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DIVISION 5. COMMUNITY MENTAL HEALTH SERVICES [5000 - 5987] (*Division 5 repealed and added by Stats. 1967, Ch. 1667.*)

PART 2. THE BRONZAN-MCCORQUODALE ACT [5600 - 5772] (*Heading of Part 2 amended by Stats. 1992, Ch. 1374, Sec. 14.*)

CHAPTER 3. Financial Provisions [5700 - 5717] (*Chapter 3 repealed and added by Stats. 1991, Ch. 89, Sec. 174.*)

5700. (a) The Legislature recognizes that mental health services provided by county mental health programs are funded from the following general categories or sources of public funding:

- (1) Funds received by counties from the Local Revenue Fund and county funds necessary to meet the federal maintenance of effort requirements.
- (2) Funds from appropriations made to the department or for which the department is responsible for administering, which are designated for local mental health services.
- (3) Reimbursements through the Medi-Cal program for mental health services to Medi-Cal eligible individuals receiving mental health services from county mental health programs.
- (4) Funds from county or local appropriations which are designated for local mental health services.

(b) The Legislature further recognizes that there are procedures and requirements which are unique to each category set forth in subdivision (a), as well as procedures and requirements which apply to all four categories.

(*Repealed and added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.*)

5701. (a) To achieve equity of funding, available funding for local mental health programs beyond the funding provided pursuant to Section 17601 shall be distributed to cities, counties, and cities and counties pursuant to the procedures described in subdivision (c) of Section 17606.05.

(b) Funding provided pursuant to Section 6 of Article XIII B of the California Constitution, funding provided pursuant to subdivision (c), and funding provided for future pilot projects shall be exempt from the requirements of subdivision (a).

(c) Effective in the 2012–13 fiscal year and each year thereafter:

(1) The State Department of Health Care Services shall annually identify from mental health block grant funds provided by the federal government, the maximum amount that federal law and regulation permit to be allocated to counties and cities and counties pursuant to this subdivision. This section shall apply to any federal mental health block grant funds in excess of the following:

(A) Funds for departmental support.

(B) Amounts awarded to counties and cities and counties for children's systems of care programs pursuant to Part 4 (commencing with Section 5850).

(C) Amounts appropriated by the Legislature for the purposes of this part.

(2) Notwithstanding subdivision (a), annually the State Department of Health Care Services shall allocate to counties and cities and counties the funds identified in paragraph (1), not to exceed forty million dollars (\$40,000,000) in any year. The allocations

shall be proportional to each county's and each city and county's percentage of the forty million dollars (\$40,000,000) in Cigarette and Tobacco Products Surtax funds that were allocated to local mental health programs in the 1991–92 fiscal year.

(3) Monthly, the Controller shall allocate funds from the Vehicle License Collection Account of the Local Revenue Fund to counties and cities and counties for mental health services. Allocations shall be made to each county or city and county in the same percentages as described in paragraph (2), until the total of the funds allocated to all counties in each year pursuant to paragraph (2) and this paragraph reaches forty million dollars (\$40,000,000).

(4) Funds allocated to counties and cities and counties pursuant to paragraphs (2) and (3) shall not be subject to Section 17606.05.

(5) Funds that are available for allocation in any year in excess of the forty million dollar (\$40,000,000) limits described in paragraph (2) or (3) shall be deposited into the Mental Health Subaccount of the Local Revenue Fund.

(6) Nothing in this section is intended to, nor shall it, change the base allocation of any city, county, or city and county as provided in Section 17601.

(Amended by Stats. 2012, Ch. 34, Sec. 139. (SB 1009) Effective June 27, 2012.)

5701.1. Notwithstanding Section 5701, the State Department of Health Care Services, in consultation with the County Behavioral Health Directors Association of California and the California Behavioral Health Planning Council, may utilize funding from the Substance Abuse and Mental Health Services Administration Block Grant, awarded to the State Department of Health Care Services, above the funding level provided in federal fiscal year 1998, for the development of innovative programs for identified target populations, upon appropriation by the Legislature.

(Amended by Stats. 2017, Ch. 511, Sec. 9. (AB 1688) Effective January 1, 2018.)

