
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1267 (Pellerin) - Consolidated license and certification

Version: April 24, 2025

Urgency: No

Hearing Date: July 14, 2025

Policy Vote: HEALTH 10 - 0

Mandate: No

Consultant: Agnes Lee

Bill Summary: AB 1267 would require the Department of Health Care Services (DHCS) to offer a consolidated license and certification that allows the holder to operate more than one of an adult residential alcohol or other drug recovery or treatment facility (RTF) that requires a license, an alcohol or other drug program that requires a certification, or a combination thereof, that the holder operates within the same geographic location, as specified.

Fiscal Impact: Unknown ongoing costs, potentially in the low hundreds of thousands, for DHCS for state administration. Costs would be covered by the General Fund, to the extent that revenues from the new charge for the consolidated license and certification are insufficient to cover the costs for state administration.

Background: Adult residential alcohol or other drug recovery or treatment facilities (RTFs) provide residential nonmedical services to adults who are recovering from problems related to alcohol, drug, or alcohol and drug misuse or addiction, and who need alcohol, drug, or alcohol and drug recovery treatment or detoxification services. Current law grants sole authority to DHCS to license RTFs and authorizes the department to initiate a license suspension or revocation for licensing violations.

DHCS also has the sole authority to certify and monitor all outpatient alcohol or other drug programs, also known as substance use disorder treatment programs that offer treatment, recovery, detoxification, or Medication for Addiction Treatment (MAT) services. Many facilities licensed by DHCS are also certified. Certification by DHCS identifies those facilities that exceed minimum levels of service quality and are in substantial compliance with state program standards.

Proposed Law: Specific provisions of the bill would:

- Require, beginning January 1, 2027, the DHCS to offer a consolidated license and certification that allows the holder to operate more than one of a facility that requires a license, a program that requires a certification, or a combination thereof, that the holder operates within the “same geographic location,” as defined.
- Specify that the bill’s provisions do not apply to facilities or programs that are located in areas zoned exclusively for residential use under local zoning ordinances, and that such facilities remain subject to separate licensing and certification requirements pursuant to existing law.
- Require DHCS to provide a process to obtain and operate under a consolidated license and certification that includes, but is not limited to, all of the following:

- Unified, single application to fully license and certify all of the facilities and programs the applicant operates within the same geographic location that require a license or certification.
- Streamlined process to review an application for a consolidated license and certification.
- Unified inspection and oversight of all of the facilities and programs operated under a consolidated license and certification.
- Minimum standards for a consolidated license and certification that are the same as if an applicant had applied and operated under separate licenses and certification for each of its facilities and programs.
- Phase-in period for facilities and programs operating under different licenses and certifications to obtain a consolidated license and certification.
- Require DHCS to impose a charge for a consolidated license and certification, as specified.
- Require DHCS to adopt regulations necessary for implementation; and allow DHCS, if it deems appropriate, to implement by means of provider bulletins, written guidelines, or similar instructions from the department, until regulations are adopted.

Related Legislation: AB 1037 (Elhawary), among other things, would require DHCS to offer a combined application for entities seeking licensure as a RTF and to provide incidental medical services. The bill is currently in the Senate Judiciary Committee.

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