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**SB-1495 Health.** (2017-2018)

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Date Published: 09/17/2018 09:00 PM

**Senate Bill No. 1495**

**CHAPTER 424**

An act to amend Section 684 of the Business and Professions Code, to amend Sections 1728.7, 1797.188 and 101080 of, and to add Section 1751.5 to, the Health and Safety Code, and to amend Sections 4300, 4301, 4311, 4313, 5349, 5651, and 5897 of, to add Section 4005.8 to, to repeal Sections 5651.2 and 5666 of, and to repeal and add Section 5650 of, the Welfare and Institutions Code, relating to health.

[ Approved by Governor September 14, 2018. Filed with Secretary of State September 14, 2018. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1495, Committee on Health. Health.

(1) Existing law provides for the licensure and regulation of various health care practitioners by boards within the Department of Consumer Affairs. Existing law requires licensed health care practitioners who perform stem cell therapies that are not approved by the United States Food and Drug Administration (FDA) to communicate to their patients specified information regarding the therapies in a notice and in writing prior to providing the initial stem cell therapy. Under existing law, for these purposes, a "stem cell therapy" is a therapy involving the use of HCT/Ps, defined as human cells, tissues, or cellular- or tissue-based products in accordance with specified federal law. Under existing law, these requirements do not apply to a health care practitioner who has obtained approval for an investigational new drug or device from the FDA for the use of HCT/Ps.

This bill would exclude from the definition of "stem cell therapy" those therapies involving HCT/Ps that meet specified criteria pursuant to, or that qualify for an exception under, federal law. The bill would require only health care practitioners who perform a stem cell therapy that is subject to FDA regulation, and that is not FDA-approved, to provide the notice and writing to their patients. The bill would exempt from these requirements a health care practitioner who has obtained clearance for an investigational new drug, or an investigational device exemption, from the FDA.

(2) Existing law, the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act, establishes the Emergency Medical Services Authority. The authority is responsible for the coordination and integration of all statewide activities concerning emergency medical services.

The act requires health facilities to notify prehospital emergency medical care personnel who have provided emergency medical or rescue services, and have been exposed to a person afflicted with a reportable communicable disease or condition, that they have been exposed. If the affected prehospital emergency medical care person has not provided the health facility infection control officer, as defined, with his or her name and telephone number, existing law requires the health facility infection control officer to immediately notify the designated officer of the employer of the prehospital emergency medical care person and the county health officer under specified circumstances. Otherwise, existing law requires the health facility infection control officer to notify the prehospital emergency medical care person consistent with certain state regulations.

This bill would instead require the health facility infection control officer, in the latter circumstance, to notify the designated officer, not the prehospital emergency medical care person, consistent with those regulations.

(3) Existing law authorizes a local health officer to declare a local health emergency under specified circumstances, including when the release or escape of a hazardous waste or medical waste is an immediate threat to the public health, or upon an imminent and proximate threat of the introduction of certain diseases, chemical agents, toxins, or radioactive agents. Existing law authorizes the local health emergency to remain in effect for 7 days unless the board of supervisors or city council ratifies the local health emergency for a longer period of time. Existing law thereafter requires the board of supervisors or city council to review the need for continuing that local health emergency at least every 14 days.

This bill would instead require the board of supervisors or city council to review the need for continuing that local health emergency at least every 30 days.

(4) Existing law provides the State Department of State Hospitals with jurisdiction over the execution of laws relating to care and treatment of persons with mental health disorders under the custody of the department. Existing law provides that the Chief, Deputy Chief, supervising investigators, and investigators of the Office of Protective Services of the department are peace officers whose authority extends to any place in the state for the purpose of performing their primary duty or when making an arrest, as specified.

This bill would designate the Chief of the Office of Protective Services of the department as the deputy director of the office, with oversight of all protective service components within the department's law enforcement and fire protection services. The bill would require that the deputy director be an experienced law enforcement officer, as specified.

