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**SB-1238 Health facilities.** (2023-2024)

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**Senate Bill No. 1238**

**CHAPTER 644**

An act to amend Sections 1250.2 and 1275.1 of the Health and Safety Code, and to amend Sections 4080, 5008, 5404, and 5675 of, and to add Sections 4080.5, 5400.1, and 5675.05 to, the Welfare and Institutions Code, relating to behavioral health.

[ Approved by Governor September 27, 2024. Filed with Secretary of State September 27, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1238, Eggman. Health facilities.

(1) Existing law defines "health facility" to include a "psychiatric health facility" that is licensed by the State Department of Health Care Services and provides 24-hour inpatient care for people with mental health disorders. Existing law requires that such care include, but is not limited to, psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and food services for persons whose physical health needs can be met in an affiliated hospital or in outpatient settings.

This bill would expand the definition of "psychiatric health facility" to also include a facility that provides 24-hour inpatient care for people with severe substance use disorders, or cooccurring mental health and substance use disorders. The bill would expand that 24-hour inpatient care also include substance use disorder services, as medically necessary and appropriate. The bill would specify that psychiatric health facilities to only admit persons with stand-alone severe substance use disorders involuntarily pursuant to specified requirements.

The bill would authorize a psychiatric health facility to admit persons diagnosed only with a severe substance use disorder when specified conditions are met. The bill would authorize the department to implement, interpret, or make specific these provisions, in whole or in part, by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, until the time when regulations are adopted no later than December 31, 2027.

(2) Under existing law, regulations adopted by the department are to include standards appropriate for 2 levels of disorder: (1) involuntary ambulatory psychiatric patients, and (2) voluntary ambulatory psychiatric patients.

This bill would instead require regulations to include standards appropriate for 3 levels of disorder: (1) involuntary ambulatory patients receiving treatment for a mental health disorder, (2) voluntary ambulatory patients receiving treatment for a mental health disorder, and (3) involuntary ambulatory patients receiving treatment for a severe substance use disorder.

(3) Existing law requires the program aspects of a psychiatric health facility to be reviewed and approved by the department to include, among others, activities programs, interdisciplinary treatment teams, and rehabilitation services. Existing law requires proposed changes in the standards or regulations affecting health facilities that serve persons with mental health disorders to be effected only with review and coordination of the California Health and Human Services Agency.

This bill would expand these program aspects to also include substance use disorder services, if the psychiatric health facility admits persons diagnosed only with a severe substance use disorder. The bill would also require proposed changes in the standards or regulations affecting health facilities that serve persons with severe substance use disorders, or cooccurring mental health and severe substance use disorders, to be effected only with review and coordination of the California Health and Human Services Agency.

(4) Under existing law, the Lanterman-Petris-Short Act (act), when a person, as a result of a mental health disorder, is a danger to others or to themselves, or gravely disabled, as defined, the person may, upon probable cause, be taken into custody for a period of up to 72 hours for assessment, evaluation, and crisis intervention, or placement for evaluation and treatment in a facility designated by the county for evaluation and treatment and approved by the State Department of Health Care Services.

Existing law defines the above-described designated facility as a facility that is licensed or certified as a mental health treatment facility or a hospital by the State Department of Public Health, and may include, but is not limited to, a licensed psychiatric hospital, a licensed psychiatric health facility, and a certified crisis stabilization unit.

Existing law authorizes each county to designate facilities, which are not hospitals or clinics, as 72-hour evaluation and treatment facilities and as 14-day intensive treatment facilities if the facilities meet requirements as the Director of Health Care Services may establish by regulation.

This bill would define “designated facility,” “facility designated by the county for evaluation and treatment,” or “facility designated by the county to provide intensive treatment” to mean a facility that meets designation requirements established by the department to include, but not be limited to, enumerated facilities, including psychiatric health facilities licensed by the department, general acute care hospitals licensed by the department, and chemical dependency recovery hospitals licensed by the department.

The bill would authorize counties to designate facilities to provide evaluation and treatment, as specified, and intensive treatment, as specified. The bill would authorize counties to designate appropriate facilities that are not hospitals or clinics, subject to requirements established by the department. The bill would require the department to approve county designation of facilities to provide these treatments. The bill would require the State Department of Health Care Services, in consultation with the County Behavioral Health Directors Association of California, provider representatives, substance use treatment representatives, patients’ rights advocates, disability rights advocates, and other relevant stakeholders, to establish updated regulations for the purpose of developing designation requirements for facilities who are admitting and treating persons involuntarily, as specified. The bill would authorize the department to implement, interpret, or make specific these provisions, in whole or in part, by means of county letters, information notices, plan or provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.

