

SENATE THIRD READING

SB 582 (Stern)

As Amended June 26, 2025

Majority vote

SUMMARY

Provides various licensing and payment flexibilities for specified facilities affected by a fire or other disaster as follows: 1) Requires the State Department of Public Health (DPH) or the State Department of Social Services (DSS), as applicable, to allow certain facilities, when nonoperational due to their destruction, significant damage, or prolonged closure, to obtain a disaster suspension of their active license if the entity notifies the appropriate department that it intends to become operational again, by being rebuilt or reopening or otherwise, in the same or alternative location; 2) Authorizes the Department of Health Care Services (DHCS) to allow a disaster suspension of licenses for alcohol or other drug recovery or treatment facilities; 3) Requires DHCS to require Medi-Cal managed care plans to presume that conditions are met for Emergency Remote Services in Community-Based Adult Services (CBAS) programs for purposes of an entity made nonoperational as described above; and, 4) Requires DSS to waive in-person or daily attendance requirements for childcare programs for purposes of an entity made nonoperational due to their destruction or significant damage.

COMMENTS

Background. January 7, 2025, the Eaton, Palisades, and Hurst fires erupted in Los Angeles. In the subsequent days, several more fires broke out in Los Angeles and adjacent counties. Governor Newsom proclaimed a state of emergency the same day and subsequently issued a series of executive orders, including policy directives related to licensed facilities. One executive order authorized DPH to waive licensing requirements and accompanying regulations for any hospital, clinic, other health facility, home health agency, or hospice agency impacted by this emergency. Additionally, this executive order authorized DSS to waive provisions of law with respect to the use, licensing, certification, registration or approval of childcare providers, facilities or homes under DSS jurisdiction, and authorized DHCS to waive any licensing, certification, or approval requirements for behavioral health programs and facilities impacted, including alcohol and other drug programs. According to the California Department of Forestry and Fire Protection, based on preliminary assessments as of April 3, 2025, the Eaton and Palisades fires rank as the second and third most destructive wildfires in California history, and the fifth and ninth deadliest, respectively. The preliminary assessments estimate that 9,413 structures, including homes, outbuildings (barns, garages, sheds, etc.) and commercial properties were destroyed in the Eaton fire, and another 6,833 structures destroyed in the Palisades fire.

State Emergency Plan (SEP). California Government Code Section 8650 establishes the SEP. The SEP is the primary plan for the California Emergency Support Functions (CA-ESFs). Emergency support functions are intended to provide a planning framework for local, tribal, state, and federal governments, as well as the private sector. This framework enables these entities to work together to mitigate, prepare for, respond to, and recover from the effects of emergencies regardless of the cause, size, location, or complexity. As part of its response-support role, in coordination with other CA-ESFs and the Office of Access and Functional Needs (OAFN) within Cal OES, the CA-ESF will support the mass care community in addressing individuals with disabilities, older adults, and others with access and functional needs (AFN).

Virtually all incidents disproportionately affect individuals with AFN (i.e. people with disabilities, older adults, children, limited English proficiency, and transportation disadvantaged). The purpose of OAFN is to identify the needs of individuals with disabilities and others with access or functional needs before, during, and after disasters and to integrate them into the State's emergency management systems. OAFN plans for the realities of disasters by integrating access and functional needs into everything Cal OES does including partnership development, outreach, training, guidance and providing technical assistance.

Disaster planning related to health facilities. California regulations governing skilled nursing facilities (SNFs) require that a written external disaster and mass casualty program plan be adopted and followed. The plan is required to be developed with the advice and assistance of county or regional and local planning offices and not conflict with county and community disaster plans. A copy of the plan is required to be available on the premises for review by DPH. Among other provisions, it is required to have an evacuation plan, including evacuation routes, emergency phone numbers of physicians, health facilities, the fire department, and the local emergency medical services authorities, and arrangements for the safe transfer of patients after evacuation. The plan is required to be reviewed at least annually, and revised as necessary to ensure that the plan is current. Similarly, residential care facilities for the elderly (RCFEs) are also required to have a disaster plan, and RCFEs are "encouraged" to have the plan reviewed by local emergency authorities.

Each region in California has a Medical Health Operational Area Coordinator (MHOAC) that is responsible for ensuring the development of a medical and health disaster plan for the operational area. The medical and health disaster plan is required to follow national standards and include a list of seventeen policies and procedures. Anecdotally, MHOACs have indicated that disaster plans from SNFs and RCFEs are often not shared with them, and during emergencies when these facilities need to be evacuated, it can be chaotic. This bill requires SNFs to seek input from the MHOAC when developing or updating their disaster plans, and requires both SNFs and RCFEs to provide copies of these plans to the MHOAC to help with coordination in the event of a disaster.

