

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

**F A C T   S H E E T**

**APPROVAL TO SUPERSEDE 97 LEGAL ENTITY AGREEMENTS  
FOR MENTAL HEALTH SERVICES FOR  
FISCAL YEARS 2010-11 AND 2011-12  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

**SUBJECT**

Request approval to supersede 97 existing Legal Entity Agreements for mental health services in order to incorporate revised and new standard contract provisions effective July 1, 2010.

**REQUEST**

Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute 97 Department of Mental Health (DMH) Legal Entity (LE) Agreements for mental health services that supersede the Contractors' current LE Agreements in order to ensure the uniform implementation of revised and new Board-mandated and other provisions required in all DMH LE Agreements. These Agreements will be effective July 1, 2010, with a remaining term of one or two years.

Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to these LE Agreements, provided that: 1) the County's total payments to a Contractor under each LE Agreement do not exceed a 20 percent increase from the applicable Board-approved annual MCA, and the Institutions for Mental Diseases per diem rate increase does not exceed the rates per the State's directive; 2) any such increase is used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approvals by County Counsel and the Chief Executive Officer (CEO), or their designees, are obtained prior to any such amendment; 5) County and Contractor may, by written amendments, reduce programs or services and revise the applicable MCA, provided that any amendments which reduce programs or services will be consistent with the principles agreed to in DMH's stakeholders' process; and 6) the Director of Mental Health notifies your Board of Agreement changes in writing within 30 days after execution of each amendment.

**PURPOSE/JUSTIFICATION**

Board approval is required to supersede these LE Agreements to ensure that new and revised Board-mandated provisions are included in those LE Agreements that have one or two-year terms remaining, as well as to ensure the uniformity of terms and conditions

in all DMH LE Agreements. Additionally, these superseded LE Agreements will reflect the transformation of contract provider services to further implement the Mental Health Services Act (MHSA) - Prevention and Early Intervention (PEI) Plan, which was begun in Fiscal Year (FY) 2009-10.

## **BACKGROUND**

DMH has approximately 133 LE Agreements with Contractors to provide a broad range of mental health services to severely and persistently mentally ill adults, and to seriously emotionally disturbed children, adolescents, and their families throughout the County of Los Angeles. In order to ensure continuous and uninterrupted services, the terms of these 133 LE Agreements are staggered so that in any given year, no more than one-third of the Agreements are set to expire and thus require renewals (for FY 2010-11, 36 LE Agreements are pending renewal). Accordingly, the estimated remaining two-thirds (or 97 LE Agreements for FY 2010-11) would remain active with up to one or two years remaining in their respective contract terms.

On an annual basis, at the recommendation of the CEO and Auditor-Controller, DMH systematically supersedes the existing LE Agreement boilerplate with an updated version that includes new, revised Board-mandated provisions, in order to ensure that all the LE Agreements reflect uniform terms and conditions.

## **CONTRACTING PROCESS**

All of the 97 LE Agreements have existing agreements with DMH that were approved by your Board on June 9, 2009. The term of 26 LE Agreements will be effective July 1, 2010 through June 30, 2011, with the effective terms of the remaining 71 LE Agreements to be from July 1, 2010 through June 30, 2011, including a provision for one subsequent one-year renewal period. As mandated by your Board, each Contractor's performance is evaluated by DMH on an annual basis to ensure compliance with all contract terms and performance standards.

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