(5) Existing law requires an application by counties, county contract providers, or other organizations in order for a mental health rehabilitation center to be licensed by the department. Existing law requires the department to conduct annual licensing inspections of mental health rehabilitation centers.

This bill would authorize the department to adopt, amend, or repeal regulations regarding the licensing of mental health rehabilitation centers.

The bill would authorize a mental health rehabilitation center to admit clients diagnosed only with a severe substance use disorder only when the mental health rehabilitation center meets specified requirements, including either offering medications for addiction treatment (MAT) or having an effective referral process in place to other MAT providers. The bill would also authorize the department to implement, interpret, or make specific these provisions, in whole or in part, by means of county letters, information notices, plan or provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.

This bill would require the department to issue guidance regarding Medi-Cal reimbursement for covered Medi-Cal services provided to an individual receiving involuntary treatment for a severe substance use disorder, as specified. The bill would authorize the department to implement, interpret, or make specific these provisions, in whole or in part, by means of information notices, provider bulletins, or other similar instructions, without taking further regulatory action.

The bill would make conforming and nonsubstantive changes.

This bill would generally authorize the department to implement, interpret, or make specific these provisions, in whole or in part, by means of information notices, provider bulletins, or other similar instructions, until the time regulations are adopted.

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 1250.2 of the Health and Safety Code is amended to read:

**1250.2.** (a) (1) As defined in Section 1250, "health facility" includes a "psychiatric health facility," defined to mean a health facility, licensed by the State Department of Health Care Services, that provides 24-hour inpatient care for people with mental health disorders, severe substance use disorders, as defined in subdivision (o) of Section 5008 of the Welfare and Institutions Code, or cooccurring mental health and severe substance use disorders, or other persons described in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code. This care shall include, but not be limited to, the following basic services: psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, food services, and substance use disorder services, as medically necessary and appropriate. Psychiatric health facilities shall only admit persons whose physical health needs can be met in an affiliated hospital or in outpatient settings and shall only admit people with stand-alone severe substance use disorders involuntarily pursuant to Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code.

(2) It is the intent of the Legislature that the psychiatric health facility shall provide a distinct type of service to persons with mental health disorders, severe substance use disorders, or cooccurring mental health and substance use disorders in a 24-hour acute inpatient setting. The State Department of Health Care Services shall require regular utilization reviews of admission and discharge criteria and lengths of stay in order to ensure that these patients are moved to less restrictive levels of care as soon as appropriate.

(b) (1) The State Department of Health Care Services may issue a special permit to a psychiatric health facility for it to provide structured outpatient services (commonly referred to as SOPS) consisting of morning, afternoon, or full daytime organized programs, not exceeding 10 hours, for acute daytime care for patients admitted to the facility. This subdivision shall not be construed as requiring a psychiatric health facility to apply for a special permit to provide these alternative levels of care.

(2) The Legislature recognizes that, with access to structured outpatient services, as an alternative to 24-hour inpatient care, certain patients would be provided with effective intervention and less restrictive levels of care. The Legislature further recognizes that, for certain patients, the less restrictive levels of care eliminate the need for inpatient care, enable earlier discharge from inpatient care by providing a continuum of care with effective aftercare services, or reduce or prevent the need for a subsequent readmission to inpatient care.

(c) Any reference in any statute to Section 1250 of the Health and Safety Code shall be deemed and construed to also be a reference to this section.

(d) Notwithstanding any other law, and to the extent consistent with federal law, a psychiatric health facility shall be eligible to participate in the Medicare program under Title XVIII of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.), and the Medicaid program under Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.), if all of the following conditions are met:

(1) The facility is a licensed facility.

(2) The facility is in compliance with all related statutes and regulations enforced by the State Department of Health Care Services, including regulations contained in Chapter 9 (commencing with Section 77001) of Division 5 of Title 22 of the California Code of Regulations.

(3) The facility meets the definitions and requirements contained in subdivisions (e) and (f) of Section 1861 of the federal Social Security Act (42 U.S.C. Sec. 1395x(e) and (f)), including the approval process specified in Section 1861(e)(7)(B) of the federal Social Security Act (42 U.S.C. Sec. 1395x(e)(7)(B)), which requires that the state agency responsible for licensing hospitals has ensured that the facility meets licensing requirements.

(4) The facility meets the conditions of participation for hospitals pursuant to Part 482 of Title 42 of the Code of Federal Regulations.

