



DEPARTMENT OF MENTAL HEALTH

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DMH Legislative Report for the Behavioral Health Commission – May 8, 2025

This report includes a status update on Federal Medicaid Funding cuts. It also includes an updated list of DMH's priority bills and bills of interest introduced for the 2025 -26 legislative session. The Department will continue identifying and analyzing legislation throughout the session to develop our priority list of bills that may impact our operations and the public mental health safety net.

Update on Federal Medicaid Funding Cuts

As discussed in the April report to the Commission, the Department is closely watching the conversations in Congress to see if there is movement on the proposed Federal cuts to Medicaid. At this point, the potential scope of Federal Medicaid cuts is still not clear, nor is it certain that Congress will enact cuts to Medicaid at all. However, given the fact that the Department receives approximately \$1.2B in Federal Medicaid funding annually, a figure which represents over a quarter of the Department's total annual budget, DMH continues to express great concern about possible Medicaid cuts.

The House Energy and Commerce Committee is expected to discuss the potential cuts at a hearing on May 7th, 2025. The Department, along with the rest of the County, will be watching that discussion and is actively engaged in explaining to our Federal delegates the risks that Federal Medicaid cuts pose to our residents.

Priority Legislation

The analysis offered below should be considered preliminary, and may be subject to change as more details regarding the legislation are provided by the authors.

- **SB 16 Homeless Housing, Assistance, and Prevention program: housing element: Integrated Plan for Behavioral Health Services and Outcomes(Blakespear)**, as amended on April 24, 2025, would require the Department of Housing and Community Development to complete, or contract to complete, an assessment and financing plan to, in coordination with local jurisdictions, address unsheltered and chronic homelessness in the state over a 10-year period. The bill would require the department to report to the Legislature on the assessment and financing plan by December 31, 2027. The bill would require the assessment to include specified information, including, among others, the number of people experiencing unsheltered homelessness and the number of people expected to fall into unsheltered homelessness over the next 10 years based on recent data on rates of Californians becoming unsheltered. The bill would require the department or contractor to, in completing the assessment and financing plan, consult with specified individuals and entities, including, among others, individuals with lived experience of homelessness, representatives of cities and counties, and specified working groups.

DMH Analysis: DMH is analyzing the extensive April 24, 2025, bill amendments. It is possible that DMH may change its analysis and recommendation to the Board upon further review of the new amendments.

DMH Position: Expressed concerns (over March 25, 2025, version), re-analyzing the April 24, 2025, version.

County Position: Oppose (based upon the March 25, 2025, version).

CBHDA Position: Oppose (based upon the March 25, 2025, version).

- **SB 823 Mental Health: the CARE Act (Stern)**, would include Bipolar I disorder in the criteria for a person to receive services under the CARE Act. By increasing the duties on the county behavioral health agencies, this bill would impose a state-mandated local program.

DMH's Initial Analysis: Expanding CARE Court eligibility to include clients with Bipolar I may benefit some residents who may be referred to CARE Court in the future under the expanded definition. However, the Department is analyzing this bill to determine its impact.

DMH Position: No position taken yet.

County Position: No position taken yet.

CBHDA Position: Support if amended.

- **SB 367 Mental Health (Allen)**, as amended on May 1, 2025, makes multiple changes to the Lanterman-Petris-Short (LPS) conservatorship process. Some of the changes that would be introduced by the bill include:
 - The bill would require an LPS assessment to consider reasonably available, relevant information as specified.
 - The bill would expand the list of individuals or entities that may recommend a conservatorship for a gravely disabled person without that person being an inpatient in a facility providing comprehensive evaluation or intensive treatment to include, among others, the county agency providing investigations for conservatorships of the person.
 - This bill would specify probate conservatorships with or without major neurocognitive disorder powers in the list of available alternatives that the officer providing conservatorship investigation is required to investigate. The bill would additionally require an officer providing conservatorship investigation to include a recommended individualized plan for treatment and care drawn from the documented list of less-restrictive alternatives in the written report described above if the officer recommends against an LPS conservatorship.
 - This bill would require an individualized treatment plan to specify goals for stabilization, the individual's evidenced-based treatment, and movement to a less-restrictive setting. The bill would require the treatment plan to be filed with the court, as specified, after it is developed. The bill would require the court to order the treating agency to remedy any perceived defects in a treatment plan if the plan does not meet the specified goals and criteria and would create procedures for remedying those defects and terminating the conservatorship. The bill would authorize the court, upon termination of the conservatorship, to refer the individual to assisted outpatient treatment or CARE court, as specified. This bill would prohibit the court from terminating the conservatorship prior to the end of the conservator's one-year mark if the conservatee cannot be located at any point during that one-year period, except as specified.
 - This bill would authorize a court, at any point after entry of a CARE agreement or adoption of a CARE plan, to order the respondent to an evaluation under the LPS without a petition from the county if the court believes the respondent has become gravely disabled. The bill

