



DEPARTMENT OF MENTAL HEALTH

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

This report includes an update on the impact of the recent public charge ruling, the 988 Suicide & Crisis Lifeline – LGBTQ “Press 3” option, and a summary of the recently released LAO report on the future of Medi-Cal. It also provides status updates on the list of DMH’s priority bills and bills of interest for the 2026 legislative session. The Department will continue to monitor our priority bills that will carry over to the second half of the legislative session.

Possible Impact of Public Charge Ruling

On November 19, 2025, the Department of Homeland Security, U.S. Citizenship & Immigration Services posted a Notice of Proposed Rulemaking (NPRM) proposing to rescind the 2022 Biden Administration Public Charge rule. The NPRM proposes to rescind nearly the entirety of the 2022 rule and allow immigration officers to deny permanent residency to immigrants, including those with legal status, who use Medicaid or other food and housing assistance programs delivered by federal and state government.

In response, on December 2, 2025, the County of Los Angeles Board of Supervisors approved a motion to send a five-signature letter to the Los Angeles County Congressional Delegation to declare the Board’s opposition to the proposed change of the public charge rule. The Department of Mental Health expects the proposed change to the public charge to have negative impacts on DMH clients with unsatisfactory immigration status (UIS), as well as indirect impacts on DMH clients who are legal residents and citizens with mixed status families. The Department is concerned that the proposed rule will likely deter residents from seeking mental health help in the future. According to a recently released KFF brief, after the public charge rule change in 2016, Medicaid participation decreased by over 15%. The local behavioral health safety net system may expect to see a similar, or even steeper, decline in Medicaid participation.

The Department will continue to monitor this proposed rulemaking process and update its estimates of the potential impact on the local behavioral health safety net system as new information is available.

988 Suicide & Crisis Lifeline – LGBTQ “Press 3” Option

On December 9, 2025, the County of Los Angeles Board of Supervisors will consider a motion instructing the Director of Mental Health to develop a proposal for a local “Press 3” pilot program for the County. The idea of creating a local pilot program was first proposed in a report that DMH sent to the Board of Supervisors on November 3, 2025. This pilot is intended to restore the “Press 3” option hotline that was previously part of the 988 Suicide and Crisis Lifeline. The “Press 3” option provided services specifically designed to meet the needs of the LGBTQ youth population but these services were defunded by the Trump Administration earlier in 2025. Last year, nearly 73,000 California youth used this hotline to receive critical, life-saving services. The County of Los Angeles is working with Assemblymember Gonzalez’s office to seek approval from the California Health and Human Services Agency (CalHHS) and the Substance and Mental Health Services Administration (SAMHSA) to introduce state legislation in the 2026 legislative session.

The Department will monitor this Board debate on December 9th, as well as the progress of a bill that Assemblymember Gonzalez has signaled he will introduce in early 2026.

LAO Report on “Considering Medi-Cal in the Midst of a Changing Fiscal and Policy Landscape”

On October 24, 2025, the California Legislative Analyst’s Office released a report titled “Considering Medi-Cal in the Midst of a Changing Fiscal and Policy Landscape.” This report complements two other reports that the LAO has released in the past two months that detail the State’s updated fiscal outlook and an updated fiscal outlook specific to the Medi-Cal program. When reviewed collectively, the three LAO reports note that the State’s budget is still expected to face a significant deficit in 2026-2027 despite recent increases in State revenue, that Medi-Cal’s baseline costs are growing faster than the State’s projected revenue in the near- and mid-term, and that the Legislature and Administration will face some complicated policy and budget questions regarding Medi-Cal in the next several years.

The “Considering Medi-Cal” report also highlights the expected impacts of H.R. 1, focusing on the expected increase of uninsured residents, as well as the increased administrative costs related to the implementation of H.R. 1. The report raises several large policy questions that the Legislature and Administration should consider in the coming years to address both the unmet service needs of California residents and the increasing Medi-Cal program costs. The LAO suggests that State leaders consider three main questions:

1. How should the State implement H.R. 1?
Should the State seek to maximize the number of Californians who are exempted from the new work requirements and therefore maintain their Medi-Cal coverage? Or should the State avoid pursuing such a strategy, and therefore allow the new requirements of H.R. 1 to push people off of Medi-Cal, thereby pushing program costs downward?
2. What changes should the State make to the way that Medi-Cal is financed, what benefits are covered, and the program’s eligibility criteria?
The LAO recommends that the State leaders consider how they wish to balance out access and benefits with rising program costs.
3. How can the State respond to the expected increased number of uninsured residents due to H.R. 1?

When examined collectively, these three recent reports from the LAO raise major policy and budget questions about the future of Medi-Cal that will likely be discussed in Sacramento and across California for the next several years. As always, the Department will continue to monitor policy and budget proposals that may impact Medi-Cal eligibility, Medi-Cal financing, and access to services under Medi-Cal. The Commission can expect to see an update on these policy questions after the Governor’s budget proposal is released in January, 2026.

Priority Legislation

The analysis and status updates offered below should be considered preliminary and may be subject to change as two-year bills are awaiting to be heard in the 2026 legislative session.

- **SB 331 Substance Abuse (Menjivar)**, as amended on May 23, 2025, would include in the definition of “gravely disabled” for purposes of the above provisions an individual who is unable to provide for their basic personal needs due to chronic alcoholism, as defined. Would further define a “mental health disorder” as a condition outlined in the current edition of the Diagnostic and Statistical Manual of Mental Disorders. Would include the original petitioner, and in specified circumstances, the original petitioner if the respondent consents, in the specified entities

that would receive notice of proceedings and service of documents and reports. Would include the original petitioner in those required to work with county behavioral health agencies to enter into CARE agreements, among other things.

DMH Analysis: DMH has concerns with SB 331's current intent to broaden the definition of "mental health disorder" and believes that current processes are appropriate and sufficient to ensure that individuals with potential mental health disorders are evaluated for 5150's. If an individual is a danger to themselves or others, there are already processes in place for that individual to get access to the LPS systems.

DMH Position: Expressed concerns.

County Position: Watch.

CBHDA Position: Oppose.

Current Status: The author has decided to turn this into a two-year bill.

- **SB 16 Ending Street Homelessness (Blakespear)**, as amended on June 23, 2025, would require applicants for Round 7 of the Homelessness Housing, Assistance, and Prevention Program (HHAP) to identify goals to reach functional zero for homelessness and city and county applicants to submit an MOU describing their roles and responsibilities as it relates to homelessness. In addition, new amendments would allow HHAP applicants to draw down additional dollars from BH Housing Funds, No Place Like Home, BHBH, and HomeKey+.

DMH Analysis: SB 16, March 23, 2025, amended version, would have required counties to pay for at least 50% of the expected operating costs for city homeless shelters in order to qualify for Homeless, Housing, Assistance, and Prevention (HHAP) funding. The County of Los Angeles took an oppose position on the previous version (March 25, 2025, amended version). However, SB 16 was significantly amended on June 23, 2025, and became a two-year bill. DMH does not have concerns on the current version of SB 16, however, it is possible the bill will be amended again in 2026.

DMH Position: Expressed concerns (over March 25, 2025, version), no concerns on the June 23, 2025, version.

County Position: Watch (based upon the June 23, 2025, version).

CBHDA Position: Oppose (based upon the June 23, 2025, version).

Current Status: The author has decided to turn this into a two-year bill.