
THIRD READING

Bill No: AB 424
Author: Davies (R)
Amended: 3/19/25 in Assembly
Vote: 21

SENATE HEALTH COMMITTEE: 11-0, 6/25/25

AYES: Menjivar, Valladares, Durazo, Gonzalez, Grove, Limón, Padilla,
Richardson, Rubio, Weber Pierson, Wiener

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 76-0, 5/27/25 (Consent) - See last page for vote

SUBJECT: Alcohol and other drug programs: complaints

SOURCE: League of California Cities

DIGEST: This bill requires the Department of Health Care Services (DHCS), when it receives a complaint from a member of the public about a licensed adult alcohol or other drug recovery or treatment facility, or a facility alleged to be providing services without a proper license, to provide specified notification to the person who filed the complaint.

ANALYSIS:

Existing law:

- 1) Grants sole authority in the state to DHCS to license adult residential alcohol or other drug recovery or treatment facilities (RTFs).
[Health & Safety Code (HSC) §11834.01]
- 2) Requires DHCS to conduct onsite program compliance visits for RTFs at least once during the licensure period. Permits DHCS to conduct announced or unannounced site visits to review for compliance. [HSC §11834.01]

- 3) Permits DHCS to issue a single license to operate RTF upon receipt of a completed written application, fire clearance, and licensing fee subject to DHCS's review and determination that the applicant can comply with RTF laws. [HCS §11834.09]
- 4) Requires initial licenses for new RTFs to be provisional for one year. Permits DHCS to revoke the provisional license for good cause, and prohibits a licensee from reapplying for an initial license for five years following a revocation of a provisional license. Defines "good cause" to mean failure to operate in compliance with RTF statutes and regulations. [HSC §11834.09(d)]
- 5) Authorizes DHCS to assess civil penalties on facilities that provide recovery, treatment, or detoxification services without a license. [HSC §11834.15]
- 6) Prohibits a person, firm, partnership, association, corporation, or local governmental entity from operating, establishing, managing, conducting, or maintaining a RTF to provide recovery, treatment, or detoxification services within this state without first obtaining a license. [HSC §11834.30]
- 7) Requires DHCS to conduct a site visit to investigate an allegation of an entity operating without a valid RTF license. Requires DHCS to take the following actions if evidence substantiates that the entity is providing RTF services without a license:
 - a) Submit the findings of the investigation;
 - b) Issue a written notice to the entity stating that it is operating in violation DHCS's licensing law and inform them of the date by which it ceases providing services and notice that DHCS will assess a civil penalty of \$2,000 per day for every day they continue to provide services beyond the date specified in the notice;
 - c) Notice that the case will be referred for civil proceedings in the event the entity continues to provide services beyond the date specified in the notice; and,
 - d) Inform the entity of the licensing requirements. [HSC §11834.31]
- 8) Prohibits an entity found to be in violation of DHCS's licensing laws from applying for initial RTF licensure for a period of five years from the date of the notice specified. [HSC §11834.31]

This bill requires DHCS, when it receives a complaint from a member of the public about a licensed RTF, or about a facility alleged to be providing services without a proper license, to provide the person who filed the complaint the following:

- a) Notice, within 10 days, that the complaint has been received; and,
- b) Notice, upon closing the complaint, that it has been completed, and whether DHCS found the facility to be in violation.

Comments

According to the author of this bill:

This bill will help to create transparency when someone has to file a complaint regarding substance use treatment. This bill will require a notice be sent, within ten days of filing, to the complainant by DHCS informing them the complaint was received. At the close of the investigation, a second notice will be sent to the complainant informing them if the facility was found to be in violation. With times to close complaint investigations being so high, yet coming down, it is important for people to know that those in charge of their protection are still hearing them.

Background

RTFs. 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. As part of their licensing function, DHCS conducts reviews of RTFs every two years, or as necessary. DHCS's Substance Use Disorder Compliance Division checks for compliance with statutes 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 contrary to the health, morals, welfare, or safety of either RTF residents or to the people of the State of California. According to DHCS, 123 RTF initial licenses were issued in 2023 and 172 in 2024.

California State Auditor (CSA) report. Issued in October 2024, the CSA Drug and Alcohol Treatment Facilities report (or "RTF report") stated complaints about the roughly 1,000 licensed RTFs to DHCS may arise from various sources, including

RTF residents, neighbors, staff members, or government agencies. According to internal guidelines, DHCS prioritizes death investigations over investigations into all other types of complaints. The RTF report stated, in fact, DHCS aims to assign death investigations to a staff member on the day it receives the report of a death. In the course of a death investigation, it directs its staff to perform a complete review of the facility where the death occurred to determine whether the resident's death was related to deficiencies in the facility's operation. DHCS also receives and investigates complaints about facilities that operate without a license—for which generally DHCS does not have oversight. If an investigation finds, however, that an unlicensed facility is providing or advertising services that require a license, DHCS notifies the facility that it has been violating the law. If it obtains sufficient evidence the facility has not stopped providing the services in question, DHCS is authorized in current law to bring a civil action against the facility. For a licensed RTF, if during a complaint investigation or compliance inspection, DHCS finds a facility poses serious risks to the health and safety of residents, it may initiate a license suspension or revocation. Current law authorizes DHCS to immediately suspend a license when these concerns are present. A suspension stays in effect until DHCS makes a final determination, which may include revocation, following a hearing and a proposed decision by an Administrative Law Judge.