**SEC. 2.** Section 1275.1 of the Health and Safety Code is amended to read:

**1275.1.** (a) Notwithstanding any rules or regulations governing other health facilities, the regulations developed by the State Department of Health Care Services, or a predecessor, for psychiatric health facilities shall prevail. The regulations applying to psychiatric health facilities shall prescribe standards of adequacy, safety, and sanitation of the physical plant, of staffing with duly qualified licensed personnel, and of services based on the needs of the persons served thereby.

(b) (1) The regulations shall include standards appropriate for treatment of three levels of disorder:

(A) Involuntary ambulatory patients receiving treatment for a mental health disorder.

(B) Voluntary ambulatory patients receiving treatment for a mental health disorder.

(C) Involuntary ambulatory patients receiving treatment for a severe substance use disorder, as defined in subdivision (o) of Section 5008 of the Welfare and Institutions Code.

(2) For purposes of this subdivision, "ambulatory patients" shall include, but not be limited to, persons who are deaf, blind, or have physical disabilities. Disoriented persons who are not bedridden or wheelchair users shall also be considered ambulatory patients.

(c) The regulations shall not require, but may permit building and services requirements for hospitals which are only applicable to physical health care needs of patients that can be met in an affiliated hospital or in outpatient settings including, but not limited to, such requirements as surgical, dietary, laboratory, laundry, central supply, radiologic, and pharmacy.

(d) The regulations shall include provisions for an "open planning" architectural concept.

(e) The regulations shall exempt from seismic requirements all structures of Type V and of one-story construction.

(f) Standards for involuntary patients shall include provisions to allow for restraint and seclusion of patients. These standards shall provide for adequate safeguards for patient safety and protection of patient rights.

(g) The regulations shall provide for the retention by the psychiatric health facility of a consultant pharmacist, who shall supervise and review pharmaceutical services within the facility and perform any other services, including prevention of the unlawful diversion of controlled substances subject to abuse, as the State Department of Health Care Services may by regulation require. Regulations adopted pursuant to this subdivision shall take into consideration the varying bed sizes of psychiatric health facilities.

**SEC. 3.** Section 4080 of the Welfare and Institutions Code is amended to read:

**4080.** (a) Psychiatric health facilities, as defined in Section 1250.2 of the Health and Safety Code, shall only be licensed by the State Department of Health Care Services subsequent to application by counties, county contract providers, or other organizations pursuant to this part.

(b) (1) For counties or county contract providers that choose to apply, the local behavioral health director shall first present to the local behavioral health advisory board for its review an explanation of the need for the facility and a description of the services to be provided. The local behavioral health director shall then submit to the governing body the explanation and description. The governing body, upon its approval, may submit the application to the State Department of Health Care Services.

(2) Other organizations that will be applying for licensure and do not intend to use any Bronzan-McCorquodale funds pursuant to Section 5707 shall submit to the local behavioral health director and the governing body in the county in which the facility is to be located a written and dated proposal of the services to be provided. The local behavioral health director and governing body shall have 30 days during which to provide advice and recommendations regarding licensure, as they deem appropriate. At any time after the 30-day period, the organizations may then submit their applications, along with the behavioral health director's and governing body's advice and recommendations, if any, to the State Department of Health Care Services.

(c) The State Fire Marshal and other appropriate state agencies, to the extent required by law, shall cooperate fully with the State Department of Health Care Services to ensure that the State Department of Health Care Services approves or disapproves the licensure applications not later than 90 days after the application submission by a county, county contract provider, or other organization.

(d) Every psychiatric health facility and program for which a license has been issued shall be periodically inspected by a multidisciplinary team appointed or designated by the State Department of Health Care Services. The inspection shall be conducted no less than once every two years and as often as necessary to ensure the quality of care provided. During the inspections the review team shall offer advice and assistance to the psychiatric health facility as it deems appropriate.

(e) (1) The program aspects of a psychiatric health facility that shall be reviewed and may be approved by the State Department of Health Care Services shall include, but not be limited to:

(A) Activities programs.

(B) Administrative policies and procedures.

(C) Admissions, including provisions for a mental evaluation.

(D) Discharge planning.

(E) Health records content.

(F) Health records services.

(G) Interdisciplinary treatment teams.

(H) Nursing services.

(I) Patient rights.

(J) Pharmaceutical services.

(K) Program space requirements.

(L) Psychiatrist and clinical psychological services.

(M) Rehabilitation services.

(N) Restraint and seclusion.

(O) Social work services.

(P) Space, supplies, and equipment.

(Q) Staffing standards.

(R) Unusual occurrences.

(S) Use of outside resources, including agreements with general acute care hospitals.

(T) Linguistic access and cultural competence.

(U) Structured outpatient services to be provided under special permit.

