SENATE COMMITTEE ON HEALTH
Senator Akilah Weber Pierson, Chair

BILL NO: AB 2343
AUTHOR: Patel
VERSION: June 15, 2026
HEARING DATE: July 1, 2026
CONSULTANT: Reyes Diaz

SUBJECT: Alcohol and other drug programs: consumer protection platform

SUMMARY: Requires certified programs and licensed residential treatment facilities to participate in a public consumer protection platform designated or designed by the Department of Health Care Services (DHCS), except for those contracted to provide Medi-Cal treatment services; contracted with DHCS or a county to provide substance use disorder services; or, that receive other public funds.

Existing law:
1) Grants sole authority in the state to DHCS to certify alcohol or other drug (AOD) programs and to license adult residential AOD recovery or treatment facilities (RTFs). [HSC §11832 and §11834.01]

2) Requires DHCS to conduct onsite program compliance visits for AOD programs and RTFs at least once during the certification or licensure period. Permits DHCS to conduct announced or unannounced site visits to review for compliance. [HSC §11832.12 and §11834.01]

3) Establishes the Medi-Cal program, administered by DHCS, which provides medical coverage to low-income persons. [WIC §14000, et seq.]

This bill:
1) Requires AOD programs and RTFs, in order to be certified or licensed, or to have either renewed, to participate in a public consumer protection platform designated or designed by DHCS.

2) Specifies that this requirement does not apply to AOD programs or RTFs contracted to provide Medi-Cal treatment services; those contracted with DHCS, a county behavioral health department, or a county substance use disorder (SUD) division for the provision of SUD services; or, those that receive funding through state, county, or federal SUD programs. Prohibits these entities from being required to participate in a consumer protection platform, but permits them to do so voluntarily.

3) Requires participation in the public consumer protection platform to be required only if DHCS determines sufficient funding has been appropriated or otherwise secured to cover the costs of participation in the platform, including, but not limited to, costs associated with platform operation and maintenance.

4) Permits DHCS to charge a reasonable fee to each entity to cover the costs of implementing this bill. Requires all costs associated with the development, implementation, operation, maintenance, oversight, auditing, and enforcement of the consumer protection platform to be fully covered by the fees collected or other specifically appropriated funds, and not subsidized through increases to existing licensing or certification fees or through other DHCS

fee structures. Prohibits required participation in the platform if sufficient funding is not available to fully support it without increasing existing licensing fees.

5) Prohibits the administrator, if DHCS contracts with an external administrator for the public consumer protection platform, from engaging in practices that constitute a conflict of interest, including, but not limited to, accepting a payment from the entities subject to the requirements in this bill.

6) Prohibits participation in the consumer protection platform from being used as a criterion in evaluating bids, proposals, network participation, reimbursement, or contract performance for publicly funded SUD treatment services.

7) Permits DHCS to verify compliance with this bill as part of its initial licensing or licensing renewal process. Permits DHCS to require facilities to provide documentation or data demonstrating participation, including registration and data submission to the designated quality rating system, and to utilize audits or inspections as necessary to ensure compliance.

8) Permits DHCS to implement, interpret, or make specific this bill's requirements by means of provider bulletins, written guidelines, or similar instructions.

FISCAL EFFECT: According to the Assembly Appropriations Committee, this bill results in costs of an unknown amount to DHCS, potentially hundreds of thousands of dollars per year to oversee expanded participation in the platform (Residential and Outpatient Program Licensing Fund). However, DHCS recently stated that current licensing and certification fees are not sufficient to support program expenses and would be increasing to the statutorily allowed maximum in fiscal year 2026-27. Because of DHCS's inability to raise fees further, this bill would likely result in cost pressures to the General Fund. The Legislative Analyst's Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

PRIOR VOTES:

Assembly Floor:	76 - 1
Assembly Appropriations Committee:	13 - 0
Assembly Health Committee:	16 - 0

COMMENTS:

1) *Author's statement.* According to the author, to properly address addiction and SUD, the existence of treatment programs is not enough; high-quality care must be accessible. When someone is ready to seek help, they should be able to find every licensed option available to them, compare programs based on their needs, and know with confidence that the facility they choose is operating legally. Right now, California has the infrastructure to make this possible, but voluntary participation leaves the directory incomplete and leaves patients to navigate a fragmented marketplace of unverified options at the most vulnerable moment of their lives. This bill closes that gap: reducing information costs, protecting consumers, and ensuring that the system we have built actually reaches the people it was designed to serve.

