ASSEMBLY THIRD READING
AB 1031 (Nazarian)
As Amended May 16, 2019
Majority vote

## SUMMARY:

Repeals the Adolescent Alcohol and Drug Treatment and Recovery Program Act of 1998 and enacts the Youth Substance Use Disorder (SUD) Treatment and Recovery Program Act of 2019. Requires Department of Health Care Services (DHCS) to establish community-based nonresidential and residential treatment and recovery programs to intervene and treat the problems of alcohol and drug use among youth under 21 years of age. Requires DHCS to update its Medi-Cal billing codes to include specified Early Periodic Screening, Diagnostic and Treatment (EPSDT) services, based on whether those services are medically necessary.

## COMMENTS:

According to the California Society of Addiction Medicine's "Standards of Care for Adolescence Substance Use," an estimate 164,000 secondary students used marijuana 10 or more days each month (114,000 of whom used marijuana 20+ days per month) and an estimated 72,000 acknowledge binge drinking more than 10 days a month. Multiple studies have established that adolescents are more vulnerable to alcohol, marijuana, tobacco (including e-cigarettes), and other drug-related problems than adults. The pace of adolescent development is fast and the pitfalls presented by alcohol, marijuana, tobacco and other drugs can quickly become consequential. The majority of adults suffering from alcohol and other drug dependence developed a pattern of SUDs as youths (18 years or under) or young adults (19-25 years). Adolescence presents complexities that require a different approach to drug education, prevention, early intervention and treatment of SUDs from that of adults. Adolescents require treatment in separate facilities from adults at all levels of care. Age-appropriate treatment goals require a developmental/ maturation focus and uniquely trained staff. The complexities of adolescent development produce unique issues that are quite different from the usual care offered in adult treatment settings. Moreover, adolescents require safety and must not be exposed to adult predatory behaviors. Family engagement is essential. Since schools are the "workplace" for most teens, a close liaison between school-based programs such as Student Assistance Programs and the community-based outpatient treatment system is essential. California is lacking a public-sector treatment system for drug using adolescents.

*EPSDT*. This bill requires DHCS to establish Drug Medi-Cal (DMC) billing codes in the Medi-Cal billing system for EPSDT covered services for specified DMC treatment services. EPSDT is the Medicaid benefit for children. The purpose of EPSDT is to discover and treat childhood health conditions before they become serious or disabling. The EPSDT benefit is more robust than the Medi-Cal benefit package provided to adults. For example, services that are optional benefits under federal law for adults in Medi-Cal (such as dental, eyeglasses, physical and occupational therapy, and pharmacy) are required benefits under EPSDT. The EPSDT benefit is designed to ensure that eligible members receive early detection and preventive care in addition to medically necessary treatment services, so that health problems are averted or diagnosed and treated as early as possible. The federal EPSDT law addresses when a covered service should be provided. The medical necessity standard for EPSDT in federal law is for services "necessary ... to correct or ameliorate defects and physical and mental illnesses and conditions." This standard

is broader than the current state Welfare and Institutions Code Medi-Cal standard, which defines a service as medically necessary when the service is "reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain."

**According to the Author:**
Experts agree that the unique needs of youth with SUDs are most effectively addressed in age-specific treatment settings that offer a continuum of care consisting of outreach, screening, assessment, counseling, residential treatment, family interventions, and recovery support systems. Unfortunately, California has not chosen to invest in a robust system of SUD care for uninsured and Medicaid-eligible youth. Although California counties manage publicly-funded treatment programs, they lack systemic guidance and dedicated financial resources to establish a comprehensive set of services for youth with SUDs. Prioritizing funding and developing a statewide program can provide critical support to existing Medicaid and federal block grant funds.

**Arguments in Support:**
The County Behavioral Health Directors Association (CBHDA) states that like adults, most youth in need of SUD treatment do not receive care, with estimated treatment rates as low as one in 10. New data from the Centers for Disease Control and Prevention indicate that every two days a California youth dies from an opioid overdose, and data from the Nationwide Emergency Department Sample find that more children and youth being treated in emergency departments are dependent on opioids. CBHDA states further that under the federal EPSDT benefit, Medicaid-enrolled youth are entitled to age-appropriate care for any identified behavioral health conditions, including substance use disorders. By requiring DHCS to implement EPSDT specific billing codes in the DMC program, this bill will enable community-based providers of youth SUD treatment to be appropriately reimbursed for all covered EPSDT benefits, thereby helping to address this current gap in services.

**Arguments in Opposition:**
There is no registered opposition.

## FISCAL COMMENTS:

According to the Assembly Appropriations Committee, ongoing staff costs to DHCS to develop regulations and funding criteria, as specified, likely in the low hundreds of thousands of dollars at least (General Fund/federal) to draft and implement regulations and for oversight and annual reporting. Even without more services being provided, the creation of new billing codes may also result in a greater ability of counties to draw down federal financial participation for currently provided services. For instance, county behavioral health stakeholders note in a county not participating in a Medi-Cal waiver program, SUD case management services provided to a youth are not able to be claimed for purposes of federal reimbursement, even though they are covered under the Medi-Cal EPSDT benefit. This bill requires DHCS to create billing codes that would be applicable statewide and allow counties to be federally reimbursed for services otherwise wholly funded through local dollars.

## VOTES:

**ASM HEALTH: 15-0-0**
**YES:** Wood, Mayes, Aguiar-Curry, Bigelow, Bonta, Burke, Carrillo, Flora, Limón, McCarty, Nazarian, Ramos, Rodriguez, Santiago, Waldron

**ASM APPROPRIATIONS: 18-0-0**
**YES:** Gonzalez, Bigelow, Bloom, Bonta, Brough, Calderon, Carrillo, Chau, Diep, Eggman, Fong, Gabriel, Eduardo Garcia, Maienschein, Obernolte, Petrie-Norris, Quirk, Robert Rivas

**UPDATED:**

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