



BEHAVIORAL HEALTH COMMISSION

Budget & Legislative Update

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Federal Budget Updates



Item HR 1 One Big Beautiful Bill Act

Status 7/3/2025 - Resolving differences, pending enrollment for Presidential action

Summary Would reduce Medicaid and CHIP funding by **\$1.02 trillion** over 10 years (an additional reduction of \$156.1 billion or 18% from the House-passed version of the bill which had cut \$863.4 billion over ten years) through additional changes in Senate Reconciliation:

- **Cost sharing (co-pays)** – SUD clients are still exempt, also exempts services provided by behavioral health clinics and FQHCs/RHCs
- **Work requirements** – SUD clients are exempt, but anticipate indirect adverse effects. States will be required to do additional data matching to confirm eligibility for exemptions.
- **Eligibility** – Expands the definition of improper payments to include payments where there was insufficient information to confirm eligibility—likely leading to greater recoup of federal funds and potentially excluding payments that were otherwise eligible
- **Retroactive coverage** – Further restricts retroactive coverage to one month for expansion enrollees and two months for traditional enrollees
- **Immigrant eligibility** – Anticipate indirect adverse effects. Restricts eligibility to LPRs and a limited subset of immigrants, excludes refugees, asylees, and a significant portion of other immigrants with satisfactory status



State Legislative Report Highlights



Bill **AB 1037 (Elhawary) The Substance Use Disorder (SUD) Care Modernization Act**

Summary The SUD Care Modernization Act would address historical stigmas, outdated policies, and significant statutory barriers to align with evidence-based best practices, enable more successful engagement and treatment of people with SUDs, and ultimately save lives.

Status AB 1037 passed out of Senate Health Committee on 7/2 (final vote: 9 AYES / 0 NOES / 0 NVR) and now moves to Senate Judiciary Committee.

Position **DPH Position:** Support
County Position: Support (LA County Sponsored)
CBHDA Position: Support

(Updated as of 7/3/2025)

Bill **AB 309 (Zbur) Hypodermic Needles and Syringes**

Summary	Would extend existing laws that authorize syringe services programs (SSPs). AB 309 would eliminate the current January 1, 2026 repeal date of this authorization and the need for future reauthorization.
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Status	AB 309 passed out of Senate Health on 5/15 (final vote: 54 AYES / 15 NOES / 10 NVR) and is set to be heard in Senate Business and Professions on July 14.
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Position	DPH Position: Support County Position: Support CBHDA Position: No position taken yet.
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(Updated as of 7/3/2025)

Bill **AB 255 (Haney) The Supportive-Recovery Residence Program**

Summary	Would allow state departments or agencies to fund supportive-recovery residences (SRRs) that have been certified by a National Alliance for Recovery Residences (NARR) affiliated organization, comply with Housing First components as determined by DHCS, and meet other specifications.
Status	AB 255 has passed out of Senate Housing Committee on 6/24 (final vote: 11 AYES / 0 NOES / 0 NVR) and now goes to Senate Health Committee.
Position	DPH Position: Watch County Position: No position taken yet. CBHDA Position: Support

(Updated as of 7/3/2025)