UNFINISHED BUSINESS

Bill No: SB 329
Author: Blakespear (D) and Umberg (D), et al.
Amended: 8/13/26
Vote: 21

SENATE HEALTH COMMITTEE: 10-0, 3/26/25
AYES: Menjivar, Valladares, Durazo, Gonzalez, Limón, Padilla, Richardson, Rubio, Weber Pierson, Wiener
NO VOTE RECORDED: Grove

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SENATE FLOOR: 38-0, 5/29/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Limón, Reyes

ASSEMBLY FLOOR: Passed, 8/25/26

SUBJECT: Alcohol and drug recovery or treatment facilities: investigations

SOURCE: League of California Cities

DIGEST: This bill requires the Department of Health Care Services (DHCS) to meet specified timeframes for assigning complaints against, and completing investigations for, licensed adult residential alcohol or other drug recovery or treatment facilities and certified alcohol and other drug (AOD) programs. Requires DHCS to post on its website an annual report of the investigations conducted in the previous year.

Assembly Amendments add DHCS-certified AOD programs to meet the investigation timeframe requirements in this bill; extend the timeframe by which investigations must be complete; and, add the website reporting requirement.

ANALYSIS:

Existing law:

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

3) Establishes a system whereby DHCS approves certifying organizations (COs) that administer the certification process for substance use disorder (SUD) counselors. Requires DHCS to investigate alleged violations against registered or certified SUD counselors within 90 days of receipt of a requested investigation, and to send a written order to the CO specifying what corrective action to take based on DHCS's investigation and the severity of the violation. [9 California Code of Regulations (CCR) §13040, §13065]

This bill:

1) Requires DHCS to conduct an investigation into a complaint regarding an AOD program or RTF, if it has jurisdiction over the complaint, by assigning it to an analyst for investigation within 10 days of receiving the complaint.

2) Requires DHCS, if it receives a complaint that does not fall under its jurisdiction, to notify the complainant, to the extent feasible, in writing, including through electronic means, that it does not investigate that type of complaint.

3) Requires DHCS to complete the investigation within 120 days of assigning the complaint unless it requires assistance from local or other state agencies to complete the investigation, or significant additional resources to complete the investigation, as it determines.

4) Requires DHCS to maintain a record of investigations, including those that are not complete within 120 days.

5) Requires DHCS, commencing on July 1, 2027, and each July 1 thereafter, to post on its website an annual report of the investigations conducted in the previous year that includes all of the following information:

   a) The total number of investigations conducted by DHCS;

   b) The type of investigations conducted; and,

   c) The number of investigations that were not complete within 120 days of assignment.

6) Permits DHCS to impose a single fee increase for the certification of AOD programs and the licensure of RTFs commensurate with the reasonable cost of preparing and maintaining the report required in this bill.

Background

CSA report. Issued in October 2024, the CSA report states complaints 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 CSA states, 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 CSA made a series of recommendations, without specifying timeframes for completion, 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.

The CSA notes that, except for recommendation d) above, DHCS has yet to fully implement its suggested improvements.

DHCS complaint investigations. DHCS informally outlined its process following a Committee staff inquiry that generally mirrors the timelines stated by the author of this bill and in the CSA report. If DHCS establishes jurisdiction, the complaint is logged, assigned a complaint number, and a high-, medium-, or low-level designation. 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."

Comments

According to the author of this bill:

> Good government means acting quickly and decisively to protect the health and safety of the community. If an RFT is not following state regulations and jeopardizing its residents or neighbors, the state should act promptly. This bill requires DHCS to investigate complaints in a timely fashion, which is crucial for protecting RTF residents, and ensure RTFs take appropriate corrective actions based on identified problems. DHCS has 980 licensed RTFs for which common complaints include sexual misconduct, poor management of medications for residents, insufficient detoxification checks, using unlicensed counselors, and failing to provide services advertised. Currently, DHCS's internal guidelines call for assigning complaints to staff within 10 days and for investigations to be completed and sent to a supervisor within 30 to 60 days, depending on the nature of the complaint. For complaints not assigned within 10 days, however, DHCS often takes an average of 183 days, according to a recent California State Auditor (CSA)

report. Furthermore, DHCS takes nearly a year, on average, to complete investigations into low- and medium-priority complaints, per the audit. By setting timelines for investigations in statute, this bill ensures that complaints for RTFs are methodically and expeditiously pursued.

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

According to the Assembly Appropriations Committee, this bill results in minor and absorbable costs to DHCS.

SUPPORT: (Verified 8/24/26)

League of California Cities (source)
Advocates for Responsible Treatment
Association of California Cities – Orange County
California Behavioral Health Association
California State Association of Psychiatrists
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 Lake Forest
City of Lathrop
City of Los Alamitos
City of Manteca
City of Mission Viejo
City of Newport Beach
City of Oceanside
City of Paramount
City of Simi Valley
City of Stanton

City of Thousand Oaks
City of Villa Park
County of Orange Board of Supervisors
Seven individuals

OPPOSITION: (Verified 8/24/26)

None received

ARGUMENTS IN SUPPORT: The League of California Cities, sponsor of this bill, and other supporters argue while existing law requires DHCS to investigate complaints against RTFs, it does not establish timelines for completing those investigations. This bill sets clear, reasonable deadlines—aligned with existing DHCS policy—to enhance public transparency and ensure providers are held accountable for delivering high-quality treatment and care. Supporters argue the lack of oversight, regulation, and licensing results in unsafe conditions for patients and creates significant negative impacts on local neighbors, and also state that it is time for DHCS to hire more analysts to achieve this.

Prepared by: Reyes Diaz / HEALTH / (916) 651-4111
8/25/26 13:33:30

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