2) *RTFs and AOD programs.* RTFs licensed by DHCS, based on what is commonly referred to as the "social model," provide recovery, treatment, or detoxification services. (The Department of Public Health licenses medical model RTFs, known as chemical dependency

recovery hospitals.) The services provided by social model RTFs include group and individual counseling, educational sessions, and alcoholism or drug abuse recovery and treatment planning. Social model RTFs are allowed to provide clients first aid and emergency care, and since the passage of AB 848 (Mark Stone, Chapter 744, Statutes of 2015), RTFs can apply to DHCS for an additional license to provide incidental medical services by a licensed physician or other health care practitioner. SB 823 (Hill, Chapter 781, Statutes of 2018) requires DHCS to adopt American Society of Addiction Medicine treatment criteria as the minimum standard of care for licensed RTFs. DHCS is also responsible for certification of a business entity with a physical location in the state that provides one or more of the following services to clients: treatment, recovery, or detoxification services, or medications for addiction treatment. DHCS also provides program certification for facilities that are licensed by the Department of Social Services that serve adolescents. As part of their licensing and certification functions, DHCS conducts reviews of RTFs and AOD programs every two years, or as necessary; checks for compliance with statute, regulations, and certification standards to ensure the health and safety of clients; investigates all complaints; and, has the authority to suspend or revoke a license or certification for a violation of statutes, regulations, and certification standards. DHCS states that they have the sole authority to conduct site visits to their RTFs and AOD programs.

3) *DHCS partnership with Shatterproof.* DHCS announced in May 2023 its partnership with Shatterproof, a national nonprofit that helps people with SUDs find high-quality treatment, including outpatient, intensive outpatient, residential, and hospital inpatient addiction treatment. DHCS and Shatterproof partnered on a public awareness campaign, Unshame California, to promote anti-stigma messaging regarding SUDs. They have also partnered on the Addiction Treatment Locator, Analysis, and Standards (ATLAS) platform (also known as Treatment Atlas), an addiction treatment locator, assessment, and standards platform that connects individuals to appropriate evidence-based addiction treatment, which is an example of a "public consumer protection platform designated by DHCS," as required in this bill.

   Per DHCS's Opioid Response webpage, ATLAS is a free, easy-to-use online directory of SUD treatment facilities. ATLAS features evidence-based information to help individuals (and supporters of people seeking help) find the treatment they need. Funded in part by DHCS with state Opioid Settlement Funds, ATLAS is available to the public to help ensure that Californians and their loved ones struggling with the disease of addiction are able to quickly and easily access treatment resources and information that meets their individual needs. ATLAS' platform supports finding appropriate access to care through the following:
   a) Individuals and/or their loved ones can take a 13-question survey to help them find a licensed or certified treatment provider to assist with their specific needs;
   b) Those seeking treatment can search by location, language spoken, insurance/payment options, age, and special populations such as LGBTQ+ welcoming;
   c) ATLAS establishes a nationwide standardized format that allows direct comparison of facilities based on services provided, types of payment accepted, and evidence-based measures of quality aligned with Shatterproof's National Principles of Care; and,
   d) ATLAS is free to those seeking treatment and to licensed or certified treatment providers whose information is included in the platform.

   DHCS's current webpage for ATLAS, however, does not indicate that it distinguishes between providers that accept any public funds or those that are truly cash pay.

4) *Related legislation.* AB 1879 (Dixon) would require AOD programs or RTFs to submit to DHCS treatment and outcome information and treatment availability information consistent with the requirements of the California Outcomes Measurement System Treatment system and the Drug and Alcohol Treatment Access Report, beginning January 1, 2028, except for those contracted to provide Medi-Cal treatment services, or contracted with DHCS or a county to provide SUD services. *AB 1879 was held on the Assembly Appropriations Committee suspense file.*

   AB 2562 (Dixon) would require AOD programs and RTFs to have suicide prevention plans. *AB 2562 passed this Committee by a vote of 11-0 on June 24, 2026.*

5) *Prior legislation.* SB 823 (Hill, Chapter 781, Statutes of 2018) requires DHCS to adopt American Society of Addiction Medicine treatment criteria as the minimum standard of care for RTFs.

   AB 848 (Mark Stone, Chapter 744, Statutes of 2015), permits RTFs, upon approval from DHCS, to hold an additional license to provide incidental medical services by a licensed physician or other health care practitioner.

