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AB-225 State hospitals for persons with mental health disorders: patient funds. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

ASSEMBLY BILL

NO. 225

Introduced by Assembly Member Bonta

January 09, 2025

An act to amend Section 4125 of the Welfare and Institutions Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

AB 225, as introduced, Bonta. State hospitals for persons with mental health disorders: patient funds.

Existing law sets forth various functions and duties for the State Department of State Hospitals with respect to the administration of state institutions for the care and treatment of persons with mental health disorders. Existing law authorizes the Director of State Hospitals to deposit funds of patients in trust, as specified. Existing law also authorizes the hospital administrator, with the consent of the patient, to deposit the interest or increment on the funds of the patient in the state hospital in a special fund for each state hospital, designated the "Benefit Fund," and requires the hospital administrator to be the trustee of the fund.

Existing law authorizes the hospital administrator, with the approval of the Director of State Hospitals, to expend moneys in the fund for the education or entertainment of the patients of the institution. Existing law requires that the hospital administrator take into consideration the recommendations of representatives of patient government and recommendations submitted by patient groups before expending any moneys in the fund.

This bill would additionally authorize the funds to be expended for the welfare of the patients of the institution. The bill would require the hospital administrator of a state hospital to notify patients, patient governments, and patient groups, in writing, about any newly authorized expenditure options for the benefit fund, when applicable.

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

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

SECTION 1. Section 4125 of the Welfare and Institutions Code is amended to read:

4125. (a) The director may deposit any funds of any patient in the possession of each hospital administrator of a state hospital in trust with the treasurer pursuant to Section 16305.3 of the Government Code or, subject to the approval of the Department of

Finance, may deposit these funds in an interest-bearing bank account or invest and reinvest these funds in any security described in Article 1 (commencing with Section 16430) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, and for the purposes of deposit or investment only may mingle the funds of any patient with the funds of any other patient. The hospital administrator with the consent of the patient may deposit the interest or increment on the funds of a patient in the state hospital in a special fund for each state hospital, to be designated the "Benefit Fund," of which the hospital administrator shall be the trustee. ~~He or she~~ *They* may, with the approval of the director, after taking into consideration the recommendations of representatives of patient government and recommendations submitted by patient groups, expend the moneys in this fund for the ~~education~~ *education, welfare,* or entertainment of the patients of the institution.

(b) On and after December 1, 1970:

(1) The funds of a patient in a state hospital or a patient on leave of absence from a state hospital shall not be deposited in interest-bearing bank accounts or invested and reinvested pursuant to this section except when authorized by the patient.

(2) Any interest or increment accruing on the funds of a patient on leave of absence from a state hospital shall be deposited in ~~his or her~~ *their* account.

(3) Any interest or increment accruing on the funds of a patient in a state hospital shall be deposited in ~~his or her~~ *their* account, unless the patient authorizes their deposit in the state hospital's benefit fund.

(c) Any state hospital charges for patient care against the funds of a patient in the possession of a hospital administrator or deposited pursuant to this section and used to pay for that ~~care,~~ *care* shall be stated in an itemized bill to the patient.

(d) The hospital administrator of a state hospital shall notify patients, patient governments, and patient groups about any newly authorized expenditure options for the benefit fund, when applicable, as described in subdivision (a) or under any other relevant provision of existing law. The notification shall be in writing and may be delivered in person or through regular mail, electronic means, or any other delivery method.

~~(d)~~

(e) No later than August 15 of each year, the director shall provide to the Legislature a summary data sheet containing information on how the benefit fund at each state hospital was expended in the previous fiscal year.