

AMENDED IN ASSEMBLY APRIL 6, 2017
AMENDED IN ASSEMBLY MARCH 27, 2017
CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 501

Introduced by Assembly Member Ridley-Thomas

February 13, 2017

An act to amend Section 1502 of, and to add Sections 1562.02 and 1562.03 to, the Health and Safety Code, and to amend Sections 5848.5 and 11462.01 of, and to add Section 11462.011 to, the Welfare and Institutions Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

AB 501, as amended, Ridley-Thomas. Mental health: community care facilities.

(1) Existing law, the California Community Care Facilities Act, provides for the licensing and regulation of community care facilities, as defined, by the State Department of Social Services. Existing law includes within the definition of community care facility a short-term residential therapeutic program, which is a residential facility licensed by the department and operated by any public agency or private organization that provides an integrated program of specialized and intensive care and supervision, services and supports, treatment, and short-term, 24-hour care and supervision to children. A violation of the act is a misdemeanor.

This bill would authorize the State Department of Social Services to, no later than ~~July 1, 2018~~, *January 1, 2019*, and contingent upon an appropriation in the annual Budget Act for these purposes, license a short-term residential therapeutic program operating as a children's

crisis residential ~~center~~, *program*, as defined, and would require the department to regulate those programs, as specified. The bill would require the State Department of Health Care Services, in consultation with the State Department of Social Services and the County Behavioral Health Directors Association of California, among others, to develop a rate for children who are Medi-Cal beneficiaries and who are admitted to a children's crisis residential program. By expanding the types of facilities that are regulated as a community care facility, this bill would expand the scope of an existing crime, thus creating a state-mandated local program.

(2) Existing law establishes the Aid to Families with Dependent Children-Foster Care (AFDC-FC) program, under which counties provide payments to foster care providers on behalf of qualified children in foster care. In order to be eligible for AFDC-FC, existing law requires a child or nonminor dependent to be placed in a specified placement, including, a short-term residential therapeutic program.

Existing law requires a short-term residential therapeutic program to obtain a contract with a county mental health plan to provide specialty mental health services and demonstrate the ability to meet the therapeutic needs of each child identified in specified plan documents. Existing law authorizes a short-term residential therapeutic program to accept for placement children who meet certain criteria, except as otherwise specified.

This bill would authorize a short-term residential therapeutic program that is operating as a children's crisis residential ~~center~~ *program* to accept for admission any ~~child~~, *child who meets specified requirements, including, among other things, that the child has a serious behavioral health disorder and is referred by a parent or guardian, or by the representative of a public or private entity that has the right to make these decisions on behalf of a child who is experiencing a mental health crisis and, absent admission to a children's crisis residential center, would otherwise require acceptance by the emergency department of a general hospital, or admission into a psychiatric hospital or the psychiatric inpatient unit of a general hospital. crisis.*

The bill would require the State Department of Health Care Services, in consultation with certain stakeholders including the State Department of Social Services, to establish program standards and procedures, as specified, for a children's crisis residential mental health program approval, and would require the children's crisis residential mental health program approval to be a condition of continued licensure for a

short-term residential therapeutic program operating as a children’s crisis residential program.

(3) Existing law establishes the Investment in Mental Health Wellness Act of 2013. Existing law provides that funds appropriated by the Legislature to the California Health Facilities Financing Authority for the purposes of the act be made available to selected counties or counties acting jointly, except as otherwise provided, and used to provide, among other things, a complete continuum of crisis services for children and youth 21 years of age and under regardless of where they live in the state. The act requires grant awards made by the authority to be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and crisis services for children and youth 21 years of age and under in specified areas, including crisis residential treatment as authorized by specified provisions.

This bill would include within these specified areas crisis residential treatment provided at a children’s crisis residential ~~center~~ program.

(4) The bill would require the State Department of Social Services and the State Department of Health Care Services to adopt regulations to implement the act on or before July 1, 2018, as specified, and would authorize the departments to implement and administer the changes made by this act through information notices, all-county letters, or similar written instructions until regulations are adopted.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) There is an urgent need to provide more crisis care
4 alternatives to hospitals for children and youth experiencing mental
5 health crises.

