CONCURRENCE IN SENATE AMENDMENTS
CSA1 Bill Id:AB 348¶Author:(Krell)
As Amended Ver:August 29, 2025
Majority vote

## SUMMARY

*Establishes specific criteria that would make a person with a serious mental illness (SMI) presumptively eligible for a full-service partnership (FSP), including the person is transitioning to the community after six months or more in a state prison or county jail, has been detained five or more times as a danger to themselves or others, or gravely disabled, over the last five years, or is currently experiencing unsheltered homelessness. Specifies that a county is not required to enroll an individual if doing so would conflict with contractual Medi-Cal obligations or court orders, or would exceed county FSP capacity or funding.*

*Senate Amendments*
*Delay the operative date of the presumptive eligibility criteria to January 1, 2027.*

## COMMENTS

*Behavioral Health Services Act (BHSA) Implementation.* Passed by California voters in the 2024 statewide primary election, Proposition 1 revised and recast the Mental Health Services Act (MHSA) as the Behavioral Health Services Act (BHSA), with a focus on expanding access to substance use disorder (SUD) treatment and changing how the money from the act is used. Many of the major policy changes won′t be in effect until July 2026 when the new county plans become effective. Since the passage of the BHSA, the Department of Health Care Services (DHCS) and the California Health and Human Services Agency have been collaborating with counties, providers, tribal leaders, and other stakeholders to prepare for implementation. In February 2025, DHCS released the final version of the BHSA County Policy Manual Module 1, which reflects feedback received through public listening sessions, comments, and engagement forums. The manual *was released* in multiple phases called ″modules.″ It is a comprehensive guide for all involved parties to implement the requirements detailed in the BHSA. Module 2 was released in April 2025, focusing on FSPs, BHSA fiscal policies, behavioral health services and supports (BHSS) (including early intervention), and documentation requirements for clinical BHSA services. *Module 3, regarding guidance for completing the county integrated plan, was released in June 2025.*

The BHSA also requires programs established under each of the three county expenditure categories (housing interventions, FSPs, and BHSS) to prioritize services for those who meet priority population criteria. These priority populations are children and youth who: are chronically homeless, experiencing homelessness, or at risk of experiencing homelessness; are in, or at risk of being in, the juvenile justice system; are reentering the community from a youth correctional facility; are in the child welfare system; or are at risk of institutionalization. Priority populations also include adults and older adults who: are chronically homeless, experiencing homelessness, or at risk of experiencing homelessness; are in, or at risk of being in, the justice system; are reentering the community from a state prison or county jail; are at risk of conservatorship; or are at risk of institutionalization.

*Full-Service Partnerships.* Regulations currently require County Mental Health Plans (CMHPs) to direct the majority of Community Services and Supports funds (76% of county MHSA funds) to FSP services, which generally are thought of as ″whatever it takes″ services that may include:

1) Mental health treatment, including alternative and culturally specific treatments, peer support, supportive services to assist the client and the client′s family, wellness centers, needs assessments, and crisis intervention and stabilization services;

2) Non-mental health services and supports like food, clothing, housing, and cost of health care treatment; and,

3) Wrap-around services to children through the development of expanded family-based services programs.

Under the BHSA, 35% of county BHSA funds must be dedicated to FSPs. The BHSA codified standardized, evidence-based practices for models of treatment for FSPs including Assertive Community Treatment (ACT) and Forensic Assertive Community Treatment (FACT), Individual Placement and Support model of Supported Employment, high fidelity wraparound, or other evidence-based services and treatment models, as specified by DHCS.

*BHSOAC FSP Innovation Project.* In 2019, the Behavioral Health Services Oversight and Accountability Commission (BHSOAC) partnered with several local behavioral health departments and a non-profit consultant, Third Sector, to explore strategies to emphasize outcomes through the design and delivery of FSP services. One of the identified goals of that project was to increase the clarity and consistency of enrollment criteria, referral, and transition processes through developing and disseminating readily understandable tools and guidelines across stakeholders.

RAND then evaluated the multi-county innovation project and reported that the participating counties acknowledged that the absence of standardized definitions for their populations created difficulties in understanding who is eligible for FSP programs. As part of the project, counties successfully developed standardized definitions for key populations: individuals experiencing homelessness, those with justice system involvement, and those at risk of experiencing homelessness and justice system involvement. Healthy Brains Global Initiative also completed a report in partnership with the BHSOAC on FSPs, and reported that some family members had their adult children repeatedly arrested before gaining access to an FSP.

*BHSOAC FSP Report.* SB 465 (Eggman), Chapter 544, Statutes of 2021, requires the BHSOAC to report to the Legislature biennially on FSP enrollees, outcomes, and recommendations for strengthening FSPs to reduce incarceration, hospitalization, and homelessness. The first report was released in January 2023, and identified three primary concerns: data quality challenges for assessing effectiveness of FSPs, counties not appearing to meet minimum spending requirements, and insufficient technical assistance and support to ensure effectiveness. The BHSOAC shared the draft 2025 report at its February 2025 meeting and it recommends, among many other things, ″Clear and specific eligibility requirements for FSP clients to reduce wait times and ensure individuals are connected to the correct resources from day one.″

*Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT).* The state is currently implementing several interconnected behavioral health reforms. According to DHCS, the BH-CONNECT initiative is designed to increase access to and

strengthen the continuum of community-based behavioral health services for Medi-Cal members living with significant behavioral health needs. BH-CONNECT is comprised of a new five-year Medicaid section 1115 demonstration, state plan amendments to expand coverage of Evidence-Based Practices (EBPs) available under Medi-Cal, and complementary guidance and policies to strengthen behavioral health services statewide. Beginning January 1, 2025, counties may opt to offer services like ACT, FACT, coordinated specialty care for first episode psychosis, individual placement and support supported employment, Community Health Worker services, and clubhouse services. ACT and FACT are also required as part of FSPs under the BHSA.