(V) Substance use disorder services, if the psychiatric health facility admits persons diagnosed only with a severe substance use disorder in accordance with Section 4080.5.

(2) The State Department of Health Care Services has the sole authority to grant program flexibility.

(f) The State Department of Health Care Services may adopt regulations regarding psychiatric health facilities that shall include, but not be limited to, all of the following:

(1) Procedures by which the State Department of Health Care Services shall review and may approve the program and facility requesting licensure as a psychiatric health facility as being in compliance with program standards established by the department.

(2) Procedures by which the State Department of Health Care Services shall approve, or deny approval of, the program and facility licensed as a psychiatric health facility pursuant to this section.

(3) Provisions for site visits by the State Department of Health Care Services for the purpose of reviewing a facility's compliance with program and facility standards.

(4) Provisions for the State Department of Health Care Services for any administrative proceeding regarding denial, suspension, or revocation of a psychiatric health facility license.

(5) Procedures for the appeal of an administrative finding or action pursuant to paragraph (4) of this subdivision and subdivision (j).

(g) Regulations may be adopted by the State Department of Health Care Services that establish standards for pharmaceutical services in psychiatric health facilities. Licensed psychiatric health facilities shall be exempt from requirements to obtain a separate pharmacy license or permit.

(h) (1) It is the intent of the Legislature that the State Department of Health Care Services shall license the facility in order to establish innovative and more competitive and specialized acute care services.

(2) The State Department of Health Care Services shall review and may approve the program aspects of public or private facilities, with the exception of those facilities that are federally certified or accredited by a nationally recognized commission that accredits health care facilities, only if the average per diem charges or costs of service provided in the facility is approximately 60 percent of the average per diem charges or costs of similar psychiatric services provided in a general hospital.

(3) (A) When a private facility is accredited by a nationally recognized commission that accredits health care facilities, the State Department of Health Care Services shall review and may approve the program aspects only if the average per diem charges or costs of service provided in the facility do not exceed approximately 75 percent of the average per diem charges or costs of similar psychiatric service provided in a psychiatric or general hospital.

(B) When a private facility serves county patients, the State Department of Health Care Services shall review and may approve the program aspects only if the facility is federally certified by the federal Centers for Medicare and Medicaid Services and serves a population mix that includes a proportion of Medi-Cal patients sufficient to project an overall cost savings to the county, and the average per diem charges or costs of service provided in the facility do not exceed approximately 75 percent of the average per diem charges or costs of similar psychiatric service provided in a psychiatric or general hospital.

(4) When a public facility is federally certified by the federal Centers for Medicare and Medicaid Services and serves a population mix that includes a proportion of Medi-Cal patients sufficient to project an overall program cost savings with certification, the State Department of Health Care Services shall approve the program aspects only if the average per diem charges or costs of service provided in the facility do not exceed approximately 75 percent of the average per diem charges or costs of similar psychiatric service provided in a psychiatric or general hospital.

(5) (A) The State Department of Health Care Services may set a lower rate for private or public facilities than that required by paragraph (3) or (4), if so required by the federal Centers for Medicare and Medicaid Services as a condition for the receipt of federal matching funds.

(B) This section does not impose any obligation on any private facility to contract with a county for the provision of services to Medi-Cal beneficiaries, and any contract for that purpose is subject to the agreement of the participating facility.

(6) (A) In using the guidelines specified in this subdivision, the State Department of Health Care Services shall take into account local conditions affecting the costs or charges.

(B) In those psychiatric health facilities authorized by special permit to offer structured outpatient services not exceeding 10 daytime hours, the following limits on per diem rates shall apply:

(i) The per diem charge for patients in both a morning and an afternoon program on the same day shall not exceed 60 percent of the facility's authorized per diem charge for inpatient services.

(ii) The per diem charge for patients in either a morning or afternoon program shall not exceed 30 percent of the facility's authorized per diem charge for inpatient services.

(i) The licensing fees charged for these facilities shall be credited to the State Department of Health Care Services for its costs incurred in the review of psychiatric health facility programs, in connection with the licensing of these facilities.

(j) (1) The State Department of Health Care Services shall establish a system for the imposition of prompt and effective civil sanctions against psychiatric health facilities in violation of the laws and regulations of this state pertaining to psychiatric health facilities. If the State Department of Health Care Services determines that there is or has been a failure, in a substantial manner, on the part of a psychiatric health facility to comply with the laws and regulations, the Director of Health Care Services may impose the following sanctions:

(A) Cease and desist orders.

