



DEPARTMENT OF MENTAL HEALTH

hope. recovery. wellbeing.

LISA H. WONG, Psy.D.
Director

Curley L. Bonds, M.D.
Chief Medical Officer

Rimmi Hundal, M.A.
Chief Deputy Director

DMH Legislative Report for the Behavioral Health Commission – February 13, 2025

This report includes an update on Executive Orders and a list of newly introduced bills for the 2025-26 legislative session. The Department will continue identifying and analyzing legislation throughout the session to develop our priority list of bills that may impact our operations and the public mental health safety net.

Update on Executive Orders

Since President Trump's inauguration on January 20, 2025, the County and the Department of Mental Health have been analyzing and estimating the impact of the various Executive Orders and memos that the President has signed. The Department provided an oral presentation on these recent developments at the last Behavioral Health Commission on January 23, 2025. Below are the most impactful changes in the Federal landscape since January 23, 2025.

- **The Office of Management and Budget's M-25-13 Memo:**

The Office of Management and Budget (OMB) released memo M-25-13 on January 27, 2025. This memo ordered all Federal agencies to temporarily pause all disbursements of federal funding while each agency reviews their Federal financial aid programs to ensure that they do not conflict with the President's executive orders. Many federal agencies, including the Centers for Medicare and Medicaid Services, did not immediately issue guidance to States about the expected impact of this memo as the agencies attempted to clarify their own understanding of memo M-25-13. On January 28, 2025, a U.S. District Court issued an administrative stay enjoining "implement[ation] of OMB Memorandum M-25-13 with respect to the disbursement of Federal funds under all open awards." This administrative stay effectively stopped Federal agencies from implementing the OMB memo. OMB released a supplementary memo on January 29, 2025, which clarified that the January 27, 2025, memo did not impact Medicaid funding. Later that same day, OMB rescinded memo M-25-13 entirely.

- **Early Department Analysis of Impact of Memo M-25-13:**

In our preliminary analysis of the impact of Memo M-25-13, the Department developed a brief list of the Federal grants that may be impacted. While the Department receives several Federal grants that may have been impacted by the memo, the total funding amount represented by the Federal grants is estimated to be less than \$30M.

Current status:

Memo M-25-13 is officially rescinded, so it will not have any impact on the Department of Mental Health or our local mental health system.

- **Other Area of Concern = Medicaid Funding:**

Although the OMB clarified that (now rescinded) memo M-25-13 was not intended to impact Medicaid, a threat to Federal Medicaid funding remains the Department's top concern. Federal Medicaid funding, including the recently approved BH-CONNECT 1115 Waiver, represents one of the Department's largest sources of funding. The Department will continue to closely monitor policy discussions in Washington, D.C. about possible changes to Federal Medicaid regulations and funding.

Newly Introduced Legislation

It is important to note that many of the legislative proposals listed below have been recently introduced and lack detailed language. Therefore, the analysis offered below should be considered preliminary, and may be subject to change as more details regarding the legislation is provided by the authors.

- **AB 4 Covered California Expansion (Arambula)**, requires the Health Benefit Exchange, no sooner than January 1, 2027, and upon appropriation by the Legislature for this purpose, to administer a program to allow persons otherwise not able to obtain coverage by reason of immigration status to enroll in health insurance coverage in a manner as substantially similar to other Californians as feasible, consistent with federal guidance and given existing federal law and rules.

DMH's Initial Analysis: This bill may allow some LA County residents to maintain access to affordable health insurance, including access to mental health benefits, regardless of their immigration status. While it is unclear whether or not there would be a direct impact to DMH or the Department's operations, this bill may assist in the continued access to mental health services for County residents.

DMH Position: Watching. No position taken yet.

County Position: No position taken yet.

CBHDA Position: No position taken yet.

- **AB 37 Workforce Development: Mental Health Service Providers (Elhawary)**, states the intent of the Legislature to enact legislation relating to expanding the workforce of those who provide mental health services to homeless persons or homeless people.

DMH's Initial Analysis: The Department has been supportive of legislative proposals in the past that were designed to expand the behavioral health workforce in the State. AB 37 still has placeholder language, so DMH will be watching this bill closely to see how it develops.

DMH Position: Watching. No position taken yet.

County Position: No position taken yet.

CBHDA Position: No position taken yet.

- **AB 255 The Supportive-Recovery Residence Program (Haney)**, authorizes state programs to fund supportive-recovery residences that emphasize abstinence under these provisions as long as the state program meets specified criteria, including that the applicant for funding provides certification from the county in which the project is located indicating that the project would not result in supportive-recovery residence units exceeding a specified percentage of the total inventory of permanent supportive housing within the county.

DMH Analysis: The Department is analyzing this bill to determine how it impacts Permanent Supportive Housing.

DMH Position: Watching. No position taken yet.

County Position: No position taken yet.

CBHDA Position: No position taken yet.

- **AB 339 Local public employee organizations: notice requirements (Ortega)**, requires the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.

DMH Analysis: The Department is in the process of analyzing this bill to determine the impact on DMH contracts.

DMH Position: Watching. No position taken yet.

County Position: No position taken yet.

CBHDA Position: No position taken yet.

- **SB 27 Community Assistance, Recovery, and Empowerment (CARE) (Umberg)**, relates to the Community Assistance, Recovery, and Empowerment (CARE) Court Program. Allows the court to conduct the initial appearance on the petition at the same time as the prima facie determination if specified requirements are met.

DMH's Initial Analysis: The Department is in the process of analyzing this bill and understanding its likely impact to the County's CARE program.

DMH Position: Watching. No position taken yet.

County Position: No position taken yet.

CBHDA Position: No position taken yet.