

## CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 1356 Author:(Dixon)

As Amended Ver:August 29, 2025

Majority vote

**SUMMARY**

Requires a licensed alcohol or other drug (AOD) recovery or treatment facility (RTF) to submit to the Department of Health Care Services (DHCS), within *30 days* of an incident involving the death of a resident, any relevant information that was not previously provided to DHCS in the initial report, *and requires DHCS to issue a deficiency if it identifies any violations of specified licensing provisions during its investigation of a resident's death.*

**Senate Amendments**

- 1) Add "John's Law" as the title of this bill.
- 2) Require a facility to submit any relevant information to DHCS within 30 days rather than 60 and require DHCS to issue a deficiency if it identifies any violations of specified licensing provisions during its investigation of a resident's death and to specify instructions to address any violations.
- 3) Clarify requirements related to the written notice of deficiency.
- 4) Authorize DHCS to implement, interpret, or make specific these provisions through the use of all-county letters, provider bulletins, or similar instructions without taking any further regulatory action.

**COMMENTS**

*Prevalence of Substance Use Disorders (SUD) in California.* A 2024 publication from Health Management Associates and the California Health Care Foundation, titled "*Substance Use Disorder in California — a Focused Landscape Analysis*" reported that approximately 9% of Californians ages 12 years and older met the criteria for SUD in 2022. According to the report, the prevalence of SUD among individuals 12 years of age and older increased to 8.8% in 2022 from 8.1% in 2015. While the health care system is moving toward acknowledging SUD as a chronic illness, only 6% of Americans and 10% of Californians ages 12 and older with an SUD received treatment for their condition in 2021. More than 19,335 Californians ages 12 years and older died from the effects of alcohol from 2020 to 2021, and the total annual number of alcohol-related deaths increased by approximately 18% in the state from 2020 to 2021. Overdose deaths from both opioids and psychostimulants (such as amphetamines), are soaring. This issue, compounded by the increased availability of fentanyl, has resulted in a 10-fold increase in fentanyl related deaths between 2015 and 2019. According to the California Department of Public Health's Overdose Prevention Initiative, 7,847 opioid-related overdose deaths occurred in California in 2023. In the first two quarters of 2024, 2,975 opioid-related overdose deaths were recorded in California.

*Alcohol and Drug Treatment Facility Licensing and Certification.* DHCS has sole authority to license RTFs in the state. Licensure is required when at least one of the following services is provided: detoxification; group sessions; individual sessions; educational sessions; or, alcoholism or other drug abuse recovery or treatment planning. Additionally, facilities may be

subject to other types of permits, clearances, business taxes, or local fees that may be required by the cities or counties in which the facilities are located.

As part of their licensing function, DHCS conducts reviews of RTF operations every two years, or as necessary. DHCS's Substance Use Disorder Compliance Division checks for compliance with statute and regulations to ensure the health and safety of RTF residents and investigates all complaints related to RTFs, including deaths, complaints against staff, and allegations of operating without a license. DHCS has the authority to suspend or revoke a license for conduct in the operation of an RTF that is inimical to the health, morals, welfare, or safety of either an individual in, or receiving services from, the facility or to the people of the State of California.

AB 118 (Committee on Budget), Chapter 42, Statutes of 2023, requires other non-residential, outpatient alcohol or other drug programs to be certified by DHCS. Certification is required when at least one of the following is provided: outpatient treatment services; recovery services; detoxification; or, medications for addiction treatment. DHCS does not license alcohol and drug recovery residences with six or fewer beds that don't provide licensable services.

*State Audit.* In October 2024, the State Auditor released a report assessing the licensing of residential RTFs by DHCS. Key findings from the audit include:

- 1) Southern California contains a greater concentration of treatment facilities serving six or fewer residents (small facilities) than other parts of the state. However, state law allows facilities to be located near each other and have the same legal owners.
- 2) DHCS consistently reviewed the 26 license applications that were assessed, and the application process is generally the same for all facilities. However, of the 26 compliance inspections of operating facilities that were reviewed, DHCS conducted only half of them on time.
- 3) DHCS also took longer than its target of 30 to 60 days to investigate complaints against treatment facilities. For instance, it took more than a year to complete 22 of the 60 investigations reviewed in the audit. Additionally, DHCS did not always follow up on unlicensed facilities that it found were unlawfully advertising or providing services. SB 35 and SB 329 in Related Legislation below respond to this issue.