Existing law requires the Director of State Hospitals to appoint and define the duties of the clinical director and the hospital administrator for each state hospital. Existing law requires the Director of State Hospitals to appoint either the clinical director or the hospital administrator to be the hospital director.

This bill would additionally require the Director of State Hospitals to appoint and define the duties of the chief of police services and the hospital director for each state hospital, and would repeal the above provision requiring the appointment of the clinical director or hospital administrator as hospital director. The bill would make conforming changes to related provisions.

Existing law requires the hospital administrator to be responsible for preserving the peace in the hospital buildings and grounds and authorizes him or her to arrest persons, as specified.

This bill would transfer that duty and that authority to the chief of police services at the hospital, and would require the chief of police services to be an experienced law enforcement officer, as specified.

Existing law authorizes the hospital administrator of each state hospital to designate, as a police officer, one or more of the bona fide employees of the hospital. Under existing law, the hospital administrator and each of those police officers have the powers and authority conferred by law upon peace officers, as specified. Existing law prohibits those police officers from receiving compensation, as specified.

This bill would repeal the authority of the hospital administrator to designate hospital employees as police officers, and would delete the provision that prohibits the compensation of those police officers. The bill would instead provide that the chief of police services, supervising investigators, investigators, and each hospital police officer have the powers and authority provided to them under existing laws that apply to peace officers, and are required to help ensure integration of treatment, safety, and security, as directed by the hospital director. The bill would make further conforming changes to related provisions.

(5) Existing law, the Bronzan-McCorquodale Act, contains provisions governing the organization and financing of community mental health services for persons with mental disorders in every county through locally administered and locally controlled community mental health programs. Existing law requires the board of supervisors of each county, or boards of supervisors of counties acting jointly, to adopt, and submit to the Director of Health Care Services in the form and according to the procedures specified by the director, a proposed annual county mental health services performance contract for mental health services in the county or counties. Existing law requires the State Department of Health Care Services to develop and implement the requirements, format, procedure, and submission dates for the preparation and submission of the proposed performance contract. Existing law requires the Director of Health Care Services, or his or her designee, to review each proposed county mental health services performance contract to determine that it complies with specified requirements.

This bill would repeal those provisions relating to an annual county mental health services performance contract, and would instead require the department and each county to have a performance contract for community mental health services, the Mental Health Services Act, the Projects for Assistance in Transition from Homelessness grant, the Community Mental Health Services Block Grant, and other federal grants or county mental health programs for the term of 3 years, as specified. The bill

would authorize the department to extend the term of the contract for 2 one-year periods, as specified. The bill would further authorize the department to amend the contract at any time during the term of the contract, as specified.

Existing law requires the proposed annual county mental health services performance contract to include specified provisions, and authorizes the county to choose to include contract provisions for other state-directed mental health managed programs within the performance contract.

This bill would delete that authorization and would instead authorize the department to include contract provisions for other federal grants or county mental health programs in the performance contract. The bill would also delete obsolete provisions and make related, conforming changes.

(6) The California Hospice Licensure Act of 1990 provides for the licensure and regulation by the State Department of Public Health of persons or agencies that provide hospice, to ensure the health and safety of patients experiencing the last phases of life due to the existence of a terminal disease.

This bill would require the department to issue a hospice license to a hospice applicant that meets certain requirements, including, among others, that it is accredited by an entity approved by the federal Centers for Medicare and Medicaid Services as a national accreditation organization, and it meets any other additional licensure requirements under the act that are more stringent than the accreditation requirements of the organization, as specified.

The bill would authorize the department to conduct a survey of an accredited hospice to ensure the accreditation requirements are met, and to conduct a survey to investigate complaints against an accredited hospice for substantial noncompliance with the accreditation standards. The bill would make conforming changes to a related provision for purposes of a home health agency.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 684 of the Business and Professions Code is amended to read:

**684.** (a) For the purpose of this section:

(1) "FDA" means the United States Food and Drug Administration.