The RTF report made a series of recommendations to help DHCS improve its complaints processes—mostly through administrative means:

- a) Provide management with information about the timeliness of compliance inspections;
- b) Implement a mechanism in its licensing database that notifies staff of the dates for upcoming compliance inspections for their caseload so they can plan accordingly;
- c) Fill its vacant positions;
- d) Update its policies and staff training by April 2025 to ensure it assigns complaints to analysts for investigation within 10 days, as currently required by its regulations;
- e) Implement guidelines by October 2025 that specify the length of time analysts should take to complete key steps in the investigation process for different types of investigations;
- f) Conduct site visits beginning December 2024 in all instances in which there is an allegation that an unlicensed facility is advertising or providing treatment services without a license; and,

- g) Develop and implement by April 2025, a follow-up procedure, such as performing another site visit, to confirm unlicensed facilities have ceased providing services unlawfully.

DHCS complaint investigations. When DHCS establishes jurisdiction for any complaint it receives about an RTF, the complaint is logged, assigned a number, and designated as either high-, medium-, or low-level. When DHCS receives a complaint that does not fall under its jurisdiction, a letter is sent to the complainant informing them of this fact. DHCS regulations define deficiencies, determined during the investigation, in the following way:

- a) A Class A deficiency is any presenting an imminent danger to any resident of the RTF. “Imminent danger” means that the more likely consequence of the deficiency is death or physical injury that would render a part of the body functionally useless or temporarily or permanently reduced in capacity, or inhibit any function of the body to such a degree as to shorten life or to reduce physical or mental capacity;
- b) A Class B deficiency is any relating to the operation or maintenance of the RTF that has a direct or immediate relationship to the physical health, mental health, or safety of RTF residents; and,
- c) A Class C deficiency is any relating to the operation or maintenance of the RTF that DHCS determines has only a minimal relationship to the health or safety of residents.

An investigation report is issued, outlining whether an allegation was substantiated, and if any additional findings were discovered. If any deficiencies are identified and substantiated, RTFs may be subject to a corrective action plan or verification of correction and civil penalties for failure to respond timely to a Notice of Deficiency. Deficiencies can also result in action to suspend or revoke the RTF’s license. If no deficiencies are found, the complaint report is issued with allegations marked as “not substantiated.”

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

Unknown ongoing General Fund costs, potentially in the tens of thousands to low hundreds of thousands, for the DHCS for state administration.

SUPPORT: (Verified 8/27/25)

League of California Cities (source)
Advocates for Responsible Treatment
Association of California Cities – Orange County
Capo Cares
City of Anaheim
City of Beverly Hills
City of Buena Park
City of Camarillo
City of Carlsbad
City of Clovis
City of Fountain Valley
City of Garden Grove
City of Glendale
City of Huntington Beach
City of Irvine
City of La Habra
City of Laguna Niguel
City of Laguna Woods
City of Lake Forest
City of Lathrop
City of Los Alamitos
City of Manteca
City of Mission Viejo
City of Newport Beach
City of San Marcos
City of Simi Valley
City of Stanton
City of Thousand Oaks
City of Villa Park
County of Orange
Orange County Employees Association
Three individuals

OPPOSITION: (Verified 8/27/25)

None received

ARGUMENTS IN SUPPORT: The League of California Cities, as sponsor, and other supporters of this bill, largely local governments, argue that compliance with

state licensing laws administered through DHCS is essential to safeguarding residents' well-being and maintaining quality care. This bill would require DHCS to notify individuals at three key points: when their complaint is received, when the investigation concludes, and the outcome of the investigation. Currently, DHCS does not automatically provide this information. Instead, complainants must file a Public Records Act request, which can take months, sometimes over a year, to receive a response. Supporters further state this lack of timely communication creates frustration for both residents and local governments. Cities report that constituents and staff frequently contact DHCS for updates, diverting staff time away from critical investigations. This process fails to instill public confidence in the complaint process, which is leaving communities in the dark about issues that directly impact them. Supporters argue the Department of Social Services oversees community care facilities like childcare centers and adult day programs, and is already required to notify complainants when a complaint is received and when it's resolved. This bill simply ensures that DHCS provides the same level of communication for the facilities it licenses, and by improving communication, this bill would help cities stay informed and support a more transparent oversight process.

ASSEMBLY FLOOR: 76-0, 5/27/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, 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, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Bennett, Jeff Gonzalez, Nguyen

Prepared by: Reyes Diaz / HEALTH / (916) 651-4111
8/29/25 20:33:33

**** END ****