
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2019 - 2020 Regular Session

AB 1031 (Nazarian) - Youth Substance Use Disorder Treatment and Recovery Program Act of 2019

Version: June 24, 2019

Urgency: No

Hearing Date: July 8, 2019

Policy Vote: HEALTH 9 - 0

Mandate: No

Consultant: Samantha Lui

Bill Summary: AB 1031 would enact the Youth Substance Use Disorder Treatment and Recovery Program Act of 2019, which would require the Department of Health Care Services (DHCS) to update its Medi-Cal billing codes, as specified, and to collaborate with counties and providers of substance use disorder (SUD) services to establish regulations, on or before January 1, 2021, for community-based nonresidential and residential treatment and recovery programs to intervene and treat youth, under 21 years of age, alcohol and drug use. Would require the DHCS to provide regular reports to the Legislature, including publishing specified utilization data on its website, beginning January 1, 2021.

Fiscal Impact: According to the DHCS, \$240,000 (General Fund) in FY 2020-21, and \$231,000 (General Fund) in FY 2021-22, and ongoing, for 1.0 full-time, ongoing Attorney IV to conduct research and analysis, and draft notices, guidance, and regulations.

Youth substance use disorder (SUD) treatment services are incorporated as an element of county and provider service contracts. The DHCS indicates that local government budgets may be significantly affected due to increased costs to provide additional services that align with the developed regulations and updated billing codes. However, staff notes to the extent these services are provided in compliance of federal law, Proposition 30 notes the state is not required to reimburse those mandate costs.

Background: The DHCS administers the Medi-Cal program, which provides health care services to qualified individuals who are low-income. Medi-Cal mental health benefits are delivered through two separate systems. County mental health plans provide a range of specialty mental health services to individuals with more severe mental illnesses, while Medi-Cal managed care plans provide non-specialty mental health services.

California's mental health system underwent two major changes to its fiscal and governance structure in 1991, and again, in 2011, under realignment. Under the 2011 realignment, 36 counties bear full financial responsibility for the non-federal share of Medi-Cal specialty-mental health services, including the Early Prevention, Screening, Diagnosis, and Treatment (EPSDT) Program and mental health managed care, with the exception of newer mandated costs. County mental are responsible for providing specialty mental health services to Medi-Cal beneficiaries who meet specified medical necessity criteria. Under Proposition 30, state requirements enacted after September 30, 2012, that have an overall effect of increasing the costs already borne by a local

agency for programs or levels of service mandated by 2011 Realignment applies to local agencies only to the extent that the state provides annual funding for the cost increase, unless the mandate is imposed by the state at the request of the local agency or to comply with federal law.

The DHCS must review and certify alcohol and other drug programs to meet state standards, and develop specified service quality standards by alcohol and other drug programs. The DHCS, in partnership with counties, must also develop and implement other alcohol and drug prevention strategies, including those designed for youth. 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 is comprised of 15 members that possess expertise in youth SUD services

Proposed Law: AB 1031 would require the DHCS to collaborate with counties and providers of substance use disorder (SUD) services to establish regulations, on or before January 1, 2021, for 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.

The bill would require DHCS, in collaboration with counties and providers of SUD services, to establish, through regulations, criteria for participation, programmatic requirements, treatment standards, and terms and conditions for funding. The bill would require these regulations to describe a continuum of care, as specified, to identify, treat, and support recovery from substance misuse for youth under 21 years of age.

AB 1031 would require DHCS to report to the Legislature during budget hearings regarding the status of implementation. Beginning January 1, 2021, and each year thereafter, DHCS would be required to report to the Legislature, and publish on its website, the utilization data relevant to services to youth under 21 years of age.

The bill provides that nothing in the bill precludes regional approaches to county service delivery.

Under this bill, DHCS also may seek federal financial participation or from foundations or other nongovernmental sources.

In addition, DHCS would be required to update its Medi-Cal billing codes, as specified.

Related Legislation:

- SB 445 (Portantino) would establish the Children, Adolescents, and Young Adults Substance Use Disorder Treatment Act, and would require 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 pending in the Assembly Appropriations Committee.
- AB 1098 (O'Donnell) would require the DHCS, in collaboration with specified state agencies, to convene a technical advisory committee to assist in establishing procedures for the implementation and administration of programs funded by cannabis tax funds aimed at providing substance abuse education and

prevention programs targeted toward youth. AB 1098 is pending in the Senate Education Committee.

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

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