

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

**F A C T   S H E E T**

**APPROVAL OF NEW LEGAL ENTITY AGREEMENTS WITH  
FIVE SUBSTANCE ABUSE SERVICE PROVIDERS  
AND  
AMENDMENT TO EXISTING LEGAL ENTITY AGREEMENT WITH SPECIAL  
SERVICE FOR GROUPS  
(SUPERVISORIAL DISTRICTS 1, 2, AND 3)**

**REQUEST:**

Board approval is requested for delegated authority to the Director of Mental Health to prepare, sign, and execute five new Legal Entity (LE) Agreements, listed in the Attachment, and amend the existing LE Agreement with Special Service For Groups (SSG) for the provision of outpatient mental health services to seriously emotionally disturbed (SED) children and adolescents with co-occurring emotional and substance abuse problems and their families. The term of the new agreements will be effective upon Board approval for Fiscal Years (FY) 2002-2003, 2003-2004, and 2004-2005. Amendment No. 9 to the existing LE Agreement with SSG will be effective upon Board approval through the term of the Agreement, which ends on June 30, 2004. A one-month pro-rated amount of \$292,000 in Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program revenues will fund these five new agreements and the Amendment for the existing contractor for the remainder of FY 2002-2003. An annualized amount of \$3,494,000 in EPSDT Program revenues will fund the five new agreements and Amendment for FY 2003-2004 and \$3,194,000 for FY 2004-2005 for the five new agreements.

The Maximum Contract Amounts (MCA), as detailed in the Attachment, for these five new agreements and the Amendment total \$12,440,000, \$14,509,000, and \$3,194,000 for FYs 2002-2003, 2003-2004, and 2004-2005, respectively.

**CONTRACTORS:**

During the development of the Department of Health Services' (DHS) Office of Alcohol and Drug Program Administration's (ADPA) Request For Proposals (RFP), ADPA and the Department of Mental Health (DMH) held a joint meeting to discuss treatment and recovery services for adolescents with co-occurring emotional, alcohol and drug abuse problems.

On December 3, 1999, DHS' ADPA issued a solicitation for RFP for Adolescent Intervention, Treatment, and Recovery Program Services. Proposers were required to

demonstrate their capacity to provide linkages and collaborative relationships with an array of service systems, which included DMH, the Department of Children and Family Services, juvenile justice, and education. The deadline to submit a letter of intent was December 30, 1999, and February 1, 2000, for the proposal. The Board approved the selection of 13 agencies on October 31, 2000.

Subsequent to the contract awards, ADPA and DMH followed up with a meeting, which was attended by alcohol and drug youth treatment providers, to focus on DMH's EPSDT Program and the provision of technical assistance to agencies that were awarded contracts to provide youth alcohol and drug treatment services. It was the expectation that agencies that were awarded DHS' ADPA's contracts would also have the opportunity to contract with DMH and that, accordingly, those contractors would be required to be SD/MC certified to allow their services to generate EPSDT-SGF and FFP Medi-Cal revenue without the direct expenditure of County General Funds.

DMH followed up with technical assistance workshops with interested agencies. Afterwards, DMH started the negotiation process, but most of the potential contractors took a very long time to submit their negotiation packages. Only seven agencies submitted negotiation packages to DMH for the provision of mental health services to children and adolescents served in their substance abuse treatment programs. Several agencies indicated interest in contracting with DMH for mental health services but did not follow through with submitting negotiation packages. Additionally, other ADPA-funded contractors were already DMH contractors providing EPSDT services, and, therefore, did not need new contracts or amendments. Unanticipated delays in receiving complete negotiation packages and resolving fiscal issues impacting the implementation of the EPSDT Program expansion postponed DMH's Board filing until now for agreements with five new contractors and the amendment with SSG (see Attachment).

#### **INTENT/JUSTIFICATION:**

Board approval is required to enter into five new LE Agreements and an Amendment to the existing LE Agreement with SSG for the provision of mental health, case management brokerage, medication support, and crisis intervention services to SED children and adolescents with co-occurring emotional and substance abuse problems. The five new contractors are required to have a contract with DMH to become Short-Doyle/Medi-Cal (SD/MC) certified. SD/MC certification will allow these new contractors to provide SD/MC reimbursable services, as defined in the agreements, and to establish access to the EPSDT Program revenues to cover the cost of services.

