SENATE COMMITTEE ON HEALTH
Senator Dr. Richard Pan, Chair

BILL NO: AB 1031
AUTHOR: Nazarian
VERSION: May 16, 2019
HEARING DATE: June 19, 2019
CONSULTANT: Reyes Diaz

SUBJECT: Youth Substance Use Disorder Treatment and Recovery Program Act of 2019

SUMMARY: Requires the Department of Health Care Services to establish regulations regarding community-based nonresidential and residential treatment and recovery programs to intervene and treat the problems of alcohol and drug use among youth under the age of 21, and to report annually to the legislature utilization data relevant to services received by youth and their families.

Existing law:

1) Requires DHCS to develop standards for ensuring minimal statewide levels of service quality provided by alcohol and other drug programs. Requires the Department of Health Care Services (DHCS) to review and certify that alcohol and other drug programs meet state standards. [HSC §11755]

2) Requires DHCS to develop and implement, in partnership with counties, alcohol and other drug prevention strategies especially designed for youth. [HSC §11755]

3) Requires DHCS to encourage counties to coordinate alcohol and other drug services, where appropriate, with county health and social service programs, or with regional health programs. [HSC §11756]

4) Grants DHCS the sole authority in state government to determine the qualifications, including the appropriate skills, education, training, and experience of personnel working within alcoholism or drug abuse recovery and treatment programs. [HSC §11833]

5) Establishes the Medi-Cal program, administered by DHCS, under which qualified low-income individuals receive health care services. [WIC §14001.1]

6) Defines "Early Periodic and Screening Diagnostic, and Treatment Services "EPSDT" as screening services, vision services, dental services, hearing services, and other necessary health care, diagnostic services, treatment and other measures to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, including SMHS, for eligible individuals who are under the age of 21, whether or not such services are covered under the state plan. [42 USC §1396d(r)(1-5)]

7) Requires DHCS and its contractors to update any model evidence of coverage documents, beneficiary handbooks, and related material to ensure the medical necessity standard for those under the age of 21 is accurately reflected in all materials. [WIC §14059.5]

This bill:

1) Establishes the Youth Substance Use Disorder (SUD) Treatment and Recovery Program Act of 2019 and requires DHCS, on or before January 1, 2021, in collaboration with counties and providers of SUD services, to establish regulations regarding community-based nonresidential and residential treatment and recovery programs to intervene and treat the problems of alcohol and drug use among youth under the age of 21.

2) Requires DHCS to establish criteria for participation, programmatic requirements, treatment standards, terms and conditions for funding, and consideration of indicators of alcohol and drug use among youth, as specified.

3) Requires regulations promulgated by DHCS to define and describe a comprehensive, evidence-based continuum of care to identify, treat, and support recovery from SUDs for youth. Requires the continuum of care to include, but not be limited to, the following health care services:

    a) Screening and assessment for SUD and co-occurring mental health conditions;
    b) Collaborative treatment planning, as specified;
    c) Outpatient SUD therapies, as specified;
    d) Intensive outpatient programs;
    e) Partial hospitalization;
    f) Medications for addiction, as specified;
    g) Residential treatment and detoxification;
    h) Treatment for co-occurring mental health conditions;
    i) Case management that strengthens linkages to other health, wellness, social, and supportive services; and,
    j) Recovery services and supports for both youth and their families, as specified.

4) Requires DHCS to consider encouraging the programs and services offered through the continuum of care to provide prevention and early intervention, culturally and gender competent and trauma-informed care, family engagement, and support for academic and work performance, in addition to other supportive services.

5) Requires DHCS, in collaboration with counties and SUD providers, to report to the Legislature, during budget hearings, regarding the status of the implementation of the requirements in this bill.

6) Requires DHCS, beginning January 1, 2021, and each year thereafter, to report to the Legislature and post on its website utilization data relevant to services to youth, including, but not limited to, the number of Medi-Cal enrollees screened for SUDs, assessments, individual counseling services, collateral services, family therapy services, group sessions, intensive outpatient service sessions, partial hospitalization sessions, medication-assisted treatment services, case management services, parent or caregiver support services, and residential treatment service episodes, including detoxification and withdrawal.

7) Permits DHCS to seek funding from federal financial participation for all services covered by Medi-Cal or from foundations or other nongovernmental sources.

8) Requires DHCS to update its Medi-Cal billing codes, based upon what is medically necessary for youth, to include the services described in regulations adopted pursuant to the provisions in this bill.