(2) "HCT/Ps" means human cells, tissues, or cellular or tissue-based products, as defined in Section 1271.3 of Title 21 of the Code of Federal Regulations, as amended August 31, 2016, as published in the Federal Register (81 Fed. Reg. 60223).

(3) "Stem cell therapy" means a therapy involving the use of HCT/Ps, but shall not include a therapy involving HCT/Ps that meets the criteria set out in Section 1271.10 of Title 21 of the Code of Federal Regulations, as amended May 25, 2004, as published in the Federal Register (69 Fed. Reg. 29829), or that qualifies for any of the exceptions described in Section 1271.15 of Title 21 of the Code of Federal Regulations, as amended May 25, 2004, as published in the Federal Register (69 Fed. Reg. 29829).

(b) (1) A health care practitioner licensed under this division who performs a stem cell therapy that is subject to FDA regulation, but is not FDA-approved, shall communicate to a patient seeking stem cell therapy the following information in English:

"THIS NOTICE MUST BE PROVIDED TO YOU UNDER CALIFORNIA LAW. This health care practitioner performs one or more stem cell therapies that have not been approved by the United States Food and Drug Administration. You are encouraged to consult with your primary care physician prior to undergoing a stem cell therapy."

(2) The information in paragraph (1) shall be communicated to the patient in all of the following ways:

(A) In a prominent display in an area visible to patients in the health care practitioner's office and posted conspicuously in the entrance of the health care practitioner's office. These notices shall be at least eight and one-half inches by 11 inches and written in no less than 40-point type.

(B) Prior to providing the initial stem cell therapy, a health care practitioner shall provide the patient with the notice described in paragraph (1) in writing. The notice shall be at least eight and one-half inches by 11 inches and written in no less than 40-point type.

(c) This section does not apply to a health care practitioner licensed under this division who has obtained approval or clearance for an investigational new drug, or an investigational device exemption, from the FDA for the use of HCT/Ps.

(d) (1) The licensing board having jurisdiction of the health care practitioner may cite and fine the health care practitioner, not to exceed one thousand dollars (\$1,000) per violation of this section.

(2) No citation shall be issued and no fine shall be assessed upon the first complaint against a health care practitioner who violates this section.

(3) Upon a second or subsequent violation of this section, a citation and administrative fine not to exceed one thousand dollars (\$1,000) per violation may be assessed.

(e) The Medical Board of California shall indicate in its annual report, commencing with the 2018–19 annual report, all of the following with regard to licensees who provide stem cell therapies:

(1) The number of complaints received.

(2) Any disciplinary actions taken.

(3) Any administrative actions taken.

**SEC. 2.** Section 1728.7 of the Health and Safety Code is amended to read:

**1728.7.** (a) Notwithstanding any other provision of this chapter, the department shall issue a license to a home health agency that applies to the department for a home health agency license and meets all of the following requirements:

(1) Is accredited as a home health agency by an entity approved by the federal Centers for Medicare and Medicaid Services as a national accreditation organization, and the national accreditation organization forwards to the department copies of all initial and subsequent survey and other accreditation reports or findings.

(2) Files an application with fees pursuant to this chapter.

(3) Meets any other additional licensure requirements of, or regulations adopted pursuant to, this chapter that the department identifies, after consulting with the national accreditation organizations, as more stringent than the accreditation requirements of the national accreditation organizations.

(b) The department may conduct a survey of an accredited home health agency to ensure the accreditation requirements are met. These surveys shall be conducted using a selective sample basis.

(c) The department may conduct a survey of an accredited home health agency to investigate complaints against an accredited home health agency for substantial noncompliance, as determined by the department, with these accreditation standards.