On April 11, 2025, DHCS released BH-CONNECT guidance via Behavioral Health Information Notice (BHIN) 25-009. The BHIN states ″Prior authorization is required prior to billing the bundled rate for ACT or FACT. Behavioral Health Plans are responsible for implementing or delegating prior authorization requirements and communicating those requirements to county-operated and county-contracted provider organizations. While awaiting prior authorization for ACT or FACT, the provider organization must ensure that the member continues to have access to medically necessary components of ACT or FACT that do not require prior authorization.″

**According to the Author**
California is continuing to invest in mental health assistance for those most in need, yet we continue to run into red tape. The author states that this bill ensures Californians with the highest need can access the fast, effective, and consistent care that will change their lives. The author says that FSPs are shown to be extremely beneficial for those suffering from severe mental illness, who have interacted with the criminal justice system and have a history of housing instability. The author argues that streamlining access to FSPs for this population will lead to better health outcomes.

**Arguments in Support**
The Steinberg Institute (SI) is co-sponsoring this bill and states it is a necessary step to get life-saving and stabilizing behavioral health care to the Californians who need it most. SI argues that though funding has existed for FSPs for more than two decades, the individuals most at risk of continued system involvement are not being prioritized for enrollment due to a lack of clarity in eligibility criteria. SI concludes that this bill is a fiscally responsible, evidence-based solution that maximizes California′s behavioral health investments, and ensures BHSA funding reaches the people who need it most, reducing homelessness, unnecessary hospitalizations, incarceration, and system cycling.

The California Behavioral Health Association (CBHA) is also co-sponsoring this bill and states inconsistency in eligibility processes between counties and complex administrative hurdles create artificial barriers to access. CBHA notes that FSPs are one of the most effective interventions for stabilizing individuals with SMI and complex social needs, and research shows this model significantly reduces incarceration, lowers hospitalization rates, and helps people stay housed and engaged in care. CBHA concludes that this bill ensures all available resources are allocated effectively to reach the highest risk individuals.

Californians for Safety and Justice (CSJ) supports this bill stating that the standardized criteria in this bill create a consistent, statewide approach to prioritizing access to intensive behavioral health services for those who need them most. CSJ says that these criteria do not require counties to enroll individuals beyond their existing FSP funding levels and, instead, ensure that resources are targeted to reach those most in need.

The California District Attorneys Association (CDAA) supports this bill and states far too often, individuals with serious mental illness experience significant delays or denials in accessing essential services due to administrative hurdles. CDAA argues this bill seeks to solve this issue by streamlining the process between incarceration and out-of-custody treatment/services by creating presumptive eligibility for an individual with serious mental illness transiting to the community after six months or more in prison or county jail. Ensuring individuals receive the intensive, wraparound support they need will reduce the risk of hospitalization, increase housing stability, and minimize involvement in the criminal justice system.

The National Alliance on Mental Illness California (NAMI-CA) also supports this bill and states FSPs are among California′s most effective tools for stabilizing individuals with complex mental health needs. These programs provide wraparound services—housing, crisis interventions, employment support—that are proven to reduce hospitalization, incarceration, and chronic homelessness. NAMI-CA argues despite their success, access to FSPs remains inconsistent due to fragmented eligibility criteria and burdensome administrative processes. As a result, too many individuals are left in crisis without care. NAMI-CA says this bill directly addresses this gap by creating presumptive eligibility for individuals with serious mental illness.

*Arguments in Opposition*
*Los Angeles County (LAC) opposes the bill and states that by putting FSP eligibility criteria into statute, this bill would limit both the County's and the State's flexibility, and thereby ability, to deliver services in the best interest of clients. FSP eligibility criteria are currently established at the counties' discretion, which allows us in Los Angeles to maximize the value and optimize allocation of counties' limited resources. But what's important and a priority in Los Angeles may not be a priority or important in San Francisco. Or Modoc. Or any of the other 57 counties in the state. LAC argues that although this bill proposes a process for counties to appeal that they do not have sufficient capacity or funding to provide FSP services to all clients who would meet the proposed presumptive eligibility requirements, this would create a new administrative burden that would detract from, not improve, client care. Complicating matters, AB 348 could place a substantial financial strain on LA County due to the anticipated rise in automatic referrals, thus imposing even more restrictions on how counties allocate our BHSA FSP funds.*

## FISCAL COMMENTS

None.

## 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

**ASSEMBLY FLOOR: 76-0-3**
**YES:** Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle

Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
**ABS, ABST OR NV:** Garcia, Harabedian, Stefani

**SENATE FLOOR: 40-0-0**
**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

**UPDATED**

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