9) Permits DHCS to implement the provisions in this bill through all-county information notices or similar instructions until regulations are adopted.

FISCAL EFFECT: According to the Assembly Appropriations Committee:

1) Ongoing administrative 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 (GF)/federal) to draft and implement regulations and for oversight and annual reporting.

2) Although it is not clear precisely what is envisioned, this bill creates cost pressure for the state to provide additional funding to provide additional youth SUD services. The bill notes federal and nongovernmental sources should be used, as well as existing county realignment dollars. However, even though the bill does not appear to require coverage beyond current requirements since children's coverage under Medi-Cal is already very broad, the bill appears to call for a level of programmatic activity beyond what is currently provided and funded.

   Substance use services provided through Medi-Cal were realigned to counties in 2011. Pursuant to Proposition 30 of 2012, legislation enacted after September 30, 2012, that has an overall effect of increasing the costs already borne by a local agency for programs or levels of service mandated by 2011 Realignment, apply to local agencies only to the extent that the state provides annual funding for the cost increase. This means the state may be required to compensate counties for increased costs to provide additional services that align with the developed regulations and updated billing codes (GF [in absence of an alternate funding source]/federal). Unlike the state-reimbursable mandate process, there is no process for counties to file Prop 30 claims. Without more legal clarity and a formal mechanism for resolving potential disputes, it is difficult to predict with certainty whether an increase in services and spending on youth SUD would trigger Proposition 30 concerns. But regardless of the funding protections under Proposition 30, to the extent providing more youth SUD services puts pressure on realigned funding sources, it creates cost pressure to increase the amount of state funding available to provide realigned services.

3) 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 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.

PRIOR VOTES:

Assembly Floor:	74 - 0
Assembly Appropriations Committee:	18 - 0
Assembly Health Committee:	15 - 0

COMMENTS:

1) *Author's statement.* According to the author, clinical 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 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. This bill is an important first step to expand public services to meet the needs of youth with SUDs.

2) *Background.* According to its website, DHCS allocates approximately $7.3 million per year in Adolescent Treatment Program funding to counties to provide SUD treatment and early intervention services. The focus of the services varies depending on local need and priorities. Generally, services include residential treatment for adolescents in group home settings, services for youth transitioning into the community after discharge from institutional facilities, outpatient programs in the community, and services at school sites. AB 1784 (Baca, Chapter 866, Statutes of 1998) established the Adolescent Alcohol and Drug Treatment and Recovery Program, which required the former Department of Alcohol and Drug Programs (now DHCS) to establish community-based alcohol and drug recovery youth programs in collaboration with counties and local law enforcement to intervene and treat the problems of alcohol and drug use among youth. The provisions of AB 1784 became inoperative on July 1, 2013.

   According to a draft Youth SUD Treatment Services Needs Assessment on DHCS's website, during Fiscal Year (FY) 2013-14, approximately 15,000 youth aged 17 or younger were admitted to a publicly funded SUD treatment program tracked by DHCS, and 10% reported age of first use under the age of 11. The number admitted in FY 2014-15 was a little over 12,000, during which 11% reported first use under the age of 11 years. DHCS states that the difference from FY 2013-14 and FY 2014-15 is not indicative of a decrease in youth with SUDs since there were also a large number of treatment facility closures and suspensions during those years. In FY 2013-14, for example, there were over 190 SUD programs decertified and four in FY 2014-15. The use of these two fiscal years were merely to indicate trends without concluding that there are less youth in need of SUD treatment.

   In 2016, DHCS established the Youth Advisory Group (YAG) in an effort to develop and implement an SUD system of care for youth. YAG membership was comprised of 15 members with expertise in youth SUD services who were selected through an application process and consisted of representatives from county and provider agencies and community organizations that provide services for youth. According to DHCS, the mission of the YAG was to develop a continuum of care for youth that aligns with governing legislation on youth SUD services and evidence-based practices to enhance youth SUD services. In early 2019, however, DHCS established the Behavioral Health Stakeholder Advisory Committee (BH-SAC) to disseminate information and receive coordinated input regarding DHCS behavioral health activities. It was created as part of the ongoing DHCS effort to integrate behavioral health with the rest of the health care system. DHCS folded all advisory groups into the BH-SAC that had advised DHCS on behavioral health topics, including the YAG.