(d) Notwithstanding subdivisions (a), (b), and (c), the department shall retain its full range of authority over accredited home health agencies to ensure the licensure and accreditation requirements are met. This authority shall include the entire scope of enforcement sanctions and options available for unaccredited home health agencies.

**SEC. 3.** Section 1751.5 is added to the Health and Safety Code, immediately following Section 1751, to read:

**1751.5.** (a) Notwithstanding any other provision of this chapter, the department shall issue a license to a hospice that applies to the department for a hospice license and meets all of the following requirements:

(1) Is accredited as a hospice by an entity approved by the federal Centers for Medicare and Medicaid Services as a national accreditation organization, and the national accreditation organization forwards to the department copies of all initial and subsequent survey and other accreditation reports or findings.

(2) Files an application with fees pursuant to this chapter.

(3) Meets any other additional licensure requirements of, or regulations adopted if necessary pursuant to, this chapter that the department identifies, after consulting with the national accreditation organization, as more stringent than the accreditation requirements of the national accreditation organization.

(b) The department may conduct a survey of an accredited hospice to ensure the accreditation requirements are met. These surveys shall be conducted using a selective sample basis.

(c) The department may conduct a survey of an accredited hospice to investigate complaints against an accredited hospice for substantial noncompliance, as determined by the department, with these accreditation standards.

(d) Notwithstanding subdivisions (a), (b), and (c), the department shall retain its full range of authority over accredited hospices to ensure the licensure and accreditation requirements are met. This authority shall include the entire scope of enforcement

sanctions and options available for unaccredited hospices.

**SEC. 4.** Section 1797.188 of the Health and Safety Code is amended to read:

**1797.188.** (a) As used in this section:

(1) "Prehospital emergency medical care person or personnel" means any of the following: an authorized registered nurse or mobile intensive care nurse, emergency medical technician-I, emergency medical technician-II, emergency medical technician-paramedic, lifeguard, firefighter, or peace officer, as defined or described by Sections 1797.56, 1797.80, 1797.82, 1797.84, 1797.182, and 1797.183, respectively, or a physician and surgeon who provides prehospital emergency medical care or rescue services.

(2) "Reportable communicable disease or condition" or "a communicable disease or condition listed as reportable" means those diseases prescribed by Subchapter 1 (commencing with Section 2500) of Chapter 4 of Title 17 of the California Code of Regulations, as may be amended from time to time.

(3) "Exposed" means at risk for contracting the disease, as defined by regulations of the state department.

(4) "Health facility" means a health facility, as defined in Section 1250, including a publicly operated facility.

(5) "Health facility infection control officer" means the official or officer who has been designated by the health facility to communicate with a designated officer, or his or her designee.

(6) "Designated officer" means the official or officer of an employer of a prehospital emergency medical care person or personnel who has been designated by the state's public health officer or the employer.

(7) "Urgency reporting requirement" means a disease required to be reported immediately by telephone or reported by telephone within one working day pursuant to subdivisions (h) and (i) of Section 2500 of Title 17 of the California Code of Regulations.

(b) In addition to the communicable disease testing and notification procedures applicable under Chapter 3.5 (commencing with Section 120260) of Part 1 of Division 105, all prehospital emergency medical care personnel, whether volunteers, partly paid, or fully paid, who have provided emergency medical or rescue services and have been exposed to a person afflicted with a communicable disease or condition listed as reportable, which can, as determined by the county health officer, be transmitted through physical or oral contact or secretions of the body, including blood, shall be notified that they have been exposed to the disease or condition in accordance with the following:

