



AGENDA STAFF REPORT

Control: 26001021

MEETING DATE: 09/29/2026

LEGAL ENTITY TAKING ACTION: Board of Supervisors

BOARD OF SUPERVISORS DISTRICT(S): District 1, District 2, District 4 and District 5

SUBMITTING AGENCY/DEPARTMENT: Health Care Agency

DEPARTMENT CONTACT PERSON(S): Veronica Kelley, 714-834-7024
Michelle Smith, 714-834-6023

SUBJECT: Approve Model Contracts for Inpatient Hospital Services

CEO CONCUR

Concur

COUNTY COUNSEL REVIEW

Approve agreement to form

CLERK OF THE BOARD

DISCUSSION

3 Votes Board Majority

Budgeted: Yes

Current Year Cost: \$28,666,666

Annual Cost: FY 2027-28

\$28,666,666

FY 2028-29 \$28,666,666

Staffing Impact: No

Sole Source: No

Current Fiscal Year

Funding Source: State: (1991

County Audit in Last 3

Revenue: N/A

Realignment and 2011 Realignment):
100%

years: No

Levine Act Review

Completed? Yes

Prior Board Action: N/A

RECOMMENDED ACTION(S):

1. Approve the Master Contract and individual contract for the provision of Inpatient Behavioral Health Services, for the term of November 1, 2026, through June 30, 2029, for an aggregate amount not to exceed \$79,999,998, renewable for one additional two-year term.
2. Approve the individual contract with Aliso Ridge Behavioral Health, LLC, for the provision of Inpatient Behavioral Health Services, for the term November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
3. Approve the Master Contract and individual contracts with various providers for the provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term November 1, 2026, through June 30, 2029, for an aggregate amount not to exceed \$6,000,000, renewable for one additional two-year term.

4. Approve the individual Contract with Anaheim Community Hospital, LLC, for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
5. Approve the individual Contract with Anaheim Global Medical Center, Inc, for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
6. Approve the individual Contract with CHCM, Inc. dba College Hospital Costa Mesa for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
7. Approve the individual Contract with Chapman Global Medical Center, Inc., for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
8. Approve the individual Contract with Prime Healthcare La Palma, LLC, dba La Palma Intercommunity Hospital, for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
9. Approve the individual Contract with Orange County Global Medical Center, Inc., for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
10. Approve the individual Contract with Prime Healthcare Services-Garden Grove, LLC dba Garden Grove Hospital Medical Center, for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, effective upon execution of all authorized signatures, through June 30, 2029, renewable for one additional two-year term.
11. Approve the individual Contract with Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital, for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
12. Approve the individual Contract with The Regents of the University of California, as described in Article IX, Section 9 of the California Constitution, on behalf of UC Irvine Health Medical Center, for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, for the term of November 1, 2026, through June 30, 2029, renewable for one additional two-year term.
13. Pursuant to Contract Policy Manual Section 3.3-113, authorize the County Procurement Officer or Deputized designee to exercise a contingency contract cost increase not to exceed \$2,666,666, which is 10 percent of the contract amount for the first year of the Master Contract for provision of Inpatient Behavioral Health Services, and to exercise a contingency contract cost increase not to exceed 10 percent of the contract amount for the first year of the Master Contract for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services; for the entire term of the Contracts, including renewals, and within the scope of work set forth in the Contracts. The use of

this contingency cost interest is subject to approval requirements established by the County Procurement Officer.

14. Authorize the County Procurement Officer or Deputized designee to execute the Master Contracts and individual contracts as referenced in the Recommended Actions above and to execute individual contracts with various providers as needed throughout the term of the Master Contract without returning to the Board.

SUMMARY:

Approval of the Master Contracts for Inpatient Behavioral Health Services and Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services and authorization of the County Procurement Officer or their authorized designee to execute the individual contract(s) with the Qualified Applicant(s) will enable the County of Orange to continue providing services to youth and adults in behavioral health crises that will assist them in successfully reaching psychiatric stabilization in order to be discharged or transferred to a lower level of care.