(B) Monetary sanctions, which may be imposed in addition to the penalties of suspension, revocation, or cease and desist orders. The amount of monetary sanctions permitted to be imposed pursuant to this subparagraph shall not be less than fifty dollars (\$50) nor more than one hundred dollars (\$100) multiplied by the licensed bed capacity, per day, for each violation. However, the monetary sanction shall not exceed three thousand dollars (\$3,000) per day. A facility that is assessed a monetary sanction under this subparagraph, and that repeats the deficiency, may, in accordance with the regulations adopted pursuant to this subdivision, be subject to immediate suspension of its license until the deficiency is corrected.

(2) The State Department of Health Care Services may adopt regulations necessary to implement this subdivision and paragraph (5) of subdivision (f) in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(k) Proposed changes in the standards or regulations affecting health facilities that serve persons with mental health disorders, severe substance use disorders, as defined in subdivision (o) of Section 5008, or cooccurring mental health and severe substance use disorders shall be effected only with the review and coordination of the California Health and Human Services Agency.

(l) In psychiatric health facilities where the clinical director is not a physician, a psychiatrist, or if one is temporarily not available, a physician shall be designated who shall direct those medical treatments and services that can only be provided by, or under the direction of, a physician.

**SEC. 4.** Section 4080.5 is added to the Welfare and Institutions Code, to read:

**4080.5.** (a) A psychiatric health facility may admit persons diagnosed only with a severe substance use disorder, as defined in subdivision (o) of Section 5008, under the following conditions:

(1) The State Department of Health Care Services approves the psychiatric health facility's policies and procedures for providing substance use disorder services, in accordance with subparagraph (V) of paragraph (1) of subdivision (e) of Section 4080.

(2) The psychiatric health facility admits these persons involuntarily pursuant to Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code.

(3) The psychiatric health facility either offers medications for addiction treatment (MAT) or has an effective referral process in place with narcotic treatment programs, community health centers, or other MAT providers. An effective referral process shall include an established relationship with a MAT provider and transportation to appointments for MAT.

(4) The psychiatric health facility implements and maintains a MAT policy approved by the State Department of Health Care Services. The MAT policy shall do all of the following:

(A) Explain how a person receives information about the benefits and risks of MAT.

(B) Describe the availability of MAT at the program, if applicable, or the referral process for MAT.

(C) Identify an evidence-based assessment for determining a person's MAT needs.

(D) Address administration, storage, and disposal of MAT medication, if applicable.

(E) Outline training for staff about the benefits and risks of MAT.

(F) Outline training for staff on the MAT policy.

(b) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement, interpret, or make specific this section, in whole or in part, by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.

**SEC. 5.** Section 5008 of the Welfare and Institutions Code is amended to read:

**5008.** Unless the context otherwise requires, the following definitions shall govern the construction of this part:

(a) "Evaluation" consists of multidisciplinary professional analyses of a person's medical, psychological, educational, social, financial, and legal conditions as may appear to constitute a problem. Persons providing evaluation services shall be properly qualified professionals and may be full-time employees of an agency providing face-to-face, which includes telehealth, evaluation services or may be part-time employees or may be employed on a contractual basis.

(b) "Court-ordered evaluation" means an evaluation ordered by a superior court pursuant to Article 2 (commencing with Section 5200) of Chapter 2 or by a superior court pursuant to Article 3 (commencing with Section 5225) of Chapter 2.

(c) "Intensive treatment" consists of such hospital and other services as may be indicated. Intensive treatment shall be provided by properly qualified professionals and carried out in facilities qualifying for reimbursement under the California Medical Assistance Program (Medi-Cal) set forth in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9, or under Title XVIII of the federal Social Security Act and regulations thereunder. Intensive treatment may be provided in hospitals of the United States government by properly qualified professionals. This part does not prohibit an intensive treatment facility from also providing 72-hour evaluation and treatment.

(d) "Referral" is referral of persons by each agency or facility providing assessment, evaluation, crisis intervention, or treatment services to other agencies or individuals. The purpose of referral shall be to provide for continuity of care, and may include, but need not be limited to, informing the person of available services, making appointments on the person's behalf, discussing the person's problem with the agency or individual to which the person has been referred, appraising the outcome of referrals, and arranging for personal escort and transportation when necessary. Referral shall be considered complete when the agency or individual to whom the person has been referred accepts responsibility for providing the necessary services. All persons shall be

advised of available precare services that prevent initial recourse to hospital treatment or aftercare services that support adjustment to community living following hospital treatment. These services may be provided through county or city mental health departments, state hospitals under the jurisdiction of the State Department of State Hospitals, regional centers under contract with the State Department of Developmental Services, or other public or private entities.

