

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL TO FURTHER IMPLEMENT THE MENTAL HEALTH SERVICES ACT-
COMMUNITY SERVICES AND SUPPORTS PLAN THROUGH THE
TRANSFORMATION OF SERVICES
BY CONTRACT AGENCIES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to amend Department of Mental Health Legal Entity Agreements with 13 contract agencies reflecting their transformation of services to further implement the Mental Health Services Act-Community Services and Supports Plan.

REQUEST

1. Approve and authorize the Department of Mental Health (DMH) to allow contract agencies meeting specified criteria the opportunity to provide Mental Health Services Act (MHSA) services through transformation to new MHSA programs as DMH moves from its traditional core mental health programs to a new recovery and wellness-based system of care.
2. Approve and instruct the Director of Mental Health, or his designee, to prepare, sign, and execute an Amendment to DMH Legal Entity (LE) Agreements with 13 contract agencies that have been identified for County General Fund (CGF) curtailments and given the opportunity to deliver transformed services such as Field Capable Clinical Services (FCCS), Wellness Centers, and Institution for Mental Diseases (IMD) Step-down as part of the MHSA-Community Services and Supports (CSS) Plan, effective upon Board approval through June 30, 2011. The Maximum Contract Amounts (MCAs) of these 13 contract agencies will increase in the amount of the MHSA expansion. The total amount of \$3,903,456 will be funded using unspent MHSA-CSS Plan funds in the amount of \$1,614,172, Medi-Cal Federal Financial Participation (FFP) funds in the amount of \$1,956,653, and Early and Periodic Screening, Diagnosis, and Treatment-State General Funds (EPSDT-SGF) in the amount of \$332,631.
3. Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to these Agreements and establish as a new MCA the aggregate of the original Agreements and all amendments, provided that: 1) the County's total payments to each contractor under their respective Agreements for Fiscal Year (FY) 2009-10 will not exceed an increase of 20 percent from the applicable revised MCAs; 2) any such increase will be

used to provide additional services or reflect program changes; 3) the Board of Supervisors has appropriated sufficient funds for all changes; 4) approval of County Counsel and the Chief Executive Officer (CEO), or their designees, is obtained prior to any such amendments; 5) the parties may, by written amendment, reduce programs or services and revise the applicable MCAs; 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 of the requested actions will allow DMH to further implement existing MHSA plans to assist the department in mitigating its FY 2009-10 budget shortfall. These mitigation strategies include curtailment of funding for both directly-operated and contract programs and preserve a balanced system of care that meets the needs of clients at all levels of treatment, by spreading the curtailment throughout the system in a manner that maintains critical services.

BACKGROUND

In FY 2008-09, due to adverse budgetary circumstances that required the reduction of core programs funded through CGF, your Board authorized DMH to allow 63 contract agencies the opportunity to provide MHSA services through transformation to new and/or expanded MHSA programs for FY 2008-09. DMH faces a further CGF budget shortfall in FY 2009-10 due to State budget impacts and reductions in Sales Tax Realignment and Vehicle License Fees (VLF) resulting from the economic downturn.

As part of efforts to mitigate this deficit, DMH initiated a budget mitigation planning process in which DMH contract agencies and directly-operated programs participated and developed principles for determining the program areas to be curtailed. Recommendations for budget reductions were developed and presented to DMH executive leadership, which made the decision to offer contract agencies the opportunity to transform additional core mental health programs to the new recovery and wellness-based system of care funded by one-time MHSA for FYs 2009-10 and 2010-11. Throughout the curtailment process DMH and its stakeholders attempted to preserve a balanced system of care that will continue to meet the needs of as many individuals as possible at all levels of care. In response, 13 contract agencies have requested the opportunity to transform services into new MHSA funded services and/or programs.

The Amendment format has been approved as to form by County Counsel. The CEO has reviewed the proposed actions. DMH clinical and administrative staff will administer

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and supervise the Agreements, evaluate programs to ensure that quality services are being provided to clients, and ensure that the LE Agreement provisions and DMH policies are being followed.

These actions are to allow the 13 contractors to transform and provide services in FYs 2009-10 and 2010-11. The services will continue through June 30, 2011 and will be incorporated into their LE Agreements accordingly.

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