(1) If the prehospital emergency medical care person, who has rendered emergency medical or rescue services and believes that he or she may have been exposed to a person afflicted with a reportable communicable disease or condition in a manner that could result in transmission of a reportable communicable disease or condition, and provides the health facility infection control officer with his or her name and telephone number at the time the patient is transferred from that prehospital emergency medical care person to the admitting health facility; or the party transporting the person afflicted with the reportable communicable disease or condition provides that health facility with the name and telephone number of the prehospital emergency medical care person who provided the emergency medical or rescue services and believes he or she may have been exposed to a person afflicted with a reportable communicable disease or condition in a manner that could result in transmission of a communicable disease or condition, the health facility infection control officer, upon determining that the person to whom the prehospital emergency medical care person provided the emergency medical or rescue services is diagnosed as being afflicted with a reportable communicable disease or condition, and that the reportable communicable disease or condition may have been transmitted during the provision of emergency medical or rescue services, shall immediately notify the designated officer of the prehospital emergency medical care person if the reportable communicable disease or condition has an urgency reporting requirement on the list of reportable diseases or conditions, or if the conditions of the exposure may have included direct contact between the unprotected skin, eyes, or mucous membranes of the prehospital emergency medical care person and the blood of the person afflicted with the reportable communicable disease or condition. Otherwise, the health facility infection control officer shall notify the designated officer consistent with Section 2500 of Title 17 of the California Code of Regulations. The health facility infection control officer shall also report the name and telephone number of the prehospital emergency medical care person to the county health officer. The designated officer shall immediately notify the prehospital emergency medical care person if the reportable communicable disease or condition has an urgency reporting requirement on the list of reportable diseases or conditions, or if the conditions of the exposure may have included direct contact between the unprotected skin, eyes, or mucous membranes of the prehospital emergency medical care person and the blood of the person afflicted with the reportable communicable disease or condition. Otherwise, the designated officer shall notify the prehospital emergency medical care person consistent with Section 2500 of Title 17 of the California Code of Regulations.

(2) If the prehospital emergency medical care person who has rendered emergency medical or rescue services and has been exposed to a person afflicted with a reportable communicable disease or condition, but has not provided the health facility infection control officer with his or her name and telephone number pursuant to paragraph (1), the health facility infection control officer, upon determining that the person to whom the prehospital emergency medical care person provided the emergency medical or rescue services is diagnosed as being afflicted with a reportable communicable disease or condition that may have been transmitted during provision of emergency medical or rescue services, shall immediately notify the designated officer of the employer of the prehospital emergency medical care person and the county health officer if the reportable communicable disease or condition has an urgency reporting requirement on the list of reportable diseases or conditions, or if the conditions of the exposure may have included direct contact between the unprotected skin, eyes, or mucous membranes of the prehospital emergency medical care person and the blood of the person afflicted with the reportable communicable disease or condition. Otherwise, the health facility infection control officer shall notify the designated officer consistent with Section 2500 of Title 17 of the California Code of Regulations. The designated officer shall immediately notify the prehospital emergency medical care person if the reportable communicable disease or condition has an urgency reporting requirement on the list of reportable diseases or conditions, or if the conditions of the exposure may have included direct contact between the unprotected skin, eyes, or mucous membranes of the prehospital emergency medical care person and the blood of the person afflicted with the reportable communicable disease or condition. Otherwise, the designated officer shall notify the prehospital emergency medical care person consistent with Section 2500 of Title 17 of the California Code of Regulations.

(c) The county health officer shall immediately notify the prehospital emergency medical care person who has provided emergency medical or rescue services and has been exposed to a person afflicted with a communicable disease or condition listed as reportable, which can, as determined by the county health officer, be transmitted through oral contact or secretions of the body, including blood, if the reportable communicable disease or condition has an urgency reporting requirement on the list of reportable diseases or conditions, or if the conditions of the exposure may have included direct contact between the unprotected skin, eyes, or mucous membranes of the prehospital emergency medical care person and the blood of the person afflicted with the reportable communicable disease or condition, upon receiving the report from a health facility pursuant to paragraph (1) of subdivision (b). Otherwise, the county health officer shall notify the prehospital emergency medical care person consistent with Section 2500 of Title 17 of the California Code of Regulations. The county health officer shall not disclose the name of the patient or other identifying characteristics to the prehospital emergency medical care person.