6 (b) The problems are especially acute for children and youth
7 who may have to wait for days for a hospital bed and who may be

1 transported, without a parent, to the nearest facility hundreds of
2 miles away.

3 (c) In 2012, the California Hospital Association reported that
4 two-thirds of the people taken to a hospital for a psychiatric
5 emergency did not meet the criteria for that level of care, but the
6 care they needed was not available.

7 (d) The type of care that is needed includes crisis residential
8 treatment for children.

9 (e) This level of care is part of the full continuum of care
10 considered medically necessary for many children with serious
11 emotional disturbances.

12 (f) In 2013, the Legislature enacted the Investment in Mental
13 Health Wellness Act (Senate Bill 82, Chapter 34 of the Statutes
14 of 2013) to provide one-time funding to counties to expand the
15 availability of mental health crisis care services, including
16 short-term crisis residential treatment services. However, there is
17 currently no state licensing category for short-term crisis residential
18 programs for children. As a result, counties wanting to expand
19 local capacity to meet the needs of children and youth for crisis
20 residential treatment services were ineligible for this competitive
21 grant program.

22 (g) In most communities, inpatient crisis treatment is completely
23 unavailable for children and youth, even though it may be
24 medically necessary.

25 (h) Crisis residential care is an essential level of care for the
26 treatment of children and youth with serious emotional disturbances
27 in a mental health crisis, and it often serves as an alternative to
28 hospitalization.

29 (i) It is imperative that California identify a licensing category
30 specifically for mental health crisis residential care that can be
31 utilized for children and youth who are beneficiaries of both public
32 and private health care plans.

33 SEC. 2. Section 1502 of the Health and Safety Code is amended
34 to read:

35 1502. As used in this chapter:

36 (a) "Community care facility" means any facility, place, or
37 building that is maintained and operated to provide nonmedical
38 residential care, day treatment, adult day care, or foster family
39 agency services for children, adults, or children and adults,
40 including, but not limited to, the physically handicapped, mentally

1 impaired, incompetent persons, and abused or neglected children,
2 and includes the following:

3 (1) “Residential facility” means any family home, group care
4 facility, or similar facility determined by the department, for
5 24-hour nonmedical care of persons in need of personal services,
6 supervision, or assistance essential for sustaining the activities of
7 daily living or for the protection of the individual.

8 (2) “Adult day program” means any community-based facility
9 or program that provides care to persons 18 years of age or older
10 in need of personal services, supervision, or assistance essential
11 for sustaining the activities of daily living or for the protection of
12 these individuals on less than a 24-hour basis.

13 (3) “Therapeutic day services facility” means any facility that
14 provides nonmedical care, counseling, educational or vocational
15 support, or social rehabilitation services on less than a 24-hour
16 basis to persons under 18 years of age who would otherwise be
17 placed in foster care or who are returning to families from foster
18 care. Program standards for these facilities shall be developed by
19 the department, pursuant to Section 1530, in consultation with
20 therapeutic day services and foster care providers.

21 (4) “Foster family agency” means any public agency or private
22 organization, organized and operated on a nonprofit basis, engaged
23 in any of the following:

24 (A) Recruiting, certifying, approving, and training of, and
25 providing professional support to, foster parents and resource
26 families.

27 (B) Coordinating with county placing agencies to find homes
28 for foster children in need of care.

29 (C) Providing services and supports to licensed or certified
30 foster parents, county-approved resource families, and children to
31 the extent authorized by state and federal law.

32 (5) “Foster family home” means any residential facility
33 providing 24-hour care for six or fewer foster children that is
34 owned, leased, or rented and is the residence of the foster parent
35 or parents, including their family, in whose care the foster children
36 have been placed. The placement may be by a public or private
37 child placement agency or by a court order, or by voluntary
38 placement by a parent, parents, or guardian. It also means a foster
39 family home described in Section 1505.2.

