

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 582 (Stern) – As Amended June 26, 2025

Policy Committee:	Aging and Long Term Care	Vote:	7 - 0
	Health		16 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill provides revised licensing provisions for specified facilities licensed by the California Department of Public Health (CDPH), the California Department of Social Services (CDSS), and the Department of Health Care Services (DHCS) made nonoperational during and as a result of a proclaimed emergency or declared disaster (disaster), as specified.

Among its provisions, this bill:

- 1) Applies to entities under the licensing jurisdiction of CDPH, CDSS, and DHCS, as specified.
- 2) For an entity referenced above made nonoperational due to its destruction, significant damage, or prolonged closure, during and as a result of a disaster, requires CDPH and CDSS, and authorizes DHCS, as applicable, to allow the entity to obtain a disaster suspension of its active license. To obtain this suspension, an entity must notify the applicable department within six months of the declared disaster that it intends to become operational again.
- 3) Authorizes CDPH or CDSS, as applicable, to waive annual state licensing fees on a year-by-year basis for an entity under its jurisdiction made nonoperational by a disaster and that obtains a disaster suspension of its active license.
- 4) Authorizes DHCS to waive annual state licensing fees on a year-by-year basis for an entity under its jurisdiction destroyed in a fire and that obtains a disaster suspension of its active license.
- 5) For the first 30 calendar days following the declaration of a disaster, requires DHCS to require Medi-Cal managed care plans to presume conditions are met for Emergency Remote Services in Community-Based Adult Services programs for purposes of an entity made nonoperational.
- 6) For the first 90 calendar days following a declaration of a disaster, requires CDSS to waive in-person or daily attendance requirements for childcare programs made nonoperational.
- 7) Requires CDSS to collaborate with local building and permitting officials, the local fire marshal, and local childcare agencies and regional centers, to ensure swift and seamless inspection and licensing processes for entities being made operational again after a disaster.

- 8) Requires each skilled nursing facility (SNF) to update the external disaster and mass casualty program plan at least annually, as specified, and to provide copies of the plan, including updates, to local or regional emergency planning offices, including the Medical Health Operational Area Coordinator (MHOAC), as specified.
- 9) Replaces existing law encouraging a residential care facility for the elderly (RCFE) to have its emergency and disaster plan reviewed by local emergency authorities, with a requirement that an RCFE provide a copy of the plan to the MHOAC for purposes of local disaster coordination.

FISCAL EFFECT:

- 1) CDSS estimates General Fund (GF) costs of \$913,000 in the first year and \$893,000 in the second year to support four limited-term full time positions and one permanent position, and \$189,000 annually ongoing to support the one permanent position to implement and oversee revised licensing processes.

Specific duties include updating regulations, forms, inspection tools, and procedures; drafting provider information notices and regional office memoranda; drafting and promulgating regulations for adult and senior facilities, as well as childcare programs; tracking facilities on disaster status; and assisting with outreach and re-licensure. The permanent position will oversee the ongoing management of data within the system and provide reports.

- 2) CDPH anticipates minor and absorbable costs (Licensing and Certification Program Fund) to update processes for suspension of active licenses in accordance with this bill.
- 3) DHCS anticipates minor and absorbable costs to apply the disaster licensing policy to the Community Based Adult Services Fee-for-Service population and the Assisted Living Waiver, and to make any needed updates for skilled nursing facility disaster plans.

DHCS further indicates, should it waive relevant fees following an emergency, it would experience a one-time loss of associated fee revenue per licensed residential bed, currently set at \$560 per bed. For example, based on the \$560 per-bed rate, DHCS projects, if facilities totaling approximately 268 beds requested a fee waiver, lost revenue would be approximately \$150,000 (Residential and Outpatient Program Licensing Fund).

COMMENTS:

- 1) **Purpose.** According to the author:

The January fires were devastating to our established communities, including licensed health and care facilities, which were severely impacted in the wake of destruction. This bill offers critical support to these vital facilities by helping them recover and ensuring their resilience in the face of future disasters. By allowing a temporary freeze on their active licenses, this bill enables facilities to avoid lengthy and costly re-licensing processes when the facility is ready to re-open. Additionally, this bill provides flexibility for additional remedies such as waiving all or part of the annual state licensing fees

for facilities which are being rebuilt and have been authorized for disaster-suspended licenses.

- 2) **Background. Facilities.** Several departments within the California Health and Human Services Agency are responsible for licensing health and community care facilities. These include:
- a) CDPH, which licenses health facilities, including SNFs, intermediate care facilities, congregate living health facilities, hospice facilities, clinics, and adult day health centers.
 - b) CDSS, which licenses nonmedical community care facilities, including, among others, adult residential facilities, RCFEs, adult day programs, foster family homes, short-term residential therapeutic programs, medical foster homes for veterans, and childcare homes and facilities.
 - c) DHCS, which licenses alcohol or other drug recovery or treatment facilities.

License Suspension. On January 7, 2025, two wildfires, the Palisades Fire and Eaton Fire, ignited in Los Angeles County. Together, these fires destroyed over 16,000 structures, including over 13,000 housing units. In response, Governor Newsom issued a series of executive orders (EOs), including policy directives related to licensed facilities that authorized CDPH, CDSS, and DHCS to waive licensing and other requirements for health facilities, childcare provider homes and facilities, and behavioral health programs and facilities, including alcohol and other drug programs under their respective jurisdictions.

Because childcare homes and facilities were particularly hard hit, the Governor issued an EO that allowed child care providers to continue to receive payment for 30 days even if they were nonoperational due to the fire.

This bill expands and applies statewide the waivers provided in the Governor's EOs by allowing a licensed facility impacted by a disaster to suspend an active license and obtain a fee waiver if the facility intends to reopen. The bill also allows a childcare provider made nonoperational by a disaster to operate for 90 days without losing payments for failing to meet in-person or daily attendance requirements.

MHOAC. California regulations require every SNF to develop a written external disaster and mass casualty program plan with the assistance of county or regional and local planning offices. A SNF must review the plan at least annually, and revise it as necessary to ensure the plan is current. Similarly, existing law requires an RCFE to have an emergency and disaster plan and encourages an RCFE to have the plan reviewed by local emergency authorities. Existing law requires each region in California to have a MHOAC responsible for ensuring the development of a medical and health disaster plan for the operational area.

This bill requires every SNF to update the external disaster and mass casualty program plan at least annually and requires both SNFs and RCFEs to provide copies of their plans to the MHOAC to assist with local disaster coordination.