



AGENDA STAFF REPORT

Control: 26001126

MEETING DATE: 04/28/2026
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): District 2
SUBMITTING AGENCY/DEPARTMENT: Health Care Agency
DEPARTMENT CONTACT PERSON(S): Veronica Kelley, 714-834-7024
 Ian Kemmer, 714-834-2160

SUBJECT: Renewal Amendment for Inpatient Mental Health Services for Youth

CEO CONCUR	COUNTY COUNSEL REVIEW	CLERK OF THE BOARD
Concur	Approve agreement to form	DISCUSSION
		3 Votes Board Majority

Budgeted: N/A	Current Year Cost: N/A	Annual Cost: FY 2026-27 \$500,000
----------------------	-------------------------------	---

Staffing Impact: No	Funding Source: State: 2011 Realignment: 100%	Sole Source: Yes
Current Fiscal Year Revenue: N/A		County Audit in Last 3 years: No

Levine Act Review

Completed? Yes

Prior Board Action: 5/20/2025 #29, 4/23/2024 #17, 3/28/2023 #17, 5/24/2022 #36

RECOMMENDED ACTION(S):

1. Approve Amendment No. 4 to renew the Contract with Children's Hospital of Orange County DBA CHOC Children's for provision of Inpatient Mental Health Services for Youth, for the term of July 1, 2026, through June 30, 2027, in an amount not to exceed \$500,000, for a revised cumulative contract total amount not to exceed \$4,500,000.
2. Authorize the County Procurement Officer or Deputized designee to execute Amendment No. 4 to the Contract with Children's Hospital of Orange County DBA CHOC Children's for Inpatient Mental Health Services for Youth, as referenced in the Recommended Action above.

SUMMARY:

Approval of Amendment No. 4 to renew the Contract with Children's Hospital of Orange County DBA CHOC Children's for provision of Inpatient Mental Health Services for Youth will continue to allow for Inpatient Mental Health Services for children and youth from three through 17 years of age.

BACKGROUND INFORMATION:

On May 24, 2022, your Honorable Board of Supervisors (Board) approved the current Contract with Children's Hospital of Orange County DBA CHOC Children's (CHOC) for Inpatient Mental Health Services for Youth. The

below actions were executed pursuant to appropriate authorities. The Orange County Preference Policy is not applicable to this Contract. Prior to Contract expiration, the Health Care Agency (HCA) plans to post a Request for Application to continue services.

Board Date	Contract/Amendment	Action	Term	Contract Amount
May 24, 2022	Contract	Board Approved Contract	July 1, 2022 – June 30, 2023	\$500,000
March 28, 2023	Amendment No. 1	Board Approved Amendment – Term Renewal	July 1, 2023 – June 30, 2024	\$500,000
April 23, 2024	Amendment No. 2	Board Approved Amendment – Term Renewal and Increase	July 1, 2024 – June 30, 2025	\$1,500,000
May 20, 2025	Amendment No. 3	Board Approved Amendment – Term Renewal	July, 1, 2025 - June 30, 2026	\$1,500,000

The proposed Amendment will allow for Inpatient Mental Health Services for children who are ages three through 17 to continue for the term of July 1, 2026, through June 30, 2027. The Bed Day Rate for this Contract will be funded by Department of Health Care Services (DHCS) and State 2011 Realignment funds. Most individuals served by this Contract are anticipated to be Medi-Cal eligible.

The Contract is a Sole Source Contract as CHOC operates the only inpatient unit for youth in Orange County that serves youth ages three to 11. CHOC also has the capacity to allow parents to stay in the unit with their child.

Scope of Services

CHOC provides services to youth experiencing mental health crises requiring voluntary or involuntary psychiatric hospitalization. CHOC inpatient psychiatric services are provided 24 hours a day, seven days a week and 365 days a year.

Services include individual therapy, group therapy, case management, medication management, psychiatric services and discharge planning. CHOC works in collaboration with parents, caretakers, outpatient and community providers and school providers to achieve the youth’s wellness and resiliency goals.

Performance Outcomes

CHOC had strong bed utilization in Fiscal Year 2024-25 and is projected to have more than 3,000 total Acute Bed Days in FY 2025-26. Outcomes are as follows:

FY	Average Length of Stay	Acute Bed Days
FY 2024-25	5.8	2,921
FY 2025-26*	6.1	1,729

*Outcome data from July 1, 2025, through January 31, 2026.

Re-admissions data for FY 2024-25 through FY 2025-26 are as follows:

FY	Total Medi-Cal Unfunded Clients Served	Readmissions (%) 7 days Post Discharge < 10%	Readmission (%) 30 Days Post Discharge < 20%
FY 2024-25	514	5.9%	13.4%
FY 2025-26*	292	3.9%	11.6%

* Outcome data from July 1, 2025, through January 31, 2026.

Providers are required to follow all Medi-Cal regulations for services, billing and HCA standards for quality, responsiveness, and family engagement.

CHOC's performance has been confirmed as satisfactory. HCA has verified there are no concerns that must be addressed with respect to CHOC's ownership/name, litigation status or conflicts with County interests.

The Contract with CHOC for provision of Inpatient Mental Health Services for Youth does not currently include subcontractors or pass through to other providers. See Attachment B for Contract Summary Form.

HCA requests the Board approve Amendment No. 4 with CHOC, as referenced in the Recommended Actions.

FINANCIAL IMPACT:

Appropriations for this Amendment will be included in Budget Control 042 FY 2026-27 Budget.

The Contract includes provisions allowing HCA to terminate the Contract, reduce the level of services, and/or renegotiate the levels of services provided, as necessary. This includes a 30 days' notice that allows HCA adequate time to transition or terminate services to clients, if necessary.

STAFFING IMPACT:

An analysis was completed to verify the contract provides the County with persons specially trained, experienced, expert and competent to perform the special services in accordance with the law.

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A – Amendment No. 4 MA-042-22011507 for Inpatient Mental Health Services for Youth with Children's Hospital of Orange County dba CHOC Children's

Attachment B - Contract Summary Form