hospital and administrative day services to Medi-Cal eligible clients, and Psychiatric Outreach Team Diversion Program services to indigent clients.

**REQUEST**

1. Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute renewals of 26 Contract Allowable Rate - Fee-for-Service (FFS) Medi-Cal Acute Psychiatric Inpatient Hospital (Hospital) Services Agreements and one (1) unique FFS Hospital Services Agreement for Fiscal Years (FYs) 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 for the provision of acute psychiatric inpatient hospital, administrative day, as well as Psychiatric Outreach Team Diversion Program (PDP) services. The term of each Agreement (total of 27) will be effective July 1, 2010 through June 30, 2011, with a provision for four (4) one-year renewal periods. The estimated cost of these FFS Hospitals is \$28,119,609 annually, and the estimated cost of the PDP services is \$1,085,700.
2. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future agreements, with qualified FFS Hospitals that conform to all applicable County of Los Angeles Department of Mental Health (DMH) policies and procedures for FFS acute psychiatric inpatient hospital services, provided that: 1) your Board has appropriated sufficient funds for the new agreements; 2) approval of County Counsel and the CEO, or their designees, is obtained prior to execution of new agreements; and 3) the Director of Mental Health, or his designee, notifies your Board in writing within 30 days of execution of each new agreement.
3. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute amendments to the Agreements, including PDP Amendments,

provided that: 1) the contract allowable rates under each Agreement for each fiscal year does not exceed an increase of 20 percent from the last Board-approved Maximum Contract Amount (MCA); 2) any such increase will be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel and the CEO, or their designees, is obtained prior to any such amendment; 5) the parties may, by written amendment, mutually agree to reduce programs or services; and 6) the Director of Mental Health, or his designee, notifies your Board of Agreement changes in writing within 30 days after execution of each amendment.

4. Delegate authority to the Director of Mental Health, or his designee, to terminate FFS Hospital Services Agreements upon the receipt of a written termination or change of ownership request. The Director of Mental Health will notify your Board in writing of such terminations within 30 days after execution of each termination.

#### **PURPOSE/JUSTIFICATION**

Board approval is required to renew these 27 FFS Hospital Services Agreements which will expire on June 30, 2010. Renewing these Agreements will allow for uninterrupted, medically-necessary acute psychiatric inpatient and administrative day services for severely mentally ill clients who reside throughout the County of Los Angeles.

In addition, the execution of the PDP Amendments will allow DMH to provide acute psychiatric inpatient services for uninsured individuals who are in need of involuntary hospitalization when Department of Health Services (DHS) Psychiatric Emergency Services (PES) are operating at full capacity. The PDP is a critical component of the Additional Plan for the Relief of County Hospital PES approved by your Board on July 7, 2005.

#### **BACKGROUND**

DMH has 27 FFS Hospital Agreements with Contractors to provide acute psychiatric inpatient mental health services. These agreements ensure the provision of acute psychiatric inpatient hospital and administrative day services to Medi-Cal eligible clients, and Psychiatric Outreach Team Diversion Program services to indigent clients.

On an annual basis, at the recommendation of the CEO and Auditor-Controller, DMH systematically supersedes the existing FFS Hospital Agreement boilerplate with an

updated version that includes new, revised Board-mandated provisions, in order to ensure that all the FFS Hospital Agreements reflect uniform terms and conditions.

**CONTRACTING PROCESS**

Board approval will authorize DMH to renew 27 Agreements with the existing FFS Hospitals. These existing FFS Hospitals are Medi-Cal certified and conform to all applicable DMH policies and procedures.

Upon signing the Agreements, these FFS Hospitals will become eligible to provide psychiatric inpatient hospital and administrative day services at the daily contract allowable rates. These FFS Hospitals will also be given an opportunity to participate in the PDP through an amendment to their FFS Hospital Services Agreements.

**DMH Contact:**

Pansy Washington  
Telephone Number: (213) 738-2469  
E-Mail: [pwashington@dmh.lacounty.gov](mailto:pwashington@dmh.lacounty.gov)

**APPROVED BY:**

DMH Program – Dr. Roderick Shaner  
DMH Contracts – Stella Krikorian  
Chief Executive Officer – Angela Yoon  
County Counsel – Doraine Meyer