would establish the procedures required before a court could issue an order pursuant to these provisions.

DMH Initial Analysis: Delayed due to the extensive amendments that were recently accepted by the author. Analysis is pending.

DMH Position: No position taken yet.

County Position: No position taken yet.

CBHDA Position: Oppose (position announced prior to May 1st amendments).

- **AB 543 Medi-Cal: Street Medicine (Gonzalez)**, as revised on April 23, 2025, sets forth provisions regarding street medicine under the Medi-Cal program for persons experiencing homelessness. Authorizes a Medi-Cal managed care plan to elect to offer Medi-Cal covered services through a street medicine provider. Provides that a managed care plan that elects to do so would be required to allow a Medi-Cal beneficiary who is experiencing homelessness to receive those services directly from a street medicine provider, regardless of the beneficiary's network assignment.

DMH Initial Analysis: The Department is analyzing this bill to determine its impact to clients in interim housing.

DMH Position: No position taken yet.

County Position: No position taken yet.

CBHDA Position: Support.

- **AB 255 The Supportive-Recovery Residence Program (Haney)**, as amended on April 21, 2025, would authorize state programs to fund supportive-recovery residences, as defined, that emphasize abstinence, as long as at least 75% of program funds awarded to each jurisdiction is used for housing or housing-based services using a harm-reduction model. This bill would specify requirements for applicants seeking funds under these programs and would require the state to perform periodic monitoring of select supportive-recovery residence programs to ensure that the supportive-recovery residences meet certain requirements, including that core outcomes of the supportive-recovery housing emphasize long-term housing stability and minimize returns to homelessness. The bill would also prohibit automatic eviction on the basis of relapse, as specified. The bill would require, if a tenant is no longer interested in living in a supportive-recovery residence or is at risk of eviction, that the supportive-recovery residence provide assistance in accessing housing operated with harm-reduction principles that is also permanent housing.

This bill would require the department to adopt the most recent standards approved by the National Alliance for Recovery Residences, the Substance Abuse and Mental Health Services Administration, or other equivalent standards as the minimum standard for supportive-recovery residences that receive public funds under these provisions. The bill would require the department to establish a separate process for determining if the supportive-recovery residence complies with the core components of Housing First. The bill would authorize the department to charge a fee for certification of a supportive-recovery residence in an amount not to exceed the reasonable cost of administering the program, not to exceed \$1,000, and would establish the Supportive-Recovery Residence Program Fund for collection of the fee, to be available upon appropriation by the Legislature.

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

DMH Position: Watch.

County Position: Watch.

CBHDA Position: No position taken yet.

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

DMH Analysis: DMH agrees with the concerns in the County's analysis and its opposition position of AB 339. The full analysis can be found [here](#).

DMH Position: Oppose.

County Position: Oppose.

CBHDA Position: No position taken yet.

- **AB 348 Full service partnerships (Krell)**, as amended on April 24, 2025, would establish criteria for an individual with a serious mental illness to be presumptively eligible for a full-service partnership, including, among other things, the person is transitioning to the community after 6 months or more in the state prison or county jail. The bill would specify that a county is not required to enroll an individual who meets that presumptive eligibility criteria if doing so would conflict with contractual Medi-Cal obligations or court orders, or exceed full-service partnership capacity or funding, as specified. The bill would make enrollment of a presumptively eligible individual contingent upon the individual meeting specified criteria and receiving a recommendation for enrollment by a licensed behavioral health clinician, as specified. The bill would prohibit deeming an individual with a serious mental illness ineligible for enrollment in a full-service partnership solely because their primary diagnosis is a substance use disorder.