(d) An employer of a prehospital emergency medical care person or personnel that maintains an Internet Web site shall post the title and telephone number of the designated officer in a conspicuous location on its Internet Web site accessible from the home page. A health facility that maintains an Internet Web site shall post the title and telephone number of the health facility infection control officer in a conspicuous location on its Internet Web site accessible from the home page.

(e) (1) The health facility infection control officer, or his or her designee, shall be available either onsite or on call 24 hours per day.

(2) The designated officer, or his or her designee, shall be available either onsite or on call 24 hours per day.

(f) An employer of a health facility infection control officer and an employer of a prehospital emergency medical care person or personnel shall inform those employees of this law as part of the Cal-OSHA Injury and Illness Prevention Program training required by paragraph (7) of subdivision (a) of Section 3203 of Title 8 of the California Code of Regulations.

(g) Nothing in this section shall be construed to authorize the further disclosure of confidential medical information by the health facility, the designated officer, or any prehospital emergency medical care personnel described in this section except as otherwise authorized by law.

(h) In the event of the demise of the person afflicted with the reportable communicable disease or condition, the health facility or county health officer shall notify the funeral director, charged with removing the decedent from the health facility, of the reportable communicable disease or condition prior to the release of the decedent from the health facility to the funeral director.

(i) Notwithstanding Section 1798.206, a violation of this section is not a misdemeanor.

**SEC. 5.** Section 101080 of the Health and Safety Code is amended to read:

**101080.** Whenever a release, spill, escape, or entry of waste occurs as described in paragraph (2) of subdivision (b) of Section 101075 and the director or the local health officer reasonably determines that the waste is a hazardous waste or medical waste, or that it may become a hazardous waste or medical waste because of a combination or reaction with other substances or materials, and the director or local health officer reasonably determines that the release or escape is an immediate threat to the public health, or whenever there is an imminent and proximate threat of the introduction of any contagious, infectious, or communicable disease, chemical agent, noncommunicable biologic agent, toxin, or radioactive agent, the director may declare a health emergency and the local health officer may declare a local health emergency in the jurisdiction or any area thereof affected by the threat to the public health. Whenever a local health emergency is declared by a local health officer pursuant to this section,

the local health emergency shall not remain in effect for a period in excess of seven days unless it has been ratified by the board of supervisors, or city council, whichever is applicable to the jurisdiction. The board of supervisors, or city council, if applicable, shall review, at least every 30 days until the local health emergency is terminated, the need for continuing the local health emergency and shall proclaim the termination of the local health emergency at the earliest possible date that conditions warrant the termination.

**SEC. 6.** Section 4005.8 is added to the Welfare and Institutions Code, to read:

**4005.8.** (a) The Deputy Director of the Office of Protective Services of the State Department of State Hospitals has oversight of all protective service components within the department's law enforcement and fire protection services, including those at each state hospital. The deputy director shall be an experienced law enforcement officer who has completed the management training course prescribed by the Commission on Peace Officer Standards and Training, with extensive management experience directing uniformed peace officers and investigation officers.

(b) Wherever the term "Chief of the Office of Protective Services" is used in reference to the State Department of State Hospitals, the term shall be deemed to mean the Deputy Director of the Office of Protective Services of the State Department of State Hospitals.

**SEC. 7.** Section 4300 of the Welfare and Institutions Code is amended to read:

**4300.** As used in this chapter, "officers" of a state hospital means:

- (a) Clinical director.
- (b) Hospital administrator.
- (c) Hospital director.
- (d) Chief of police services at the hospital.

**SEC. 8.** Section 4301 of the Welfare and Institutions Code is amended to read:

**4301.** (a) The Director of State Hospitals shall appoint and define the duties, subject to the laws governing civil service, of the clinical director, the hospital administrator, the hospital director, and the chief of police services for each state hospital.