Childcare facilities. During the January 2025 fires in the Los Angeles area, like other businesses, childcare providers were deeply impacted. Unique to childcare, many providers are home-based, and as a result of losing their homes, they lost their businesses. DSS reported on January 21, 2025 that 37 child-care facilities were destroyed in the fires; 21 were child-care centers, and 16 were family child-care homes. An additional 284 were non-operational because of ash, debris, power outages, or a lack of potable water. As such, the Governor issued an Executive Order (EO) that allowed child care providers to continue to receive payment even if they were nonoperational due to the fire for 30 days. Childcare providers urged the Governor to extend the order because many providers were not ready to reopen. The Executive Order was not extended. This bill would allow childcare providers made nonoperational by a declared disaster to operate for 90 days without losing payments for failing to meet in-person or daily attendance requirements.

Alcohol and drug treatment facilities. A January 7th Executive Order from Governor Newsom authorized DHCS to waive any licensing, certification, or approval requirements for behavioral health programs and facilities impacted, including alcohol and other drug programs. According to information provided by the author, 14 substance use disorder residential programs and one narcotic treatment program were made nonoperational. This bill authorizes DHCS to waive the

annual state licensing fees for a facility on a year-by-year basis. This bill also requires, if an alcohol or other drug recovery or treatment facility subject to this bill is licensed or certified by one or more state departments within the Health and Human Services Agency and is made nonoperational and obtains a disaster suspension of its active license, the governing state departments to coordinate operational steps, including the utilization of concurrent processes to streamline the re-opening and licensure process.

According to the Author

The January 2025 fires were devastating to our established communities, including licensed health and care facilities, which were severely impacted in the wake of destruction. The author states that 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. The author notes that this bill also 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. The author concludes that with oversight from DSS, DHCS and DPH, support with licensing post-disaster is not only a step toward the recovery of these facilities but a step towards rebuilding the community as a whole.

Arguments in Support

The California Long-Term Care Ombudsman Association (CLTCOA) supports this bill and states that even though health facilities are required to consult local emergency planning officials in the planning process, there is no requirement that any specific agency or official review the plan before the final version is submitted. Only final copies of the plans are required to be submitted to the licensing agencies (for SNFs and RCFEs) and the MHOAC (RCFEs only). In fact, the HSC explicitly states that DSS is not required to review or otherwise evaluate RCFEs' emergency preparedness plans for their feasibility. CLTCOA notes that MHOACs can provide facilities with invaluable feedback during the development of these plans and many MHOACs already participate in this process. The MHOAC is responsible for coordinating local agencies and resources to respond to emergencies. MHOACs are therefore the best positioned to ensure that facilities' plans are consistent with "county and community disaster plans," as required by current law.

CLTCOA continues that the consequences of not reviewing or otherwise evaluating these plans are that older adults and adults with disabilities will be seriously injured or even die because they cannot evacuate their facilities safely. These residents have significant medical and/or care needs, with many SNF residents being nonambulatory. Their needs simply cannot be met without more preparation. This is unfortunately what happened during the Tubbs Fire in Sonoma County in 2017, when dozens of assisted living residents at two dementia care RCFEs nearly died because of the facility's poor planning, according to the residents' representatives. Older adults and adults with disabilities are among California's most vulnerable populations. They deserve our utmost attention in planning for any state of emergency, and especially natural disasters they cannot as easily escape without assistance during an evacuation. CLTCOA concludes that this bill significantly increases protection for these residents and facility staff by ensuring that emergency professionals from the MHAOC review those plans to provide input *before* something terrible occurs.

Arguments in Opposition

None.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, California Department of Social Services 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.

DPH anticipates minor and absorbable costs (Licensing and Certification Program Fund) to update processes for suspension of active licenses in accordance with this bill.

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 SNF 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).

VOTES**SENATE FLOOR: 39-0-1**

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, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Reyes

ASM AGING AND LONG-TERM CARE: 7-0-0

YES: Ellis, Ahrens, Ávila Farias, Arambula, Jeff Gonzalez, Blanca Rubio, Sharp-Collins

ASM HEALTH: 16-0-0

YES: Bonta, Chen, Addis, Aguiar-Curry, Caloza, Carrillo, Flora, Mark González, Krell, Patel, Patterson, Celeste Rodriguez, Sanchez, Schiavo, Sharp-Collins, Stefani

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache, Ta, Tangipa

UPDATED

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