

SENATE THIRD READING
SB 83 (Umberg)
As Amended July 03, 2025
Majority vote

SUMMARY

Requires the State Department of Health Care Services (DHCS) to post on its website an identification and summary of each violation issued for licensed adult residential alcohol or other drug (AOD) recovery or treatment facilities (RTFs) and certified AOD programs included on the Probationary Status, Temporary Suspension Order, Revoked and Notice of Operation in Violation of Law Program List. Requires DHCS to indicate recovery residences (RRs, also known as sober living homes), if found to be providing treatment without first obtaining DHCS licensure as an RTF, are not included in this list.

COMMENTS

Prevalence of Substance Use Disorders (SUD) in California. A 2024 publication from Health Management Associates and the California Health Care Foundation titled, "*Substance Use Disorder in California — a Focused Landscape Analysis*" reported that approximately 9% of Californians ages 12 years and older met the criteria for SUD in 2022. According to the report, the prevalence of SUD among individuals 12 years of age and older increased to 8.8% in 2022 from 8.1% in 2015. While the health care system is moving toward acknowledging SUD as a chronic illness, only 6% of Americans and 10% of Californians ages 12 and older with an SUD received treatment for their condition in 2021. More than 19,335 Californians ages 12 years and older died from the effects of alcohol from 2020 to 2021, and the total annual number of alcohol-related deaths increased by approximately 18% in the state from 2020 to 2021. Overdose deaths from both opioids and psychostimulants (such as amphetamines), are soaring. This issue, compounded by the increased availability of fentanyl, has resulted in a 10-fold increase in fentanyl related deaths between 2015 and 2019. According to the Overdose Prevention Initiative, 7,847 opioid-related overdose deaths occurred in California in 2023. In the first two quarters of 2024, 2,975 opioid-related overdose deaths were recorded in California.

Alcohol and Drug Treatment Facility Licensing. DHCS has sole authority to license RTFs in the state. 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. Additionally, facilities may be subject to other types of permits, clearances, business taxes, or local fees that may be required by the cities or counties in which the facilities are located.

As part of their licensing function, DHCS conducts reviews of RTF operations every two years, or as necessary. DHCS' Substance Use Disorder Compliance Division checks for compliance with statute and regulations (Title 9, Chapter 5, California Code of 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 an individual in, or receiving services from, the facility or to the people of the State of California. DHCS has been publicly posting licensing

compliance reports and complaint reports on its Licensing and Certification Reporting webpage that include violations issued at residential and outpatient programs since February 2025.

AOD Program Certification. Prior to January 1, 2025, AOD programs were permitted to seek certification from DHCS. Under AB 118 (Committee on Budget), Chapter 42, Statutes of 2023, certification is now a requirement for many AOD programs, with exceptions for various licensed facility types, schools, jails, and prisons. Programs were required to apply for certification no later than January 1, 2024. As of March 2025, DHCS reported that it has certified 1,055 outpatient facilities and 989 licensed facilities, for a total of 2,044 certified facilities. If DHCS finds evidence that a program is providing treatment, recovery, detoxification, or medication-assisted treatment services without a certification, DHCS must issue a written notice to the program stating that it is operating in violation of the law, and any person or entity found to be operating without certification may be subject to an assessment of civil penalties of two thousand (\$2,000) dollars per day and will be barred from applying for initial certification for a period of five years from the date of the violation notice.

State Audit. In October 2024, the State Auditor released a report assessing the licensing of residential RTFs by DHCS. Relevant findings from the audit include:

- 1) DHCS consistently reviewed the 26 license applications that were assessed, and the application process is generally the same for all facilities. However, of the 26 compliance inspections of operating facilities that were reviewed, DHCS conducted only half of them on time.
- 2) DHCS also took longer than its target of 30 to 60 days to investigate complaints against treatment facilities. For instance, it took more than a year to complete 22 of the 60 investigations reviewed in the audit. Additionally, DHCS did not always follow up on unlicensed facilities that it found were unlawfully advertising or providing services.