These new agreements and Amendment to the existing LE Agreement will enable these contractors to generate Medi-Cal revenues for providing mental health services and

enhancing treatment services beyond what their substance abuse treatment programs currently provide as part of their contract with DHS' ADPA.

**CONTRACTING PROCESS:**

Upon Board approval, DMH will execute new LE Agreements with five contractors, listed in the Attachment, and an Amendment to the existing LE Agreement with SSG for the provision of outpatient mental health services. These SD/MC reimbursable services will allow the contractors to generate additional EPSDT-SGF and FFP Medi-Cal revenue while providing treatment services to SED minors beyond what their substance abuse treatment programs currently provide.

The Board Letter uses new delegated authority language to allow the Director of Mental Health, upon mutual agreement with contractors, to reduce programs and services without reference to the 20% limitation.

RK:KT:CTA

Attachment

COUNTY OF LOS ANGELES - DEPARTMENT OF MENTAL HEALTH  
 MENTAL HEALTH SERVICES PROVIDED BY CONTRACTORS  
 TO CHILDREN/ADOLESCENTS WITH CO-OCCURRING MENTAL AND SUBSTANCE ABUSE DISORDERS

Service site	Contracting Agencies	FY 2002-2003				FYs 2003-2004 and 2004-2005		FY 2003-2004	FY 2004-2005
		EPSDT-SGF (1 Mo. Prorate)	FFP (1 Mo. Prorate)	MCA	Annualized EPSDT Allocation	Annualized FFP Allocation	MCA*	MCA*	
		(a)	(b)	(c)	(d)	(e)	(f)		
1	SPRITT Family Services 11045 Valley Mall El Monte, CA 91731	\$ 19,000	\$ 19,000	\$ 38,000	\$ 228,000	\$ 228,000	\$ 456,000	\$ 456,000	
1	California Hispanic Commission 3125 N. Broadway Los Angeles, CA 90031	\$ 47,000	\$ 47,000	\$ 94,000	\$ 564,000	\$ 564,000	\$ 1,128,000	\$ 1,128,000	
2	Asian American Drug Abuse Program, Inc. 14112 S. Kingsley Drive Gardena, CA 90247	\$ 14,000	\$ 14,000	\$ 28,000	\$ 168,000	\$ 168,000	\$ 336,000	\$ 336,000	
3	Behavioral Health Services, Inc. 6838 Sunset Blvd. Los Angeles, CA 90028	\$ 19,000	\$ 19,000	\$ 39,000	\$ 228,000	\$ 228,000	\$ 456,000	\$ 456,000	
3	Tarzana Treatment Center 18549 Roscoe Blvd. Northridge, CA 91324	\$ 34,000	\$ 34,000	\$ 68,000	\$ 409,000	\$ 409,000	\$ 818,000	\$ 818,000	
<b>Subtotal New Agreements</b>		\$ 133,000	\$ 133,000	\$ 266,000	\$ 1,597,000	\$ 1,597,000	\$ 3,194,000	\$ 3,194,000	

Supv. District (site)	Contracting Agency	FY 2002-2003				FY 2003-2004				
		EXISTING MCA	Latest Amend. No.	EPSDT-SGF (1 Mo. Prorate)	FFP (1 Mo. Prorate)	REVISIED MCA*	New Amend. No.	Annualized EPSDT-SGF Allocation	Annualized FFP Allocation	REVISED MCA**
		(a)+(b)+(l)	(e)+(l)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
2	Special Service For Groups 8836 S. Vermont Avenue Los Angeles, CA 90044 Contract No. DMH-01260 LE Agreement No. 00214	\$ 12,146,609	8	\$ 13,000	\$ 13,000	\$ 12,172,609	9	\$ 150,000	\$ 150,000	\$ 11,315,050
<b>Subtotal Amendment</b>		\$ 12,146,609		\$ 13,000	\$ 13,000	\$ 12,172,609		\$ 150,000	\$ 150,000	\$ 11,315,050

(a)+(b)+(l) (e)+(l) (f)  
 FY 02-03 FY 03-04 FY 04-05  
 Total New Agreements and Amendment \$ 12,438,609 \$ 14,508,050 \$ 3,194,000

\* MCA is comprised of EPSDT-SGF and FFP funds.  
 \*\* The MCA for FY 2003-2004 reflects the approved funding amounts (Realignment, SRP, AB2034, FFP, and EPSDT-SGF) allocated for FY 2002-2003.