

**BOARD LETTER – SUMMARY SHEET  
HEALTH AND MENTAL HEALTH SERVICES CLUSTER**

<b>AGENDA REVIEW</b>	10/03/12
<b>BOARD MEETING</b>	10/16/12
<b>SUPERVISORIAL DISTRICT</b>	All
<b>DEPARTMENT</b>	Mental Health
<b>SUBJECT</b>	Approval of Retroactive Mental Health Plan Agreement with the State Departments of Mental Health (SDMH) and Health Care Services (DHCS)
<b>PROGRAM</b>	DMH Managed Care Division
<b>DEADLINES</b>	None
<b>COST &amp; FUNDING</b>	The Agreement is for receipt of federal revenue in the Amount of \$998,783,583
<b>PURPOSE OF REQUEST</b>	Approval of a retroactive Mental Health Plan Agreement for the continued provision of specialty mental health services to Medi-Cal beneficiaries for the period April 1, 2012 to December 31, 2012.
<b>SUMMARY/ ISSUES</b>  (Briefly summarize program and potential issues or concerns. Identify changes, if any, to level of funding or staffing; how funding will be utilized and why best use; prior accomplishments; and for BLs involving contracts, also note changes to the contract term.)	<p>Due to the passage of Assembly Bill AB 102, effective July 1, 2012, the SDMH's functions have been transferred to DHCS. Therefore, this Agreement is being issued as a tri-party Agreement by the State to facilitate a smooth transition and is only effective until DHCS and the County execute a successor MHP Agreement or December 31, 2102, whichever is earlier.</p> <p>The Agreement, which is retroactive from April 1, 2012, through December 31, 2012, is for the receipt of federal revenue from the State in the amount of \$998,783,583 for the provision of specialty mental health services to Medi-Cal beneficiaries of Los Angeles County. The Agreement was received by the County from SDMH on July 24, 2012, which resulted in this request for the Board's retroactive approval.</p> <p>DMH estimates that approximately \$771 million, out of the Agreement amount of \$998,783,583 will be reimbursed by the State based on actual services provided, cost settlements and audits for the term of the Agreement. As of July 1, 2012, the State suspended reimbursement to Department of Mental Health until the Agreement is signed and executed. The suspension is estimated to impact the cash flow to the General Fund by \$150 million until the Agreement is signed and payments are received from the State which is expected to occur by end of November, 2012.</p>
<b>DEPT. &amp; COUNTY COUNSEL CONTACTS</b>	DMH: Robin Kay, Chief Deputy (Telephone No. 213-738-4108) County Counsel: Stephanie Jo Reagan (Telephone No. 213-974- 0941) Auditor-Controller: John Naimo (Telephone No. 213-974-8484) CEO: Vincent Amerson (Telephone No. 213-974-4363)