Each agency or facility providing evaluation services shall maintain a current and comprehensive file of all community services, both public and private. These files shall contain current agreements with agencies or individuals accepting referrals, as well as appraisals of the results of past referrals.

(e) "Crisis intervention" consists of an interview or series of interviews within a brief period of time, conducted by qualified professionals, and designed to alleviate personal or family situations that present a serious and imminent threat to the health or stability of the person or the family. The interview or interviews may be conducted in the home of the person or family, or on an inpatient or outpatient basis with such therapy, or other services, as may be appropriate. The interview or interviews may include family members, significant support persons, providers, or other entities or individuals, as appropriate and as authorized by law. Crisis intervention may, as appropriate, include suicide prevention, psychiatric, welfare, psychological, legal, or other social services.

(f) "Prepetition screening" is a screening of all petitions for court-ordered evaluation as provided in Article 2 (commencing with Section 5200) of Chapter 2, consisting of a professional review of all petitions; an interview with the petitioner and, whenever possible, the person alleged, as a result of a mental health disorder, to be a danger to others, or to themselves, or to be gravely disabled, to assess the problem and explain the petition; when indicated, efforts to persuade the person to receive, on a voluntary basis, comprehensive evaluation, crisis intervention, referral, and other services specified in this part.

(g) "Conservatorship investigation" means investigation by an agency appointed or designated by the governing body of cases in which conservatorship is recommended pursuant to Chapter 3 (commencing with Section 5350).

(h) (1) For purposes of Article 1 (commencing with Section 5150), Article 2 (commencing with Section 5200), Article 3 (commencing with Section 5225), and Article 4 (commencing with Section 5250) of Chapter 2, and for purposes of Chapter 3 (commencing with Section 5350), "gravely disabled" means any of the following, as applicable:

(A) A condition in which a person, as a result of a mental health disorder, a severe substance use disorder, or a co-occurring mental health disorder and a severe substance use disorder, is unable to provide for their basic personal needs for food, clothing, shelter, personal safety, or necessary medical care.

(B) A condition in which a person has been found mentally incompetent under Section 1370 of the Penal Code and all of the following facts exist:

(i) The complaint, indictment, or information pending against the person at the time of commitment charges a felony involving death, great bodily harm, or a serious threat to the physical well-being of another person.

(ii) There has been a finding of probable cause on a complaint pursuant to paragraph (2) of subdivision (a) of Section 1368.1 of the Penal Code, a preliminary examination pursuant to Section 859b of the Penal Code, or a grand jury indictment, and the complaint, indictment, or information has not been dismissed.

(iii) As a result of a mental health disorder, the person is unable to understand the nature and purpose of the proceedings taken against them and to assist counsel in the conduct of their defense in a rational manner.

(iv) The person represents a substantial danger of physical harm to others by reason of a mental disease, defect, or disorder.

(2) For purposes of Article 3 (commencing with Section 5225) and Article 4 (commencing with Section 5250), of Chapter 2, and for purposes of Chapter 3 (commencing with Section 5350), "gravely disabled" includes a condition in which a person, as a result of impairment by chronic alcoholism, is unable to provide for their basic personal needs for food, clothing, shelter, personal safety, or necessary medical care.

(3) The term "gravely disabled" does not include persons with intellectual disabilities by reason of that disability alone.

(4) A county, by adoption of a resolution of its governing body, may elect to defer implementation of the changes made to this section by Senate Bill 43 of the 2023–24 Regular Session of the Legislature until January 1, 2026.

(i) "Peace officer" means a duly sworn peace officer as that term is defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code who has completed the basic training course established by the Commission on Peace Officer Standards and Training, or any parole officer or probation officer specified in Section 830.5 of the Penal Code when acting in relation to cases for which the officer has a legally mandated responsibility.



(j) "Postcertification treatment" means an additional period of treatment pursuant to Article 6 (commencing with Section 5300) of Chapter 2.

(k) "Court," unless otherwise specified, means a court of record.

(l) "Antipsychotic medication" means any medication customarily prescribed for the treatment of symptoms of psychoses and other severe mental and emotional disorders.

(m) "Emergency" means a situation in which action to impose treatment over the person's objection is immediately necessary for the preservation of life or the prevention of serious bodily harm to the patient or others, and it is impracticable to first gain consent. It is not necessary for harm to take place or become unavoidable prior to treatment.

(n) (1) "Designated facility," "facility designated by the county for evaluation and treatment," or "facility designated by the county to provide intensive treatment" means a facility that meets designation requirements duly established by the State Department of Health Care Services in accordance with Section 5404, including, but not limited to, the following:

(A) Psychiatric health facilities licensed by the State Department of Health Care Services.