5701.2. (a) The State Department of Mental Health, or its successor, the State Department of State Hospitals, shall maintain records of any transfer of funds or state hospital beds made pursuant to Chapter 1341 of the Statutes of 1991.

(b) Commencing with the 1991–92 fiscal year, the State Department of Mental Health, or its successor, the State Department of State Hospitals, shall maintain records that set forth that portion of each county's allocation of state mental health moneys that represent the dollar equivalent attributed to each county's state hospital beds or bed days, or both, that were allocated as of May 1, 1991. The State Department of Mental Health, or its successor, the State Department of State Hospitals, shall provide a written summary of these records to the appropriate committees of the Legislature and the County Behavioral Health Directors Association of California within 30 days after the enactment of the annual Budget Act.

(c) Nothing in this section is intended to change the counties' base allocations as provided in subdivisions (a) and (b) of Section 17601.

(Amended by Stats. 2015, Ch. 455, Sec. 37. (SB 804) Effective January 1, 2016.)

5701.4. Costs that were reimbursed, prior to July 1, 1991, from the local assistance appropriation contained in Item 4440-101-001 of the annual Budget Act, shall be reimbursed from funds received by counties pursuant to this chapter.

(Added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5701.5. City-operated Bronzan-McCorquodale programs paid by the state under Section 5615 shall be directly funded in accordance with this chapter.

(Added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5702. For the purposes of this part, the definition of maintenance of effort contained in Section 17608.05 shall apply.

(Repealed and added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5703. Nothing in this chapter shall prevent a county, or counties acting jointly, from appropriating additional funds for mental health services. In no event shall counties be required to appropriate more than the amount required under the provisions of this chapter.

(Repealed and added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5704. Funds described in paragraphs (1) and (2) of subdivision (a) of Section 5700 shall be deposited in the mental health account of the local health and welfare trust fund and shall only be used to fund expenditures for the costs of mental health services as delineated in regulations promulgated by the department, and shall not be used to fund expenditures for costs excluded by Section 5714 or for costs specifically excluded from funding from this source by any other provision of law.

(Amended by Stats. 1991, Ch. 611, Sec. 58. Effective October 7, 1991.)

5704.5. (a) It is the intent of the Legislature that special consideration be given to children's services in funding county services to expand existing programs or to establish new programs.

(b) A county may not decrease the proportion of its funding expended for children's services below the proportion expended in the 1983–84 fiscal year unless a determination has been made by the governing body in a noticed public hearing that the need for new or expanded services to persons under age 18 has significantly decreased.

(Repealed and added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5704.6. (a) Except as provided in subdivision (c), each county shall allocate for services to persons under age 18, 50 percent of the amount of any funding augmentation received for new or expanded mental health programs until the amount expended for mental health services to persons under age 18 equals not less than 25 percent of the county's gross budget for mental health or not less than the percentage of persons under age 18 in the total population of the county, whichever percentage is less. Once achieved, this minimum ratio shall be maintained continuously thereafter.

(b) As used in this section, the term "new or expanded mental health programs" does not include any programs which are required by statute, or programs which provide alternatives to hospitalization for patients of state hospitals.

(c) From each funding augmentation for new or expanded mental health programs, a county may allocate to persons under age 18 an amount less than the percentage required in subdivision (a) when a determination has been made by the governing body in a noticed public hearing that the need for new or expanded services to persons under age 18 does not exist or is less than the need for services to one or more specified groups of adults.

(Repealed and added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5705. (a) Negotiated net amounts may be used as the cost of services in contracts between the county and a subprovider of services. A negotiated net amount shall be determined by calculating the total budget for services for a program or a component of a program, less the amount of projected revenue. All participating government funding sources, except for the Medi-Cal program (Chapter 7 (commencing with Section 14000) of Part 3 of Division 9), shall be bound to that amount as the cost of providing all or part of the total county mental health program as described in the county performance contract for each fiscal year, to the extent that the governmental funding source participates in funding the county mental health programs. Where the State Department of Health Care Services promulgates regulations for determining reimbursement of mental health services allowable under the Medi-Cal program, those regulations shall be controlling as to the rates for reimbursement of mental health services allowable under the Medi-Cal program and rendered to Medi-Cal beneficiaries. Providers under this subdivision shall report to the State Department of Health Care Services and local mental health programs any information required by the State Department of Health Care Services in accordance with procedures established by the Director of Health Care Services.

