



DEPARTMENT OF MENTAL HEALTH

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DMH Legislative Report for the Mental Health Commission – July 20, 2023

DMH continues to identify bills introduced in this legislative session and prioritizes and analyzes legislation according to the impact on our operations. Therefore, the Department's list of priority bills will change as amendments and bill dispositions occur throughout the session. This report includes our list of bills/proposals impacting DMH and other proposals of interest. Of these bills, SB 43 and the Governor's MHSA reform proposal are our top priorities as they are the most impactful if enacted as written.

Priority Bills

- SB 43 Gravely Disabled (Eggman), was amended on 6/30/23 to address requests made upon passage out of Assembly Health Committee. The main amendment was to remove the language that would have expanded GD definition to include those deemed to be "at risk" for future harm. The definition for SUD individuals was clarified to those who suffer from "severe" substance use disorder (as defined by the DSM). The bill would authorize counties to defer implementation of these provisions to January 1, 2025.

CSAC, along with the Urban Counties of California and the Rural Counties Representatives of California sent a letter to the author on June 16th outlining their concerns regarding the bill. In the last few weeks, CBHDA and LA County both have expressed concerns.

Support (selected list as of 7/9/23): Big City Mayors, Board of Supervisors for the City and County of San Francisco, California Medical Association, California State Association of Psychiatrists (CSAP) City of Santa Monica, City of South Gate, City of Thousand Oaks, City of West Hollywood, City of Whittier, Heart Forward, League of California Cities, NAMI Urban LA, National Alliance on Mental Illness (NAMI-CA), Psychiatric Physicians Alliance of California,

Opposition (selected list as of 7/9/23):

ACLU California Action, API Equality-LA, Black Women for Wellness, CA Behavioral Health Planning Council, Cal Voices, California Advocates for Nursing Home Reform, California Assoc. of Mental Health Peer Run Organizations (CAMHPRO), California Association of Mental Health Patients' Rights Advocates, California Association of Social Rehabilitation Agencies, California Black Health Network, California Pan-ethnic Health Network, California Public Defenders Association (CPDA), California Youth Empowerment Network, Corporation for Supportive Housing (CSH), County Behavioral Health Directors Association, Disability Rights California, National Alliance to End Homelessness, National Harm Reduction Coalition, National Health Law Program, Western Center on Law & Poverty

Oppose Unless Amended (selected list as of 7/9/23): CAADPE, California Society of Addiction Medicine, California State Council of Service Employees International Union (SEIU California)

Concern/Other (as of 7/9/23): California State Association of Counties, County Behavioral Health Directors Association of California, County of Los Angeles Board of Supervisors, Rural County Representatives of California, Urban Counties of California

County position – Watch, but expressing concerns

Current Status: Passed Assembly Judiciary Committee on July 13, 2023, and is pending a hearing date in Assembly Appropriations Committee.

- Governor’s MHSA reform proposal, announced On March 19, 2023, would focus on treatment and services for mental illness, substance use disorder (SUD), and homelessness. The proposal includes the issuance of a general obligation bond (\$4.7B) that would pay for thousands of residential MH treatment beds. The Governor’s proposal would also provide increased flexibility to counties in how they can allocate MHSA funds. However, the proposal would also require counties to spend 30% of their MHSA funds on housing (but not supportive housing services). If the Legislature approves the proposal, an initiative will go on the March 2024 ballot.

Update since last report:

AB 531 and SB 326 were put in print on June 19, 2023. Both bills relate to the Governor’s MHSA Proposal and would authorize measures that would go on the March 5, 2024, statewide primary election ballot.

- AB 531 The Behavioral Health Infrastructure Bond Act of 2023 (Irwin), would enact the housing bond measure, which if approved by the voters, would authorize the issuance of \$4.68 billion in bonds for the acquisition of capital assets for, and the construction and rehabilitation of, unlocked, voluntary, and community-based treatment settings and residential care settings.
 - The intent of this measure is to help provide appropriate care options for Californians living with serious mental illness (SMI) and substance use disorders (SUDs) who need a higher level of care, which may include long- term residential support services.
 - It would also provide funding for housing for veterans experiencing or at risk of homelessness who have behavioral health conditions.

Support as of 7/11/23: California Professional Firefighters City of Fowler City of Moreno Valley City of Perris City of Riverside City of Santa Monica Steinberg Institute The Umbrella Effect: Project Becky

Opposition as of 7/11/23: None on file.

DMH Position – Support

County Position – Support

Current status - Pending an Appropriations Committee hearing date.

- SB 326 The Behavioral Health Services Act (Eggman), would reform the Mental Health Services Act (MHSA) by: expanding services to include treatment for those with SUDs; revising the MHSA funding distribution categories; and, establishing new and increased expenditure outcomes and behavioral service plan reporting and process requirements for the counties. Specifically, the bill would:
 - Rename the MHSA the Behavioral Health Services Act (BHSA).