(B) Psychiatric residential treatment facilities licensed by the State Department of Health Care Services.

(C) Mental health rehabilitation centers licensed by the State Department of Health Care Services.

(D) Provider sites certified by the State Department of Health Care Services or a mental health plan to provide crisis stabilization.

(E) General acute care hospitals licensed by the State Department of Public Health.

(F) Acute psychiatric hospitals licensed by the State Department of Public Health.

(G) Chemical dependency recovery hospitals licensed by the State Department of Public Health.

(H) Hospitals operated by the United States Department of Veterans Affairs.

(2) (A) A county may designate a facility for the purpose of providing one or more of the following services:

(i) Providing evaluation and treatment pursuant to Article 1 (commencing with Section 5150) of Chapter 2.

(ii) Providing intensive treatment pursuant to Article 4 (commencing with Section 5250) of Chapter 2.

(iii) Providing additional intensive treatment pursuant to Article 4.5 (commencing with Section 5260) of Chapter 2.

(iv) Providing additional intensive treatment pursuant to Article 4.7 (commencing with Section 5270.10) of Chapter 2.

(v) Providing postcertification treatment pursuant to Article 6 (commencing with Section 5300) of Chapter 2.

(B) A county may designate a facility, as is appropriate and based on capability, for the purpose of providing one or more types of treatment listed in subparagraph (A) of paragraph (3) of subdivision (n) without designating the facility to provide all treatments.

(3) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement, interpret, or make specific this subdivision, in whole or in part, by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.

(o) "Severe substance use disorder" means a diagnosed substance-related disorder that meets the diagnostic criteria of "severe" as defined in the most current version of the Diagnostic and Statistical Manual of Mental Disorders.

(p) "Personal safety" means the ability of one to survive safely in the community without involuntary detention or treatment pursuant to this part.

(q) "Necessary medical care" means care that a licensed health care practitioner, while operating within the scope of their practice, determines to be necessary to prevent serious deterioration of an existing physical medical condition that, if left untreated, is likely to result in serious bodily injury as defined in Section 15610.67.

**SEC. 6.** Section 5400.1 is added to the Welfare and Institutions Code, to read:

**5400.1.** (a) The State Department of Health Care Services shall issue guidance regarding Medi-Cal reimbursement for covered Medi-Cal services provided to an individual receiving involuntary treatment for a severe substance use disorder pursuant to this

part. This guidance shall be consistent with Medi-Cal reimbursement for covered Medi-Cal services provided to an individual receiving involuntary treatment for a mental health disorder pursuant to this part, to the extent that federal financial participation under the Medi-Cal program is not jeopardized and all necessary federal approvals have been obtained.

(b) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement, interpret, or make specific this section, in whole or in part, by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, without taking further regulatory action.

**SEC. 7.** Section 5404 of the Welfare and Institutions Code is amended to read:

**5404.** (a) Counties may designate facilities to provide evaluation and treatment in accordance with Article 1 (commencing with Section 5150) of Chapter 2 of this part, and intensive treatment in accordance with Articles 4 through 4.7, inclusive, and Article 6 (commencing with Section 5300) of Chapter 2 of this part. Designated facilities shall meet those designation requirements duly established by the State Department of Health Care Services. Subject to requirements duly established by the State Department of Health Care Services, counties may designate appropriate facilities, that are not hospitals or clinics.

(b) The State Department of Health Care Services shall approve county designation of facilities to provide the types of treatment described in subdivision (a).

(c) All regulations relating to the approval of facilities designated by the county in accordance with this part, heretofore adopted by the State Department of Mental Health, or a successor, shall remain in effect and shall be fully enforceable by the State Department of Health Care Services with respect to the designation of any facility or program required to be approved to provide the types of treatment described in subdivision (a), unless and until readopted, amended, or repealed by the State Department of Health Care Services. The State Department of Health Care Services shall succeed to and be vested with all duties, powers, purposes, functions, responsibilities, and jurisdiction of the State Department of Mental Health, or a successor, as they relate to approval of facilities to provide the types of treatment described in subdivision (a).

(d) The State Department of Health Care Services shall, in consultation with the County Behavioral Health Directors Association of California, provider representatives, substance use treatment representatives, patients' rights advocates, disability rights advocates, and other relevant stakeholders, establish updated regulations for the purpose of developing designation requirements for facilities who are admitting and treating persons involuntarily pursuant to this part. At a minimum, the regulations shall include all of the following;

(1) Minimum substance use disorder related service requirements with sufficient substance use disorder staff to maintain appropriate substance use disorder only and cooccurring disorder programs, treatment setting, services, and safety measures, based on the individual patient's substance use disorder needs.

