

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

F A C T S H E E T

**APPROVAL OF NEW LEGAL ENTITY AGREEMENT WITH HELPLINE YOUTH
COUNSELING, INC.
FOR FISCAL YEARS 2003-2004, 2004-2005,
AND 2005-2006**

**(SUPERVISORIAL DISTRICT 4)
(3 VOTES)**

REQUEST:

Request Board approval of and instruct the Director of Mental Health or his designee to prepare, sign, and execute a new Legal Entity (LE) Agreement and future amendments with a substance abuse service provider, Helpline Youth Counseling, Inc. (Helpline), 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.

A six-month pro-rated Maximum Contract Amount (MCA) for this new Agreement is \$75,000, which will be funded by existing budgeted appropriation in the amount of \$31,522 of Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) - State General Funds (SGF), \$39,975 of Federal Financial Participation (FFP) Medi-Cal, and \$3,503 of Realignment revenue for the 10% County growth match. An annualized MCA for each FY 2004-2005 and 2005-2006 is \$150,000, funded by \$67,500 of EPSDT-SGF, \$75,000 of FFP Medi-Cal, and \$7,500 of Realignment revenue for the 10% growth match.

CONTRACTOR:

Helpline is a non-profit agency that currently serves adolescents with co-occurring emotional, alcohol and drug abuse problems. The agency is located at 12440 E. Firestone Boulevard, Suite 1000, Norwalk, CA 90650, in Supervisorial District 4.

This new LE Agreement will enable Helpline to generate additional EPSDT-SGF and FFP Medi-Cal revenues for providing mental health services and enhancing treatment services beyond what its substance abuse treatment program currently provides as part of its contract with the County of Los Angeles - Department of Health Services (DHS), Office of Alcohol and Drug Program Administration (ADPA).

INTENT/JUSTIFICATION:

Board approval is required to enter into a new LE Agreement with Helpline for the provision of mental health, targeted case management, medication support, and crisis intervention services to SED children and adolescents with co-occurring emotional and substance abuse problems. The new contractor is required to have a contract with the Department of Mental Health (DMH) to become Short-Doyle/Medi-Cal (SD/MC) certified. SD/MC certification will allow this new contractor to provide SD/MC reimbursable services, as defined in the Agreement, and to establish access to the EPSDT program revenues to cover the cost of services.

The EPSDT program provides medically necessary services to Medi-Cal eligible beneficiaries under 21 years of age to correct or ameliorate physical or mental disabilities or conditions, even if the service is not included in the State's Medicaid Plan.

FACTS AND PROVISIONS:

In December 2002, the Auditor-Controller (A-C) conducted an investigation of an allegation of Helpline's preparation and submission of fictitious audited financial statements to County and concluded that the Director of Helpline was responsible. Subsequently, the Auditor-Controller met with Helpline's new Board of Directors' Chairperson and reviewed their corrective action plan which called for the immediate resignation of the Executive Director and the hiring of new management. In a memo dated June 5, 2003 to the Board, the A-C concluded that Helpline's corrective action plan provided assurance that similar problems will not recur. Accordingly, the A-C determined that there was "no compelling reason" to stop contracting with Helpline and, therefore, recommended that the County continue contracting with Helpline and that County departments "actively monitor contract compliance."

On October 16, 2003, the Chief Administrative Office informed DMH of the outcome of the A-C's investigation of the allegation against Helpline and concurred with the A-C's recommendation that it was appropriate to proceed with a contract with Helpline provided that DMH "actively monitor contract compliance."

CONTRACTING PROCESS:

On December 3, 1999, DHS' ADPA issued a solicitation for Requests for Proposals (RFP) for Adolescent Intervention, Treatment, and Recovery Program Services. 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.

Subsequently, ADPA and DMH held a meeting with alcohol and drug youth treatment providers and representatives from other County departments to discuss treatment and recovery services for adolescents with co-occurring emotional, alcohol and drug abuse problems. The meeting also focused on DMH's EPSDT program and provision of technical assistance to those agencies which were awarded contracts to provide youth alcohol and drug treatment services. It was anticipated that should mental health services be contracted with DMH, those services would generate additional EPSDT-SGF and FFP Medi-Cal revenue without the direct expenditure of County General Funds.

A total of seven agencies, including Helpline, submitted negotiation packages to DMH for contracting mental health services to children and adolescents served in their substance abuse treatment programs. Following the submission of these negotiation packages, DMH learned of an allegation against Helpline regarding misrepresentation of financial audit reports to the County and of an investigation by the A-C conducted in December, 2002.

Due to this serious concern over the allegation, DMH withdrew Helpline from the Board letter filed on May 22, 2003 and proceeded with only six agencies for the provision of outpatient mental health services to minors with co-occurring emotional and substance abuse problems. On June 3, 2003, the Board approved new LE Agreements and one Amendment to an existing LE Agreement with those six contractors.

Upon the A-C's recommendation and concurrence of County Counsel and the CAO to proceed, Board approval of this LE Agreement with this seventh substance abuse service provider will enable Helpline to generate additional EPSDT-SGF and FFP Medi-Cal revenue for the provision of outpatient mental health services. Helpline will also be able to integrate mental health services into its overall substance abuse treatment program for SED children and adolescents and their families.

RK:KT:RB:lw