(b) The Director of State Hospitals shall appoint a program director for each program at a state hospital.

**SEC. 9.** Section 4311 of the Welfare and Institutions Code is amended to read:

**4311.** (a) The chief of police services at the hospital shall be responsible for preserving the peace in the hospital buildings and grounds and may arrest or cause the arrest and appearance before the nearest magistrate for examination, of all persons who attempt to commit or have committed a public offense thereon.

(b) The chief of police services shall be an experienced law enforcement officer who has completed the management training course prescribed by the Commission on Peace Officer Standards and Training, with management experience directing uniformed peace officers and investigation officers.

**SEC. 10.** Section 4313 of the Welfare and Institutions Code is amended to read:

**4313.** The chief of police services, supervising investigators, investigators, and each hospital police officer have the powers and authority conferred by law upon each respectively as set forth in subdivision (v) of Section 830.3 and Section 830.38 of the Penal Code. When and as directed by the hospital director, the chief of police services, supervising investigators, investigators, and hospital police officers shall enforce the rules and regulations of the hospital, preserve peace and order on the premises thereof, protect and preserve the property of the state, and help ensure integration of treatment, safety, and security.

**SEC. 11.** Section 5349 of the Welfare and Institutions Code is amended to read:

**5349.** This article shall be operative in those counties in which the county board of supervisors, by resolution or through the county budget process, authorizes its application and makes a finding that no voluntary mental health program serving adults, and no children's mental health program, may be reduced as a result of the implementation of this article. To the extent otherwise permitted under state and federal law, counties that elect to implement this article may pay for the provision of services under Sections 5347 and 5348 using funds distributed to the counties from the Mental Health Subaccount, the Mental Health Equity

Subaccount, and the Vehicle License Collection Account of the Local Revenue Fund, funds from the Mental Health Account and the Behavioral Health Subaccount within the Support Services Account of the Local Revenue Fund 2011, funds from the Mental Health Services Fund when included in county plans pursuant to Section 5847, and any other funds from which the Controller makes distributions to the counties for those purposes. Compliance with this section shall be monitored by the State Department of Health Care Services.

**SEC. 12.** Section 5650 of the Welfare and Institutions Code is repealed.

**SEC. 13.** Section 5650 is added to the Welfare and Institutions Code, to read:

**5650.** (a) The State Department of Health Care Services and each county shall have a performance contract for community mental health services, the Mental Health Services Act, the Projects for Assistance in Transition from Homelessness grant, the Community Mental Health Services Block Grant, and other federal grants or other county mental health programs.

(b) The department shall develop the county mental health services performance contract, which shall be effective for an initial period of three years. The department shall provide the three-year performance contract to the county by January 2 of the year the existing performance contract expires. The county shall adopt, execute, and return the performance contract by May 1 of the year the existing contract expires.

(c) The department may extend the term of the contract for two one-year periods. If the department extends the term of the performance contract, the department shall notify the county by January 2 of the year the existing performance contract expires. The county shall adopt, execute, and return the extension to the performance contract by May 1 of the year the existing contract expires.

(d) The department may amend the contract at any time during the term of the contract and the county shall have 90 days from receipt of an amendment to adopt, execute, and return the amendment to the department.

(e) For the purposes of this chapter, provisions of law referring to the county shall be construed to include counties, counties acting jointly, and cities receiving funds pursuant to Section 5701.5.

**SEC. 14.** Section 5651 of the Welfare and Institutions Code is amended to read:

**5651.** (a) Counties shall comply with the terms of the county mental health services performance contract.

(b) The county mental health services performance contract shall include all of the following provisions:

(1) That the county shall comply with the expenditure requirements of Section 17608.05.

(2) That the county shall provide services to persons receiving involuntary treatment as required by Part 1 (commencing with Section 5000) and Part 1.5 (commencing with Section 5585).