Based on these findings, the audit makes several operational recommendations to DHCS, including the following:

- 1) Provide management with information about the timeliness of compliance inspections and implement processes for notifying responsible staff of upcoming compliance inspections;
- 2) Implement guidelines that specify the length of time analysts should take to complete key steps in the investigation process; and,
- 3) Develop and implement a follow-up procedure when it has substantiated allegations of an unlicensed facility providing services.

In response to the audit, DHCS has made several operational changes. According to the State Auditor's website, DHCS will create and implement new protocols and processes as well as schedule and conduct the appropriate trainings to ensure supervisors are closely tracking the

programs in need of inspections within their two-year windows. DHCS will also begin using a new digital platform to complete onsite inspection reports, which will aid DHCS in sending providers reports more quickly, thereby improving the rate at which assignments are completed. Also, in August 2024, DHCS revised its Complaints Operations Manual to clarify the requirement for case assignment within 10 days and updated the complaint intake process.

*DHCS Complaint Process.* According to DHCS, the Licensing and Certification Division (LCD) oversees and conducts complaint investigations against California's AOD recovery and treatment programs. This includes general allegations against a program, allegations of unlicensed or uncertified activity, and client deaths that occur at licensed facilities. LCD also investigates allegations of misconduct by registered or certified AOD counselors that work at licensed AOD programs.

Upon receiving a complaint via phone, email, fax, mail, or online, DHCS establishes whether the complaint is within its jurisdiction. If DHCS receives a complaint that does not fall under its jurisdiction, it sends a letter to the complainant informing them that it does not investigate that type of complaint. If the complaint is under DHCS jurisdiction, it is logged, assigned a complaint number, and a high, medium or low-level designation. Receipt of a complaint is acknowledged through written communication with the complainant. Upon opening a complaint, complainants are asked if they would like a Public Records Act (PRA) request opened on their behalf. If they have the request opened, they would receive a copy of the report via email through the PRA process; only then would the complainant be notified with the outcome of their complaint.

Once assigned, an analyst will contact the program in question, review documents and records relevant to the complaint, and, if necessary, conduct an on-site visit to gather evidence, inspect facilities, and conduct interviews. An investigative report is issued, outlining whether an allegation was substantiated, and if any additional findings were discovered throughout the course of the investigation. If any deficiencies are identified and substantiated, programs may be subject to a Notice of Deficiency, requiring a Corrective Action Plan or Verification of Correction and civil penalties for failure to respond timely to a Notice of Deficiency.

Deficiencies can result in DHCS action to suspend or revoke a program's licensure. If no deficiencies are found, the complaint report would be issued with allegations marked as "not substantiated," and no additional deficiencies would be indicated on the report.

### **According to the Author**

This bill will require a facility which offers a drug and alcohol program to provide a subsequent report to DHCS within 60 days of the death a resident at the facility with updated information on the events surrounding the resident's death and on the facilities follow-up action plan to prevent future incidents occurring. This bill provides a practical solution to strengthen the DHCS's death investigation policy, provide DHCS with the necessary information to properly regulate and oversee facilities which offer drug and alcohol programs, and improve the safety of those residents within the facilities who are receiving treatment.

### **Arguments in Support**

Orange County supports this bill stating it is a commonsense solution to strengthen the DHCS's death investigation policy, provide DHCS with the necessary information to properly regulate and oversee facilities which offer drug and alcohol programs, and improve the safety of those residents within the facilities who are receiving treatment.

Capo Cares also supports this bill stating that it treats deaths at licensed facilities with the seriousness they warrant. Capo Cares says the public should be able to expect that any deaths are thoroughly investigated, that causes are determined, and that where neglect or abuse is apparent, steps are taken to ensure that harmful facilities are closed and that safeguards are put in place to prevent further harm or even more deaths.

### Arguments in Opposition

None.

### FISCAL COMMENTS

*According to the Senate Appropriations Committee, no fiscal impact to DHCS.*

### VOTES:

#### ASM HEALTH: 16-0-0

**YES:** Bonta, Chen, Addis, Aguiar-Curry, Rogers, Carrillo, Flora, Mark González, Krell, Patel, Patterson, Celeste Rodriguez, Sanchez, Schiavo, Sharp-Collins, Stefani

#### ASM APPROPRIATIONS: 15-0-0

**YES:** Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

#### ASSEMBLY FLOOR: 70-0-9

**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Stefani, Ta, Valencia, Wallis, Wicks, Wilson, Zbur, Rivas

**ABS, ABST OR NV:** Alvarez, Bryan, Chen, Lee, Nguyen, Solache, Soria, Tangipa, Ward

### UPDATED

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