SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1825 (Krell) - Health care: state hospitals

Version: April 16, 2026
Policy Vote: PUB. S. 6 - 0, HEALTH 10 - 0
Urgency: No
Mandate: Yes
Hearing Date: August 3, 2026
Consultant: Bob Franzoia

Bill Summary: AB 1825 would revise the factors that must be considered in determining whether an offender poses a substantial danger of physical harm to others for purposes of commitment to the Department of State Hospitals (DSH) as an offender with a mental health disorder (OMD).

Fiscal Impact: Due to the broad nature of the proposed factors that would cause an individual to be certified as an OMD, this bill would increase OMD commitments and decrease the number of OMDs decertified, increasing DSH's OMD patient population overall.

The average cost of treatment for a patient at DSH is $1,121 per day ($409,165 a year). Currently, OMD patients have an average length of stay of 259 days, which totals an average cost of $290,000 per patient. DSH indicates it is difficult to determine to what extent this bill will increase DSH's OMD patient population and related costs with specificity, but DSH estimates an increase in new OMD commitments to DSH up to five percent and a reduction of OMD decertifications of up to ten percent. This would result in costs of up to tens of millions of dollars annually to activate additional beds to treat the increased OMD population. (General Fund)

Minor, absorbable costs to the California Department of Corrections and Rehabilitation CDCR) to coordinate the most involved exit planning within existing administrative processes. (General Fund)

Estimated $200,000 to $900,000 annually to county behavioral health programs to coordinate with CDCR on an offender's exit plan, making clinical determinations and providing subsequent treatment. Costs will depend on whether the duties imposed by this bill constitute a reimbursable state mandate, as determined by the Commission on State Mandates. (General Fund)

Potential costs to the Department of Health Care Services to extend the Justice Involved Reentry Initiative, contingent upon application and receipt of federal approval. (federal funds, General Fund)

Background: Justice involved individuals, people who are now, or have spent time in jails, youth correctional facilities, or prison, are at higher risk for injury or death than the general public. They face disproportionate risks of violence, overdose and suicide. In January 2023, California became the first state approved to offer a targeted set of Medicaid services to youth and eligible adults in state prisons, county jails and youth

correctional facilities for up to 90 days prior to release. The Justice-Involved Reentry Initiative allows eligible Californians who are incarcerated to enroll in Medi-Cal and receive a targeted set of services in the 90 days before their release. This initiative aims to ensure continuity of health care coverage and services between the time they are incarcerated and when they are released. Upon release, individuals can be connected to community-based mental health and substance use treatment programs through county behavioral health plans. The costs of the services are split equally between federal Medicaid and MediCal.

Proposed Law: Among other things, this bill would specify that a qualifying inmate of a state hospital shall be eligible to receive targeted Medi-Cal services for 90 days, or longer, as specified. The DHCS would submit a request for eligibility with the federal Centers for Medicare and Medicaid Services.

Staff Comments: DSH notes that it has limited available capacity to activate beds for this purpose. Should the OMD patient population grow beyond available beds, there would be additional unknown costs. DSH would need to contract for additional bed capacity outside of DSH hospitals, either jail-based or community-based, for which it could treat other populations committed to DSH to make space for the increased OMD population. DSH would monitor the impact of this bill and request resources as needed through its Enrollment, Caseload, and Population Estimates.