

# COUNTY OF LOS ANGELES

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## DEPARTMENT OF MENTAL HEALTH

<http://dmh.co.la.ca.us>

550 SOUTH VERMONT AVENUE, LOS ANGELES, CALIFORNIA 90020

Reply To: (213) 738-4601  
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September 19, 2002

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF REQUEST FOR APPROPRIATION ADJUSTMENT FOR  
PAYMENTS TO OUT-OF-STATE AGENCIES  
(ALL SUPERVISORIAL DISTRICTS)  
(4 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the Request for Appropriation Adjustment for Fiscal Year (FY) 2002-2003 for \$492,000 (Attachment I), to increase the Services and Supplies using unexpended funds from the Sales Tax Realignment Trust Account. This request will allow FY 2001-2002 AB3632 Out-of-State Child Placement Mental Health Service Agreements' payments to contractors who have provided services to children who have been assessed by DMH, and have been determined to require residential placement and mental health services.

**PURPOSE OF RECOMMENDED ACTIONS:**

Your Board has approved 17 multi-year (FY 2001/2002 through FY 2004/2005) Out-Of-State Child Placement Mental Health Service Agreements (see Attachment II), pursuant to Government Code 7576, Chapter 654, Statute of 1966, and Welfare and Institutions Code 300, Section A through J.

The purpose of the agreements is to compensate contractors who provide services to children/adolescents who reside throughout the County of Los Angeles and are placed in out-of-state education and mental health treatment facilities because they have either failed in multiple local residential treatment programs or have been refused admission by multiple

programs in California. Such out-of-state services are available on a twenty-four (24) hour, seven (7) days per week basis during the term of the agreements.

DMH has received billings from out-of-state contractors for FY 2001-2002, services for which no AB3632 funds are available to pay. This request would authorize DMH to use unexpended FY 2001-2002 one-time sales tax realignment funds to pay these contractors. This Board letter deals only with the funding of Out-of-State Child Placement Mental Health Service Agreements' AB3632 claims. Funding for contractors operating in Los Angeles County will be dealt with separately.

Out-Of-State placement contracts are legally different than the in-State related contracts in that there are no contractual terms and conditions pertaining to SB90 and payment restrictions.

**Implementation of Strategic Plan Goals:** The recommended Board actions are consistent with the County's fourth goal— "Fiscal Responsibility", Strategy 1, "Manage effectively the resources we have", within the Countywide Strategic Plan.

**JUSTIFICATION:**

In 1984 the California legislature enacted AB3632 in order to maximize and coordinate the provision of services to handicapped children. The County's intermediary role between contracted service providers and the State for AB3632 mental health services is achieved through the SB90 reimbursement process that was designed to enable local governments to recover from a net financial injury that results from this State mandated program. Consistent with current policy, the SB-90 funds are not available to provide payment for the mandated services as the funds are not anticipated to be received within 12 months.

**FISCAL IMPACT/FINANCING:**

There is no increase in Net County Cost. Accordingly, \$492,000 of funding is proposed to be authorized from unexpended sales tax realignment funds presently in the Sales Tax Realignment Trust Account.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

DMH will disburse claims for out-of-state services for FY 2001-2002 totaling \$492,000 (see Attachment II) based on claims received and in process. DMH requests authorization to use unexpended sales tax dollars from the realignment trust to fund payments on these unpaid out-of-state claims.

**CONTRACTING PROCESS:**

The subject does not apply, as there will be no changes to the contracts for the period of service (FY 2001-2002).

**IMPACT ON CURRENT SERVICES:**

Board approval of this request will enable the DMH to make payments to contract providers and will allow for continued and uninterrupted services rendered to Los Angeles County beneficiaries who receive services from these out-of-state contractors.

**NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORTS:**

The subject does not apply.

**CONCLUSION:**

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The Department of Mental Health will need one (1) copy of the adopted Board's action. It is requested that the Executive Officer, Board of Supervisors notify the Department of Mental Health's Contract Development and Administration Division at (213) 738-4684, when these documents are available.

Respectfully submitted,

Marvin J. Southard, D.S.W.  
Director of Mental Health

MJS:RK:AW:RL

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Executive Office, Board of Supervisors  
Auditor-Controller  
Chairperson, Mental Health Commission