(2) Standards for offering medications for addiction treatment (MAT) or an effective referral process in place with narcotic treatment programs, community health centers, or other MAT providers.

(3) Length of stay standards consistent with evidence-based care for substance use disorders.

(4) Discharge planning for substance use disorder services, consistent with existing requirements.

(5) Privacy and data sharing requirements, including, but not limited to developing guidance and tools to facilitate data sharing for care coordination and discharge purposes.

(6) The process for transitioning and assisting designated facilities to meet updated regulatory requirements, including, but not limited to, providing substance use disorder services.

(7) Systems of public accountability and oversight that include, but are not limited to, readiness to meet, and ongoing maintenance of, required standards for staffing, facilities, and care established pursuant to this section.

(e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement, interpret, or make specific this section, in whole or in part, by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.

**SEC. 8.** Section 5675 of the Welfare and Institutions Code is amended to read:

**5675.** (a) (1) Mental health rehabilitation centers shall only be licensed by the State Department of Health Care Services subsequent to application by counties, county contract providers, or other organizations.

(2) In the application for a mental health rehabilitation center, program evaluation measures shall include, but not be limited to, all of the following:

(A) That the clients placed in the facilities show improved global assessment scores as measured by preadmission and postadmission tests.

(B) That the clients placed in the facilities demonstrate improved functional behavior as measured by preadmission and postadmission tests.

(C) That the clients placed in the facilities have reduced medication levels as determined by comparison of preadmission and postadmission records.

(b) The State Department of Health Care Services shall conduct annual licensing inspections of mental health rehabilitation centers.

(c) (1) All regulations relating to the licensing of mental health rehabilitation centers, heretofore adopted by the State Department of Mental Health, or its successor, shall remain in effect and shall be fully enforceable by the State Department of Health Care Services with respect to any facility or program required to be licensed as a mental health rehabilitation center, unless and until readopted, amended, or repealed by the Director of Health Care Services.

(2) The State Department of Health Care Services shall succeed to and be vested with all duties, powers, purposes, functions, responsibilities, and jurisdiction of the State Department of Mental Health, and its successor, if any, as they relate to licensing mental health rehabilitation centers. The State Department of Health Care Services may adopt, amend, or repeal regulations regarding the licensing of mental health rehabilitation centers.

(d) (1) Notwithstanding subdivision (c), pursuant to Section 5963.05, the State Department of Health Care Services may develop and revise documentation standards for individual service plans to be consistent with the standards developed pursuant to paragraph (3) of subdivision (h) of Section 14184.402.

(2) The department shall require mental health rehabilitation centers to implement these documentation standards and shall conduct annual licensing inspections and investigations to determine compliance with these standards.

**SEC. 9.** Section 5675.05 is added to the Welfare and Institutions Code, to read:

**5675.05.** (a) A mental health rehabilitation center may admit clients diagnosed only with a severe substance use disorder, as defined in subdivision (o) of Section 5008, under the following conditions:

(1) The mental health rehabilitation center obtains and maintains at least one level of care designation from the State Department of Health Care Services or at least one level of care certification from the American Society of Addiction Medicine consistent with all program services it offers for the treatment of severe substance use disorder.

(2) The State Department of Health Care Services approves the mental health rehabilitation center's policies and procedures for providing substance use disorder services.

(3) The mental health rehabilitation center admits these clients involuntarily pursuant to Part 1 (commencing with Section 5000).

(4) The mental health rehabilitation center either offers medications for addiction treatment (MAT) or has an effective referral process in place with narcotic treatment programs, community health centers, or other MAT providers. An effective referral process shall include an established relationship with a MAT provider and transportation to appointments for MAT.

(5) The mental health rehabilitation center implements and maintains a MAT policy approved by the State Department of Health Care Services. The MAT policy shall do all of the following:

(A) Explain how a client receives information about the benefits and risks of MAT.

(B) Describe the availability of MAT at the program, if applicable, or the referral process for MAT.

(C) Identify an evidence-based assessment for determining a client's MAT needs.

(D) Address administration, storage, and disposal of MAT, if applicable.

(E) Outline training for staff about the benefits and risks of MAT.

(F) Outline training for staff on the MAT policy.

(b) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this section, in whole or in part, by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.

**SEC. 10.** Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement, interpret, or make specific this act, in whole or in part, by means of information notices, provider bulletins, or other similar instructions, until the time regulations are adopted no later than December 31, 2027.