BACKGROUND INFORMATION:

On March 31, 2026, the Health Care Agency (HCA) issued a Request for Applications (RFA) through the County's online bidding system. The RFA allowed HCA to accept all responsive applications through a non-competitive process. The RFA solicited two program components:

1. Program A: Inpatient Behavioral Health Services
2. Program B: Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services

A total of 12 applications were received by the initial solicitation deadline of April 30, 2026. Ten applications were deemed responsive, and two applications were deemed non-responsive. The following is a breakdown of responsive applications submitted by program component:

1. Program A: Inpatient Behavioral Health Services: one application from Aliso Ridge Behavioral Health, LLC.
2. Program B: Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services. There were nine proposals received from the following applicants: Anaheim Community Hospital, LLC, Anaheim Global Medical Center, Inc, CHCM, Inc. dba College Hospital Costa Mesa, Chapman Global Medical Center, Inc., Prime Healthcare La Palma, LLC, dba La Palma Intercommunity Hospital, Orange County Global Medical Center, Inc., Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital, Prime Healthcare Services-Garden Grove, LLC dba Garden Grove Hospital Medical Center, and The Regents of the University of California, as described in Article IX, Section 9 of the California Constitution, on behalf of UC Irvine Health Medical Center (UC Irvine Health).

At the time of application submission, Respondents were required to: be licensed by the California Department of Public Health (CDPH) as either a General Acute Care Hospital or an Acute Psychiatric Hospital; be designated by the Orange County Behavioral Health Director or be capable of obtaining Lanterman-Petris-Short Act (LPS) Designation within six months of application and approved by the California Department of Health Care Services (DHCS) as an LPS-designated facility authorized for involuntary detention and treatment.

The RFA will remain open through March 31, 2027. This will allow HCA to accept qualified applicants whom had not previously applied to join under the Master Contracts upon approval by the Board.

Scope of Services

Services include voluntary and involuntary inpatient behavioral health treatment for Orange County Medi-Cal beneficiaries ages 13 and older experiencing acute behavioral health crises, including acute episodes of Severe Substance Use Disorders (SUD) for ages 18+ years. Orange County Medi-Cal beneficiaries are referred from mobile crisis response teams, clinics, law enforcement, first responders, hospital emergency departments and Crisis Stabilization Units.

Acute Psychiatric Hospital or General Acute Care Hospital services include nursing assessments, initial psychiatric evaluations, medication management, therapy, case management, peer and other supportive services and discharge planning. Services may also be provided to acute clients with significant legal histories and Severe SUD as a result of the expansion of LPS laws, known as Senate Bill 43.

Performance Objectives

Selected Respondents will meet the following performance objectives, which will be assessed through clinical chart reviews, data submitted through the concurrent review process by the provider, and other information gathered by the Data Analytics and Evaluation Department:

1. Aftercare Scheduling (Timeliness): 100 percent of Clients discharged to the community shall have a follow-up outpatient appointment scheduled within 24 business hours of discharge.
2. Contact members within 72 hours of discharge to ensure follow-up care is accessed and reporting linkage rates on a monthly basis to County Behavioral Health Plan via the closed-loop referral method designated by the plan.
3. Timely Access to Post Discharge Care: Ensure timely follow-up after inpatient hospitalization related to behavioral health treatment. Provider shall achieve performance above the 50th percentile for Medicaid HMO plans for the reported measurement year or demonstrate at least a five-percentage point improvement from previous year.
4. Average Length of Stay: Track and report monthly the length of stay for all clients discharged in the previous month.
5. 7-Day Rehospitalization Prevention: Monitor and implement quality improvement strategies to ensure greater than or equal to ninety percent (≥ 90 percent) of clients will not require rehospitalization within seven calendar days of discharge.
6. 30-Day Rehospitalization Prevention: Monitor and implement quality improvement strategies to ensure greater than or equal to eighty percent (≥ 80 percent) of clients will not require rehospitalization within 30 calendar days of discharge.
7. LPS Reporting: Contractor shall ensure timely, accurate, and fully compliant Senate Bill (SB) 929 data reporting.
 - a) Achieve 100 percent on quarterly submission of SB 929 reports with zero preventable data quality errors returned by County.
 - b) Implement and adjust, if needed, quality improvement strategies to achieve zero preventable data-quality errors.
8. Psychiatric Advance Directive (PAD) Compliance: obtain PAD status on 100 percent of clients admitted for inpatient treatment.
9. Seclusion/Restraint Monitoring: track and report seclusion and restraint rates on a monthly basis.
10. Admissions Reporting: track and report monthly admissions by referral source and population age groups (Youth 13 through 17, Adults 18 through 64, and Older Adults 65+ years).