- Update local funding buckets, effective July 1, 2026, to allocate:
 - 92 percent of the funding to counties;
 - 30 percent for housing interventions of which no more than 25 percent can be used for capital outlay, and at least 50 percent shall be used for housing interventions including but not limited to, rental subsidies, operating subsidies, capital investments, and nonfederal share for transitional rent for the chronically homeless;
 - 35 percent for Full-Service Partnerships (FSPs);
 - 30 percent for Behavioral Health Services and Supports, of which at least half of it (15%) shall be used for early intervention, and the rest on child, adult, and older adult efforts, as well as capital facilities and technology needs, workforce education and training, innovative pilots and the prudent reserve; and
 - 5 percent for population-based mental health and substance use disorder prevention.
- Retain 3 percent of all revenues for statewide behavioral health workforce initiatives.
- Include details about what constitutes an FSP, including mental health and substance use disorder services, Assertive Community Treatment and Forensic Community Treatment, housing interventions, and supportive services. It would also establish an FSP standard of care with levels based on an individual's acuity and criteria for step-down.
- Require that counties make a good faith effort to contract with commercial health plans.
- Authorize up to 2 percent for administrative resources to assist with improving plan operations, quality outcomes, reporting fiscal and programmatic data and monitoring subcontractor compliance.
- Establish a new Integrated Plan for Behavioral Health Services and Outcomes, which would require detailed reporting to the state and an extensive local planning process with stakeholders, including:
 - Requiring counties to work with Medi-Cal managed care plans in the development of their population needs assessment and with local health jurisdictions in the development of their community health improvement plans and to ensure strategic alignment.
 - Specifying that counties collaborate with cities, managed care plans, and others to outline responsibilities and coordination of services related to Housing Interventions.
 - Requiring plans be approved by boards of supervisors by June 30 prior to the year of implementation.
- Establish the County Behavioral Health Outcomes, Accountability and Transparency Report, with detailed reporting of BHSA revenues, realignment revenues, federal funds, block grants and other fund sources, as well as outcome reporting.
- Establish new requirements on county mental health plans and Drug Medi-Cal Organized Delivery Systems (DMC-ODS) to conform to the same requirements as Medi-Cal managed care plan contract requirements, such as organization and administration of the plan, financial information, information systems, provider compensation arrangements, and provider oversight and monitoring.

- Include a very broad penalty structure that would allow the State to withhold funds from counties.

Note: Since this bill has not yet had a policy committee hearing yet, there is no registered support or opposition at this time.

DMH Position – Concerns, considering possible amendments and engaging in conversations with CSAC, CBHDA, and the Administration to discuss possible impact of SB 326.

County Position – Concerns

Current status - Pending an Assembly Health Committee hearing date.

Bills of Interest

- SB 551 Mental Health Boards (Portantino), as amended on May 1, 2023, would require at least 20 percent of the total membership of a mental health board (MHB) to be public school employees and at least 20 percent to be individuals who are 25 years of age or younger (i.e., children or transition-aged youth) in counties with a population of 500,000 or more. DMH supports the efforts to prevent conflict of interest on the MHB and representation of youth on the MHB. However, DMH is concerned that if passed, SB 551 would create an over-representation of these groups on the MHB, negatively impacting the equitable representation of other stakeholder groups in the County.

Updates since last report:

- SB 551 was amended on June 15th, based upon recommendations from the Assembly Health Committee, and now requires the LA County MHCCommission to have 2 members who are employees of a local education agency and 2 members who are 25 years old or younger. The bill passed out of the Health Committee and is now being referred to the Appropriations Committee.

Given that the recent amendments do not fundamentally address DMH’s concerns about the bill, the Department is maintaining its current “neutral” position.

DMH Recommendation – Neutral Position

County position – Watch

Current Status - 06/28/2023: placed on the suspense file in Assembly Appropriations Committee.

- AB 459 California Behavioral Health Outcomes and Accountability Review (Haney), as amended on April 13, 2023, would require the California Health and Human Services Agency (HHS) to establish by July 1, 2026, the California Behavioral Health Outcomes and Accountability Review (CBH-OAR) to facilitate an accountability system that fosters continuous quality improvement in the county and commercial behavioral health services. County behavioral health departments are already subject to multiple types of data and outcome reporting, as well as quality improvement audits and reviews. This bill would significantly increase the requirements on DMH to report data and outcomes and would create new requirements to develop needs assessments and system improvement plans.

Updates since last report:

As of 6/27/23, author canceled the bill's hearing. No hearing date set at this time.

County position - Watch

- AB 289 Mental Health Services Representation (Holden), as amended on March 7, 2023, would require a county that is developing a three-year plan and annual updates under the Mental Health Services Act (MHSA) to include among the stakeholders in its development efforts youth or youth mental health organizations and individuals representing diverse viewpoints. DMH supports this bill and the efforts to increase youth participation, especially youth from historically marginalized, underserved, racially and ethnically diverse communities, and representatives from LGBTQ+ communities, in the MHSA community planning process.

Updates since last report:

AB 289 passed out of the Senate Health Committee with a unanimous vote on June 7th and was referred to the Senate Appropriations Committee. The Senate Health Committee recommended that the bill be placed on the Appropriations Committee's consent calendar.

DMH Recommendation - Support

County position – Watch

Current Status: Pending an Appropriations Committee hearing date.

- SB 11 California State University: mental health counseling (Menjivar), as amended on July 13, 2023, would require the California State University system to have one full-time mental health counselor for every 1,500 students. The bill would also establish the CSU Mental Health Professionals Act, contingent upon an appropriation of one-time funds, which would provide financial incentives for CSU students to become mental health counselors in the state. DMH supports efforts to expand the pipeline of students into the public mental health system, and therefore is watching how SB 11 proceeds through the legislature.

Updates since last report:

SB 11 passed out of the Senate on May 30th on a unanimous vote. The bill was heard and amended (non-substantive) in the Assembly Health Committee on July 13th and is pending an Appropriations hearing date.

County position – no position adopted yet.

Additional Resources

- Master bill list of bills DMH is tracking (attached).