(b) Notwithstanding any other provision of this division or Division 9 (commencing with Section 10000), absent a finding of fraud, abuse, or failure to achieve contract objectives, no restrictions, other than any contained in the contract, shall be placed upon a provider's expenditure pursuant to this section.

(Amended by Stats. 2012, Ch. 34, Sec. 141. (SB 1009) Effective June 27, 2012.)

5706. Notwithstanding any other provision of law, the portions of the county mental health services performance contract which become a contractual arrangement between the county and the department shall be exempt from the requirements contained in the Public Contract Code and the State Administrative Manual, and shall be exempt from approval by the Department of General Services.

(Added by Stats. 1991, Ch. 89, Sec. 174. Effective June 30, 1991.)

5707. Funds appropriated to the State Department of Health Care Services which are designated for local mental health services and funds which the State Department of Health Care Services is responsible for allocating or administering, including, but not limited to, federal block grants funds, shall be expended in accordance with this section and Sections 5710 to 5717, inclusive, except when there are conflicting federal requirements, in which case the federal requirements shall be controlling.

(Amended by Stats. 2012, Ch. 34, Sec. 142. (SB 1009) Effective June 27, 2012.)

5709. (a) A county shall not charge fees for Medi-Cal specialty mental health services to Medi-Cal beneficiaries who do not have a share of cost or Medi-Cal beneficiaries who have met their share of cost pursuant to Section 14005.9. Regardless of the funding source involved, a county may charge fees to individuals who are not Medi-Cal beneficiaries and Medi-Cal beneficiaries who have a share of cost that has not been met, in accordance with their ability to pay for community mental health services rendered, but not in excess of actual costs in accordance with Section 14708.

(b) This section shall not be construed to waive a county's responsibility to screen for eligibility for Medi-Cal, any other insurance affordability program, or a county health program.

(Amended by Stats. 2019, Ch. 497, Sec. 302. (AB 991) Effective January 1, 2020.)

5710. (a) Charges for the care and treatment of each patient receiving service from a county mental health program shall not exceed the actual cost thereof as determined or approved by the Director of Health Care Services in accordance with standard accounting practices. The director may include the amount of expenditures for capital outlay or the interest thereon, or both, in his or her determination of actual cost. The responsibility of a patient, his or her estate, or his or her responsible relatives to pay the charges and the powers of the director with respect thereto shall be determined in accordance with Article 4 (commencing with Section 7275) of Chapter 3 of Division 7.

(b) The Director of Health Care Services may delegate to each county all or part of the responsibility for determining the financial liability of patients to whom services are rendered by a county mental health program and all or part of the responsibility for determining the ability of the responsible parties to pay for services to minor children who are referred by a county for treatment in a state hospital. Liability shall extend to the estates of patients and to responsible relatives, including the spouse of an adult patient and the parents of minor children. The Director of Health Care Services may also delegate all or part of the responsibility for collecting the charges for patient fees. Counties may decline this responsibility as it pertains to state hospitals, at their discretion. If this responsibility is delegated by the director, the director shall establish and maintain the policies and procedures for making the determinations and collections. Each county to which the responsibility is delegated shall comply with the policy and procedures.

(c) The director shall prepare and adopt a uniform sliding scale patient fee schedule to be used in all mental health agencies for services rendered to each patient. In preparing the uniform patient fee schedule, the director shall take into account the existing charges for state hospital services and those for community mental health program services. If the director determines that it is not practicable to devise a single uniform patient fee schedule applicable to both state hospital services and services of other mental health agencies, the director may adopt a separate fee schedule for the state hospital services which differs from the uniform patient fee schedule applicable to other mental health agencies.

(Amended by Stats. 2012, Ch. 34, Sec. 145. (SB 1009) Effective June 27, 2012.)