(3) That the county shall comply with all requirements necessary for Medi-Cal reimbursement for mental health treatment services and case management programs provided to Medi-Cal eligible individuals, including, but not limited to, the provisions set forth in Chapter 3 (commencing with Section 5700), and that the county shall submit cost reports and other data to the department in the form and manner determined by the State Department of Health Care Services.

(4) That the local mental health advisory board has reviewed and approved procedures ensuring citizen and professional involvement at all stages of the planning process pursuant to Section 5604.2.

(5) That the county shall comply with all provisions and requirements in law pertaining to patient rights.

(6) That the county shall comply with all requirements in federal law and regulation, and all agreements, certifications, assurances, and policy letters, pertaining to federally funded mental health programs, including, but not limited to, the Projects for Assistance in Transition from Homelessness grant and Community Mental Health Services Block Grant programs.

(7) That the county shall provide all data and information set forth in Sections 5610 and 5664.

(8) That the county, if it elects to provide the services described in Chapter 2.5 (commencing with Section 5670), shall comply with guidelines established for program initiatives outlined in that chapter.

(9) That the county shall comply with all applicable laws and regulations for all services delivered, including all laws, regulations, and guidelines of the Mental Health Services Act.

(10) The State Department of Health Care Services' ability to monitor the county's three-year program and expenditure plan and annual update pursuant to Section 5847.



(11) Other information determined to be necessary by the director, to the extent this requirement does not substantially increase county costs.

(c) The State Department of Health Care Services may include contract provisions for other federal grants or county mental health programs in this performance contract.

**SEC. 15.** Section 5651.2 of the Welfare and Institutions Code is repealed.

**SEC. 16.** Section 5666 of the Welfare and Institutions Code is repealed.

**SEC. 17.** Section 5897 of the Welfare and Institutions Code is amended to read:

**5897.** (a) Notwithstanding any other state law, the State Department of Health Care Services shall implement the mental health services provided by Part 3 (commencing with Section 5800), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) through contracts with county mental health programs or counties acting jointly. A contract may be exclusive and may be awarded on a geographic basis. For purposes of this section, a county mental health program includes a city receiving funds pursuant to Section 5701.5.

(b) Two or more counties acting jointly may agree to deliver or subcontract for the delivery of those mental health services. The agreement may encompass all or any part of the mental health services provided pursuant to these parts. Any agreement between counties shall delineate each county's responsibilities and fiscal liability.

(c) The department shall implement the provisions of Part 3 (commencing with Section 5800), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), and Part 4 (commencing with Section 5850) through the county mental health services performance contract, as specified in Chapter 2 (commencing with Section 5650) of Part 2.

(d) The department shall conduct program reviews of performance contracts to determine compliance. Each county performance contract shall be reviewed at least once every three years, subject to available funding for this purpose.

(e) When a county mental health program is not in compliance with its performance contract, the department may request a plan of correction with a specific timeline to achieve improvements. The department shall post on its Internet Web site any plans of correction requested and the related findings.

(f) Contracts awarded by the State Department of Health Care Services, the State Department of Public Health, the California Behavioral Health Planning Council, the Office of Statewide Health Planning and Development, and the Mental Health Services Oversight and Accountability Commission pursuant to Part 3 (commencing with Section 5800), Part 3.1 (commencing with Section 5820), Part 3.2 (commencing with Section 5830), Part 3.6 (commencing with Section 5840), Part 3.7 (commencing with Section 5845), Part 4 (commencing with Section 5850), and Part 4.5 (commencing with Section 5890), may be awarded in the same manner in which contracts are awarded pursuant to Section 5814 and the provisions of subdivisions (g) and (h) of Section 5814 shall apply to those contracts.

(g) For purposes of Section 14712, the allocation of funds pursuant to Section 5892 that are used to provide services to Medi-Cal beneficiaries shall be included in calculating anticipated county matching funds and the transfer to the State Department of Health Care Services of the anticipated county matching funds needed for community mental health programs.