DMH Initial Analysis: The Department is in the process of analyzing the impacts of this bill FSP programs. DMH notes that this bill attempts to put programmatic requirements into state code via legislation. Currently FSP programmatic guidelines are controlled by state regulation, which is much easier to modify than state code.

DMH Position: Concerned.

County Position: No position taken yet.

CBHDA Position: Oppose unless amended.

- **AB 416 Involuntary commitment (Krell)**, authorizes a person to be taken into custody, pursuant to provisions of the LPS Act, by an emergency physician. Exempts an emergency physician who is responsible for the detainment of a person under those provisions from criminal and civil liability.

DMH Analysis: The Department is in the process of analyzing the impacts of this bill.

DMH Position: No position taken yet.
County Position: No position taken yet.
CBHDA Position: Oppose.

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

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

DMH Position: Watch.
County Position: Watch.
CBHDA Position: Watch.

Legislation of Interest

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

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

DMH Position: Watch.
County Position: Watch.
CBHDA Position: No position taken yet.

- **AB 37 Workforce Development: Mental Health Service Providers (Elhawary)**, would require the California Workforce Development Board to study how to expand the workforce of mental health service providers who provide services to homeless persons.

DMH's Initial Analysis: The Department has been supportive of similar legislative proposals in the past that were designed to expand the behavioral health workforce in the State. This bill is likely to be amended in the near future, since it lacks details in its current draft.

DMH Position: Watching. No position taken yet.
County Position: No position taken yet.
CBHDA Position: No position taken yet.

- **AB 1012 Medi-Cal Immigration Status (Essayli)**, creates the Serving Our Seniors Fund would make an individual who does not have satisfactory immigrant status ineligible for Medi-Cal benefits and would transfer funds previously appropriated for the provision of Medi-Cal benefits to those individuals to that fund. Appropriates the moneys in that fund to the State Department of Health Care Services to restore and maintain payments for Medicare Part B premiums for eligible individuals.

DMH Initial Analysis: The Department is in the process of analyzing the impacts of this bill on access to care to County residents.

DMH Position: Concerns. No position taken yet.

County Position: No position taken yet.

- **AB 1032 Coverage for behavioral health visits (Harabedian)**, would generally require an individual or group health care service plan contract or health insurance policy issued, amended, or renewed on or after January 1, 2026, to reimburse an eligible enrollee or insured for up to 12 visits per year with a licensed behavioral health provider if the enrollee or insured is in a county where a local or state emergency has been declared due to wildfires. Under the bill, an enrollee or insured would be entitled to those benefits until one year from the date the local or state emergency is lifted, whichever is later. Because a willful violation of these provisions by a health care service plan would be a crime, the bill would impose a state-mandated local program.

DMH Analysis: DMH believes that this bill applies to non-specialty (LA Care, Health Net, etc) and commercial managed care plans under the Dept of Managed Health Care and does not apply to the specialty Mental Health and Substance Use Disorder (SUD) plans (SAPC and DMH) under the Department of Health Care Services. So, this bill will not impact DMH's Specialty Mental Health Plan and therefore will not impact our directly operated or contracted services. The bill requires that these managed care plans cover up to 12 visits per year with a licensed behavioral health provider, which would be beneficial for those residents whose managed care plans do not currently offer up to 12 visits per year.

The Department agrees with the authors' statement about the increased need for behavioral health services due to the recent fires. DMH has also been seeing a rise in behavioral health needs since the fires, and we have also heard of similar increased needs in other jurisdictions that have experienced similar natural disasters and wildfires.

DMH agrees with the basic argument for the need to ensure access to behavioral health services for our residents, regardless of their insurance coverage and provider. This bill would not directly impact DMH or our services. DMH has no concerns with the bill and believes it would be beneficial for county residents overall.

DMH Position: No position taken yet.

County Position: No position taken yet.

CBHDA Position: No position taken yet.