Based on these findings, the audit makes several operational recommendations to DHCS, including the following:

- 1) Provide management with information about the timeliness of compliance inspections and implement processes for notifying responsible staff of upcoming compliance inspections.
- 2) Implement guidelines that specify the length of time analysts should take to complete key steps in the investigation process.
- 3) Develop and implement a follow-up procedure when it has substantiated allegations of an unlicensed facility providing services.

In response to the audit, DHCS has made several operational changes. According to the State Auditor's website, DHCS will create and implement new protocols and processes as well as schedule and conduct the appropriate trainings to ensure supervisors are closely tracking the programs in need of inspections within their two-year windows. DHCS will also begin using a new digital platform to complete onsite inspection reports, which will aid DHCS in sending providers reports more quickly, thereby improving the rate at which assignments are completed. Also, in August 2024, DHCS revised its Complaints Operations Manual to clarify the requirement for case assignment within 10 days and updated the complaint intake process.

This bill does not change the complaint process but provides specific information about violations by an RTF that has had its license placed on probation, suspended, or revoked.

RRs. An RR is a residence for people in recovery from SUDs. It may serve as support for individuals undergoing treatment but it does not provide treatment or care, whether medical or nonmedical. The state licensing requirements that govern treatment and care facilities do not currently include RRs. An RR may be completely self-governed or have formal onsite management. When there is onsite management, the manager's duties relate to the administration of the house rather than the tenants or their recovery. The tenants of an RR pay rent and abide by house rules, which include maintenance of sobriety and participation in a self-help program. In 2016 the California Research Bureau estimated that there were at least 12,000 sober living beds, like those offered in RRs, in the state to serve an eligible population of between 25,000 and 35,000 individuals. A 2021 article "*Estimating the Number of Substance Use Disorder Recovery Homes in the United States*" estimates 2,432 recovery homes in California. If an RR is providing any licensable services then it must obtain a valid RTF license from DHCS, and DHCS can investigate RRs alleged to be providing services without a license. However, there does not appear to be any RRs included on the Probationary Status, Temporary Suspension Order, Revoked and Notice of Operation in Violation of Law Program List since they are not licensed by DHCS. This bill requires a disclosure to be posted on DHCS' website containing this list notifying any consumers seeking information about an RR that it is not included.

According to the Author

DHCS is required to provide a website with various data regarding the status of treatment and recovery facilities, including their addresses, license numbers, and notices of law violations. However, they do not list the reasons for probationary status, suspensions, and revoked programs. The author argues this lack of transparency undermines public trust, leading patients and families to make uninformed decisions about their care. This also exacerbates the issue of subpar facilities operating without proper scrutiny, as they often operate in a gray area, lacking evidence-based care and appropriate licensing, which can lead to potential conflicts of interest and substandard care. The author states this bill would enhance transparency and trust in the regulatory process by requiring DHCS to post on its website, in a specified manner, an identification and summary of each violation that DHCS has issued for every program administered by the department. Specifically, the bill requires DHCS to implement this requirement by providing sufficient information regarding those who violate the state laws it administers without posting information that violates privacy rights and protections offered by state or federal law. The author concludes these new enforcement tools will help us achieve our shared goal of ensuring that treatment facilities meet standards for patient care, which is crucial to effective treatment outcomes and community well-being.

Arguments in Support

The League of California Cities (Cal Cities) supports this bill and says residential recovery housing provides a range of benefits to some of California's most vulnerable residents, and their needs must be prioritized over profits. Compliance with state licensing laws administered through DHCS is essential to safeguarding residents' well-being and maintaining quality care. Cal Cities says this bill requires DHCS to share more information on its website about facilities that violate state licensure law. This information would include the basis for the violation, the facts supporting the decision to issue the violation, and the date the decision was issued. Creating more transparency of violations will empower patients to make informed decisions about their

care by knowing what violations, if any, have occurred within a treatment facility. Cal Cities argues this bill holds providers accountable by making these violations more easily accessible.

Arguments in Opposition

None.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, costs to DHCS of an unknown amount, potentially over \$150,000 annually (Residential Outpatient 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 HEALTH: 15-0-1

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

ABS, ABST OR NV: Patterson

ASM APPROPRIATIONS: 15-0-0

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

UPDATED

VERSION: July 03, 2025

CONSULTANT: Logan Hess / HEALTH / (916) 319-2097

FN: 0001400