The Orange County Preference Policy is not applicable to this contract award.

For Program A the appropriate due diligence has been conducted and has verified that there are no concerns that must be addressed with respect to Aliso Ridge Behavioral Health, LLC's ownership/name, litigation status or conflicts with County interest. There were, however, issues identified for the provision of Inpatient Behavioral Health Services. Operational challenges have been noted under the current contract, and the Contractor has acknowledged these issues and is taking steps to address them to ensure contract compliance.

For Program B the appropriate due diligence has been conducted and has verified that there are no concerns that must be addressed with respect to all qualified Respondents' ownership/name, litigation status or conflicts with County interest for the provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services.

The contracts do not currently include subcontractors or pass through to other providers. See Attachment M for Contract Summary Form.

The individual Contract with UC Irvine Health contains a mutual indemnification provision which varies from the County standard of sole indemnification. CEO/Risk Management has approved the indemnification provision and determined the risk to be acceptable for these services. See Attachment O for Risk Assessment Form.

HCA requests that the Board approve and authorize the County Procurement Officer, or Deputized designee to execute the Master Contracts and individual contracts with Aliso Ridge Behavioral Health, LLC for provision of Inpatient Behavioral Health Services; Anaheim Community Hospital, LLC, Anaheim Global Medical Center, Inc, CHCM, Inc. dba College Hospital Costa Mesa, Chapman Global Medical Center, Inc, Prime Healthcare La Palma, LLC, dba La Palma Intercommunity Hospital, Orange County Global Medical Center, Inc., Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital, Prime Healthcare Services-Garden Grove, LLC dba Garden Grove Hospital Medical Center to be executed after HCA is in receipt and approved all of the designation required documentation, and UC Irvine Health for provision of Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services, as referenced in the Recommended Actions above.

FINANCIAL IMPACT:

Appropriations for the Contract are included in Budget Control 042 FY 2026-27 Budget and will be included in the budgeting process for future years.

The proposed Contracts include provisions allowing HCA to terminate the Contracts, reduce the level of services, and/or renegotiate the levels of services provided, as necessary. This includes a notice that allows HCA adequate time to transition or terminate services to clients, if necessary.

STAFFING IMPACT:

An analysis was completed to verify the Model Contract provides County with people who are specially trained, experienced, expert and competent to perform the special services in accordance with the law.

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A - Master Contract MA 042-26010789 for Inpatient Behavioral Health Services

Attachment B – Individual Contract MA 042-26010789 for Inpatient Behavioral Health Services with Aliso Ridge Behavioral Health, LLC

Attachment C - Master Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services

Attachment D – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Anaheim Community Hospital, LLC

Attachment E – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Anaheim Global Medical Center, Inc

Attachment F – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with CHCM, Inc. dba College Hospital Costa Mesa

Attachment G – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Chapman Global Medical Center

Attachment H – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Prime Healthcare La Palma, LLC, dba La Palma Intercommunity Hospital

Attachment I – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Orange County Global Medical Center

Attachment J – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Prime Healthcare Huntington Beach, LLC dba Huntington Beach Hospital

Attachment K – Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with Prime Healthcare Services-Garden Grove, LLC dba Garden Grove Hospital Medi

Attachment L - Individual Contract MA 042-26011017 for Medi-Cal Mental Health Managed Care Psychiatric Inpatient Hospital Services with UCI

Attachment M -Contract Summary Form

Attachment N - Senate Bill 43

Attachment O – Risk Assessment Form