5713. Advances for funding mental health services may be made by the Director of Mental Health from funds appropriated to the department for local mental health programs and services specified in the annual Budget Act. Advances made pursuant to this section shall be made in the form and manner the Director of Mental Health shall determine. When certified by the Director of Mental Health, advances shall be presented to the Controller for payment. Each advance shall be payable from the appropriation made for the fiscal year in which the expenses upon which the advance is based are incurred.

(Amended by Stats. 2010, Ch. 706, Sec. 2. (SB 1392) Effective January 1, 2011.)

5714. To continue county expenditures for legal proceedings involving persons with mental health disorders, the following costs incurred in carrying out Part 1 (commencing with Section 5000) of this division shall not be paid for from funds designated for mental health services.

(a) The costs involved in bringing a person in for 72-hour treatment and evaluation.

(b) The costs of court proceedings for court-ordered evaluation, including the service of the court order and the apprehension of the person ordered to evaluation when necessary.

(c) The costs of court proceedings in cases of appeal from 14-day intensive treatment.

(d) The cost of legal proceedings in conservatorship, other than the costs of conservatorship investigation as defined by regulations of the State Department of Health Care Services.

(e) The court costs in postcertification proceedings.

(f) The cost of providing a public defender or other court-appointed attorneys in proceedings for those unable to pay.

(Amended by Stats. 2014, Ch. 144, Sec. 104. (AB 1847) Effective January 1, 2015.)

5715. Subject to the approval of the State Department of Health Care Services, at the end of the fiscal year, a county may retain unexpended funds allocated to it by the department from funds appropriated to the department, with the exception of block grant funds, exclusive of the amount required to pay for the care of patients in state hospitals, for 12 months for expenditure for mental health services in accordance with this part.

(Amended by Stats. 2012, Ch. 34, Sec. 149. (SB 1009) Effective June 27, 2012.)

5717. (a) Expenditures that may be funded from amounts allocated to the county by the State Department of Health Care Services from funds appropriated to the department shall include, salaries of personnel, approved facilities and services provided through contract, and operation, maintenance, and service costs, including insurance costs or departmental charges for participation in a

county self-insurance program if the charges are not in excess of comparable available commercial insurance premiums and on the condition that any surplus reserves be used to reduce future year contributions; depreciation of county facilities as established in the state's uniform accounting manual, disregarding depreciation on the facility to the extent it was financed by state funds under this part; lease of facilities where there is no intention to, nor option to, purchase; expenses incurred under this act by members of the County Behavioral Health Directors Association of California for attendance at regular meetings of these conferences; expenses incurred by either the chairperson or elected representative of the local mental health advisory boards for attendance at regular meetings of the organization of mental health advisory boards; expenditures included in approved countywide cost allocation plans submitted in accordance with the Controller's guidelines, including, but not limited to, adjustments of prior year estimated general county overhead to actual costs, but excluding allowable costs otherwise compensated by state funding; net costs of conservatorship investigation, approved by the Director of Health Care Services. Except for expenditures made pursuant to Article 6 (commencing with Section 129225) of Chapter 1 of Part 6 of Division 107 of the Health and Safety Code, it shall not include expenditures for initial capital improvements; the purchaser or construction of buildings except for equipment items and remodeling expense as may be provided for in regulations of the State Department of Health Care Services; compensation to members of a local mental health advisory board, except actual and necessary expenses incurred in the performance of official duties that may include travel, lodging, and meals while on official business; or expenditures for a purpose for which state reimbursement is claimed under any other provision of law.

(b) The Director of Health Care Services may make investigations and audits of expenditures the director may deem necessary.

(c) With respect to funds allocated to a county by the State Department of Health Care Services from funds appropriated to the department, the county shall repay to the state amounts found not to have been expended in accordance with the requirements set forth in this part. Repayment shall be within 30 days after it is determined that an expenditure has been made that is not in accordance with the requirements. In the event that repayment is not made in a timely manner, the department shall offset any amount improperly expended against the amount of any current or future advance payment or cost report settlement from the state for mental health services. Repayment provisions shall not apply to Short-Doyle funds allocated by the department for fiscal years up to and including the 1990–91 fiscal year.

(Amended by Stats. 2015, Ch. 455, Sec. 38. (SB 804) Effective January 1, 2016.)