3) *Youth with SUDs.* According to the National Institute on Drug Abuse (NIDA), people are most likely to begin abusing drugs—including tobacco, alcohol, and illegal and prescription drugs—during adolescence and young adulthood. By the time they are seniors, almost 70% of high school students will have tried alcohol, half will have taken an illegal drug, nearly 40% will have smoked a cigarette, and more than 20% will have used a prescription drug for a nonmedical purpose. There are many reasons adolescents use these substances, including the desire for new experiences, an attempt to deal with problems or perform better in school, and peer pressure. Adolescents in treatment report abusing different substances than adults do. For example, many more people aged 12 to 17 received treatment for marijuana use than for alcohol use in 2011 (65.5% versus 42.9%), whereas it was the reverse for adults. When adolescents do drink alcohol, they are more likely than adults to binge drink (defined as five or more drinks in a row on a single occasion). Adolescents are less likely than adults to report withdrawal symptoms when not using a drug, being unable to stop using a drug, or continued use of a drug in spite of physical or mental health problems; but they are more likely than adults to report hiding their substance use, getting complaints from others about their substance use, and continuing to use in spite of fights or legal trouble. NIDA states that adolescents also may be less likely than adults to feel they need help or to seek treatment on their own. Also, adolescents may have more difficulty than adults seeing their own behavior patterns (including causes and consequences of their actions) with enough detachment to tell they need help. Only 10% of 12 to 17 year olds needing SUD treatment actually receive any services, and when they do get treatment, it is often for different reasons than adults. The largest proportion of adolescents who receive treatment are referred by the juvenile justice system. NIDA states that given that adolescents with SUDs often feel they do not need help, engaging young patients in treatment often requires special skills and patience.

Related legislation. SB 445 (Portantino) establishes the Children, Adolescents, and Young Adults Substance Use Disorder Treatment Act, and requires DHCS to convene an expert panel to advise DHCS solely on the development of youth SUD treatment quality standards and to adopt regulations, as specified. *SB 445 is set to be heard in the Assembly Health Committee on June 18, 2019.*

AB 1098 (O'Donnell and Wood) establishes procedures for the implementation and administration of programs funded by the Control, Regulate and Tax Adult Use of Marijuana Act's Youth Education, Prevention, Early Intervention, and Treatment Account, including the identification of targeted outcomes with metrics to be determined, the establishment of a technical advisory committee, required information to be provided by applicants for program funding, and progress reports to the Legislature. *AB 1098 is pending in this Committee..*

Prior legislation. SB 275 (Portantino of 2018) was identical to SB 445. *SB 275 was vetoed by Governor Brown who stated not every problem with Medi-Cal needs or deserves a public stakeholder process, and DHCS regularly collaborates with stakeholders, including interested organizations, experts, partners, and colleagues. Governor Brown stated he was confident DHCS would continue to do so.*

AB 2328 (Nazarian of 2018) was substantially similar to this bill. *AB 2328 was held on the Assembly Appropriations Committee suspense file.*

4) *Support*. The sponsors and supporters of this bill, largely behavioral health providers, advocates, and local governments, state that recent research suggests more and more children and young adults are entering emergency departments using, dependent on, or addicted to opioids. Clinical 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 invested in a comprehensive set of SUD services for uninsured and Medicaid-eligible youth. Most existing publicly funded SUD programs in the state were designed to serve the adult population. This bill would also enable community-based providers of youth SUD treatment to be appropriately reimbursed for all covered EPSDT benefits, thereby helping to address the current gap in services.

5) *Technical amendment*. The author requests the following technical amendments to delay by one year DHCS's reporting requirement on EPSDT utilization data:

11759.6.
(b) (1) Beginning January 1, ~~***2021,***~~ ***2022,*** and each year thereafter, the department shall report to the Legislature, and publish on its internet website, the utilization data relevant to services to youth under 21 years of age.

SUPPORT AND OPPOSITION:

Support: California Psychiatric Association (co-sponsor)
County Behavioral Health Directors Association (co-sponsor)
California Academy of Child and Adolescent Psychiatry
California Council of Community Behavioral Health Agencies
California Health+ Advocates
California State Association of Counties
City of Carlsbad
Community Clinic Association of Los Angeles County
County Health Executives Association of California
County of Santa Clara
Los Angeles County Board of Supervisors
Los Angeles County Youth Services Task Force
National Health Law Program

Oppose: None received

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