6) *Support.* Shatterproof, as sponsor, states that families seeking addiction treatment are often doing so at one of the most vulnerable moments of their lives. Yet too many Californians lack access to clear, reliable information about the quality of treatment options available to them. Without transparency, individuals and families are left to navigate a complex and confusing system, one in which the consequences of misinformation can be devastating. Shatterproof's Treatment Atlas, an online portal available to Californians, was created to address this gap by providing standardized, evidence-based information about addiction treatment providers. However, because participation is voluntary, as many as two-thirds of treatment facilities do not publicly report their quality data. As a result, families often cannot compare programs or determine whether services align with best practices. Shatterproof argues this bill would meaningfully address this problem by requiring SUD treatment facilities that do not accept Medi-Cal to report quality data to a centralized, publicly accessible system. Facilities that accept Medi-Cal are already subject to rigorous oversight and quality standards, and are therefore appropriately exempt. Private-pay facilities, however, face far fewer requirements, allowing some to misrepresent their services or provide care that is not evidence-based.

7) *Support if amended.* The California Consortium of Addiction Programs and Professionals (CCAPP) says a state-designated consumer protection platform has the potential to significantly improve the treatment landscape by offering a verified directory of AOD programs and RTFs, reducing consumer exposure to unsafe or deceptive operators, and providing insurers with a reliable list of in-network providers. This approach aligns with CCAPP's long-standing commitment to consumer safety and ethical treatment practices. To ensure the platform truly protects consumers, CCAPP strongly recommends: (1) that DHCS incorporate "recovery capital" outcomes within three years of implementation. Recovery capital is a non-abstinence-based, quality-of-life measurement tool widely supported by the recovery community. Including these outcomes will ensure the platform provides meaningful information rather than simply listing program names. It will give consumers and insurers access to quality-based, person-centered data, promote continuous improvement across treatment programs, and reflect modern, evidence-informed approaches to recovery. This is CCAPP's highest priority recommendation for strengthening the bill; (2) that the Legislature

ensure enrollment in the platform occurs at a RTF's first renewal rather than during provisional licensure, as additional requirements during provisional status can delay insurance reimbursement and reduce treatment capacity; (3) that the platform complement, not duplicate, existing DHCS enforcement listings; and, (4) that implementation should ensure equity between nonprofit and for-profit entities.

8) *Policy considerations.*
   a) *Are we setting up a bifurcated system?* The author and sponsor maintain that current AOD programs and RTFs that accept public funds undergo rigorous oversight and quality standards, which is why the bill exempts them. The author and sponsor also maintain that the private RTFs and AOD programs do not currently provide information on treatment outcomes to DHCS or to counties, which apparently only applies to Drug Medi-Cal-funded services. However, the goal of ATLAS appears to be to allow those seeking SUD treatment to be able to find every licensed option available to them, compare programs based on their needs, and know with confidence that the facility they choose is operating above the law. Those seem to be points that apply even to providers that accept public funding. Regardless of what door a Medi-Cal recipient uses to enter SUD treatment services, they might want to research all available state-regulated options prior to approaching their provider about addressing their substance use, and ideally would be able to be placed somewhere they found on Treatment Atlas. While this bill seeks to provide more transparency about private RTFs and AOD programs that are not subject to rules that apply to those who take public funds, it is unclear why the state would choose to provide such an important tool for only a fraction of the SUD treatment system.
   b) *What service is this platform providing?* A previous version of this bill included such provisions as requiring participation in a "quality rating system" of SUD providers. But now this bill appears to serve more as a provider directory of private-pay providers. This bill calls the platform a "consumer protection platform," but does not give detail about what information will be collected or made available to ensure the public is protected. The author may with to expand upon what type of information ATLAS will collect and make available to the public, otherwise a more appropriate name for the platform may be considered to accurately portray the information as a repository of private-pay providers who, under existing law, are required to align with American Society of Addiction Medicine treatment criteria as the standard of care for a license from DHCS.

9) *Technical amendment.* Subdivision (e) of Section 11834.13 contains a reference to "quality rating system," which was the term used on a previous version of this bill and should be changed to "consumer protection platform."

SUPPORT AND OPPOSITION:

Support: Shatterproof (sponsor)
California Association of Alcohol and Drug Program Executives, Inc.

Oppose: None received

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