

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

**E A C I S H E E I**

**APPROVAL OF TWO NEW DEPARTMENT OF MENTAL HEALTH  
LEGAL ENTITY AGREEMENTS FOR  
FISCAL YEARS 2004-2005, 2005-2006 AND 2006-2007  
(SUPERVISORIAL DISTRICT 5)**

**REQUEST:**

Approve and instruct the Director of Mental Health or his designee to prepare, sign, and execute two (2) new Department of Mental Health (DMH) Legal Entity (LE) Agreements: one (1) with The David and Margaret Home, Inc., for a Maximum Contract Amount (MCA) of \$500,000 for Fiscal Year (FY) 2004-2005, with two automatic one-year renewal periods and one (1) with LeRoy Haynes Center for Children and Family Services, Inc., (LeRoy Haynes Center), for a MCA of \$1,226,900 for FY 2004-2005, with two automatic one-year renewal periods.

**BACKGROUND:**

On February 12, 2004, Tri-City Mental Health Center (MHC) notified DMH that it was filing for Chapter 9 bankruptcy protection. In response to this filing, the Director of Mental Health issued a letter on March 23, 2004, advising the Board of Supervisors that DMH was terminating its LE Agreement with Tri-City MHC effective March 5, 2004.

Tri-City MHC is continuing to provide services to mental health consumers who reside in the cities of Pomona, La Verne and Claremont under its contractual agreement with the State of California Department of Mental Health (SDMH). DMH assumed responsibility for programs and services to Los Angeles County consumers that reside outside of those three cities.

On March 2, 2004, DMH submitted a transition plan to the Board outlining the steps that DMH would take to maintain services to impacted consumers. The plan included the redistribution of Tri-City MHC funds to DMH providers who had the capacity to quickly expand services to those consumers. The redistribution plan that was developed by DMH is supported by DMH contractors in Mental Health Service Area (MHSA) 3 and reflects the funding level that is needed to maintain services.

**INTENT:**

DMH is seeking Board approval to establish two new sole source DMH LE Agreements: one with The David and Margaret Home, Inc., located at 1350 Third Street, La Verne, CA 91750, Supervisorial District 5, MHSA 3; and one with LeRoy Haynes Center located at 233 W. Baseline Road, La Verne, CA 91750, Supervisorial District 5, MHSA 3. These LE Agreements will provide for mental health services to youth residing in the providers' Level 12 group homes.

**JUSTIFICATION:**

The David and Margaret Home, Inc.

The David and Margaret Home, Inc., is committed to providing a range of comprehensive services including mental health services to seriously emotionally disturbed youth in their programs. The agency is highly respected in the communities of Pomona, La Verne, and Claremont, and had been actively negotiating a subcontract with Tri-City MHC to deliver mental health services. DMH strongly supports honoring the commitment made by Tri-City MHC to The David and Margaret Home, Inc., by allowing the agency to become a DMH mental health provider.

LeRoy Haynes Center Children and Family Services, Inc.

In addition, LeRoy Haynes Center held a subcontract with Tri-City MHC for the provision of mental health services. DMH would like to enter into a contractual agreement with LeRoy Haynes Center for continued delivery of outpatient and day treatment rehabilitation services.

DMH will reallocate unspent funds from Tri-City MHC to fund these programs and services to Los Angeles County consumers that reside outside of the cities of Pomona, La Verne and Claremont.

**CONTRACTING PROCESS:**

DMH invited MHPA 3 providers to attend an informational meeting on February 27, 2004, to identify providers who were interested in providing services to the impacted Tri-City MHC consumers and to discuss the transition plan. DMH providers interested in providing services were instructed to complete and return a survey. The criteria used to select the providers included: demonstrating the ability to quickly expand services; having extensive experience in serving special populations (i.e. AB 3632, Children's System of Care, CalWORKs and Assertive Community Treatment); possessing multiple language capacities and providing services in or near the community in which the consumers reside. The providers also had to meet DMH's financial viability requirements and are in good standing.

The dollars allocated to The David and Margaret Home, Inc., and LeRoy Haynes Center were determined based on the number of consumers referred to each agency, staffing needs, as well as administrative and indirect costs.