

## SENATE THIRD READING

SB 137 (Committee on Budget and Fiscal Review)

As Amended August 28, 2023

Majority vote. Budget Bill Appropriation Takes Effect Immediately

**SUMMARY**

This is a budget bill which is necessary to implement various provisions of the Budget Act of 2023.

**Major Provisions**

This budget trailer bill implements various provisions included in the 2023 Budget Act, affecting the budgets of the Emergency Medical Services Authority and the Departments of Health Care Access and Information, Health Care Services, and Public Health. Specifically, this bill:

*Extension of Moratorium on New Hospice Providers*

- 1) Extends the deadline for the Department of Public Health to adopt emergency regulations on implementing recommendations from the California State Auditor related to oversight of hospice providers from January 1, 2024, to January 1, 2025.
- 2) Requires the moratorium on new hospice providers to end on the date the emergency regulations are adopted.

*Residential and Outpatient Substance Abuse Treatment Program Licensing Fee Increase*

- 3) Requires any excess fees remaining in the Residential and Outpatient Program Licensing Fund, at the end of each fiscal year, to be carried forward and taken into consideration in setting the fee amount to be imposed in the subsequent fiscal year.
- 4) Authorizes the Department of Health Care Services, no sooner than July 1, 2027, to approve a fee increase, up to and including 5%, on an annual basis.
- 5) Requires the Department to submit any proposed new fees or fee increases in excess of 5% to the Legislature for approval, and prohibits implementation of any fee increases over 5% without Legislative approval.
- 6) Requires the Department to develop a process for substance abuse treatment programs and facilities to apply for a hardship fee waiver and issue a provider bulletin detailing the application process, including eligibility requirements, by July 1, 2024.
- 7) Requires the Department to consult with interested parties and appropriate stakeholders regarding the hardship fee waiver process.
- 8) Exempts the Department from the Administrative Procedures Act for purposes of implementing fee increases for this program.

*Senate Confirmation of Emergency Medical Services Authority Director and Chief Medical Officer*

- 9) Requires the appointment of the director and the chief medical officer of the Emergency Medical Services Authority to be subject to confirmation by the Senate.
- 10) Specifies that the offices of the director and the chief medical officer are held at the pleasure of the Governor.

*Amendments to SB 1076 (Archuleta), Chapter 507, Statutes of 2022*

- 11) Clarifies the authority of the Department of Public Health or any local law enforcement agency to enter, inspect, and photograph any premises where lead abatement, a lead hazard evaluation, or lead-related construction work is being conducted or has been ordered, and to enter the place of business of any person who conducts lead abatement, lead hazard evaluations or lead-related construction work, and inspect and copy any business record to determine whether the person is complying with lead-abatement certification requirements.
- 12) Delays the requirement that a firm and at least one person onsite and employed by the firm, doing renovation, repair, or painting work that will disturb lead-based paint, have a certificate from January 1, 2024, to July 1, 2027.
- 13) Delays the requirement on the Department to develop and implement an education and outreach program for every person and firm that is required to have a certificate from July 1, 2023, to July 1, 2026.

*Amendments to AB 2317 (Ramos), Chapter 589, Statutes of 2022*

- 14) Revises the required membership of the interdisciplinary team serving individuals under 21 years of age in licensed residential psychiatric treatment facilities, by removing the nurse practitioner, replacing the mental health professional with a psychologist who has a master's degree in clinical psychology or who has been certified, as specified, and requiring the social worker to be a psychiatric social worker.
- 15) Authorizes, if the patient is a dependent or ward of the juvenile court who has been removed from the physical custody of their parents, legal guardian, or Indian custodian, and who is not under a conservatorship, disclosure of mental health and developmental services information or records without the consent of the patient or their guardian or conservator to the dependent's or ward's social worker or probation officer for the purposes of ensuring the dependent or ward receives all necessary services or referrals for transition out of a facility to a lower level of care.
- 16) Authorizes the disclosure of mental health and developmental services information and records to the Department of Health Care Services for the purposes of licensing and establishing regulations for psychiatric residential treatment facilities

*CalRx Over-the-Counter Naloxone*

- 17) Authorizes the Department of Health Care Access and Information to enter into partnerships to allow the development, manufacturing, or distribution of *over-the-counter* naloxone products.

*Appropriation*

- 18) Appropriates \$56,239,000 from the Federal Trust Fund to the Department of Health Care Services to expend Substance Abuse Prevention and Treatment Block Grant funds.

*Budget Trailer Bill*

- 19) Declares that this bill provides for appropriations related to the Budget Bill and has been identified as related to the budget in the Budget Bill, and shall take effect immediately.

## COMMENTS

This bill is a budget trailer bill that implements provisions of the 2023-24 budget package affecting health-related departments. Specifically, this bill extends the moratorium on new hospice provider licenses, establishes a new fee setting process for residential and outpatient substance abuse treatment providers, requires Senate confirmation of the director and chief medical officer appointments at the Emergency Medical Services Authority, delays implementation deadlines contained in SB 1076 of 2022, clarifies treatment team membership and information sharing related to AB 2317 of 2022, authorizes CalRx to develop *over-the-counter* naloxone products, and appropriates \$56.2 million in federal block grant funds for substance abuse prevention and treatment.

### According to the Author

#### Arguments in Support

None on file.

#### Arguments in Opposition

None on file.

## FISCAL COMMENTS

This bill implements programs and policies associated with the following appropriations in the 2023-24 budget:

- 1) \$56.239 million in increased federal Substance Abuse Prevention and Treatment Block Grant funds to the Department of Health Care Services for substance abuse prevention and treatment activities.
- 2) \$3.9 million (General Fund) in 2023-24 and \$1.9 million (Residential and Outpatient Program Licensing Fund) in 2024-25 and ongoing to strengthen compliance oversight of residential and outpatient substance abuse prevention providers and facilities.
- 3) \$2.6 million in 2023-24 and ongoing to implement AB 2317 of 2022.
- 4) \$1.2 million General Fund in 2023-24, \$621,000 General Fund in 2024-25, 2025-26, and 2026-27, and \$5.1 million Lead-Related Construction Fund in 2027-28 and ongoing to implement SB 1076 of 2022.
- 5) \$30 million to the Department of Health Care Access and Information for the development of naloxone products.

## **VOTES**

### **SENATE FLOOR: 29-8-3**

**YES:** Allen, Alvarado-Gil, Archuleta, Atkins, Becker, Blakespear, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hurtado, Laird, Limón, McGuire, Menjivar, Min, Newman, Padilla, Portantino, Roth, Skinner, Smallwood-Cuevas, Umberg, Wahab, Wiener  
**NO:** Dahle, Grove, Jones, Nguyen, Niello, Ochoa Bogh, Seyarto, Wilk  
**ABS, ABST OR NV:** Ashby, Rubio, Stern

## **UPDATED**

VERSION: August 28, 2023

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FN: 0001383