1 (6) “Small family home” means any residential facility, in the
2 licensee’s family residence, that provides 24-hour care for six or
3 fewer foster children who have mental disorders or developmental
4 or physical disabilities and who require special care and supervision
5 as a result of their disabilities. A small family home may accept
6 children with special health care needs, pursuant to subdivision
7 (a) of Section 17710 of the Welfare and Institutions Code. In
8 addition to placing children with special health care needs, the
9 department may approve placement of children without special
10 health care needs, up to the licensed capacity.

11 (7) “Social rehabilitation facility” means any residential facility
12 that provides social rehabilitation services for no longer than 18
13 months in a group setting to adults recovering from mental illness
14 who temporarily need assistance, guidance, or counseling. Program
15 components shall be subject to program standards pursuant to
16 Article 1 (commencing with Section 5670) of Chapter 2.5 of Part
17 2 of Division 5 of the Welfare and Institutions Code.

18 (8) “Community treatment facility” means any residential
19 facility that provides mental health treatment services to children
20 in a group setting and that has the capacity to provide secure
21 containment. Program components shall be subject to program
22 standards developed and enforced by the State Department of
23 Health Care Services pursuant to Section 4094 of the Welfare and
24 Institutions Code.

25 Nothing in this section shall be construed to prohibit or
26 discourage placement of persons who have mental or physical
27 disabilities into any category of community care facility that meets
28 the needs of the individual placed, if the placement is consistent
29 with the licensing regulations of the department.

30 (9) “Full-service adoption agency” means any licensed entity
31 engaged in the business of providing adoption services, that does
32 all of the following:

33 (A) Assumes care, custody, and control of a child through
34 relinquishment of the child to the agency or involuntary termination
35 of parental rights to the child.

36 (B) Assesses the birth parents, prospective adoptive parents, or
37 child.

38 (C) Places children for adoption.

39 (D) Supervises adoptive placements.

1 Private full-service adoption agencies shall be organized and
2 operated on a nonprofit basis. As a condition of licensure to provide
3 intercountry adoption services, a full-service adoption agency shall
4 be accredited and in good standing according to Part 96
5 (commencing with Section 96.1) of Title 22 of the Code of Federal
6 Regulations, or supervised by an accredited primary provider, or
7 acting as an exempted provider, in compliance with Subpart F
8 (commencing with Section 96.29) of Part 96 of Title 22 of the
9 Code of Federal Regulations.

10 (10) “Noncustodial adoption agency” means any licensed entity
11 engaged in the business of providing adoption services, that does
12 all of the following:

13 (A) Assesses the prospective adoptive parents.

14 (B) Cooperatively matches children freed for adoption, who are
15 under the care, custody, and control of a licensed adoption agency,
16 for adoption, with assessed and approved adoptive applicants.

17 (C) Cooperatively supervises adoption placements with a
18 full-service adoptive agency, but does not disrupt a placement or
19 remove a child from a placement.

20 Private noncustodial adoption agencies shall be organized and
21 operated on a nonprofit basis. As a condition of licensure to provide
22 intercountry adoption services, a noncustodial adoption agency
23 shall be accredited and in good standing according to Part 96
24 (commencing with Section 96.1) of Title 22 of the Code of Federal
25 Regulations, or supervised by an accredited primary provider, or
26 acting as an exempted provider, in compliance with Subpart F
27 (commencing with Section 96.29) of Part 96 of Title 22 of the
28 Code of Federal Regulations.

29 (11) “Transitional shelter care facility” means any group care
30 facility that provides for 24-hour nonmedical care of persons in
31 need of personal services, supervision, or assistance essential for
32 sustaining the activities of daily living or for the protection of the
33 individual. Program components shall be subject to program
34 standards developed by the State Department of Social Services
35 pursuant to Section 1502.3.

36 (12) “Transitional housing placement provider” means an
37 organization licensed by the department pursuant to Section
38 1559.110 and Section 16522.1 of the Welfare and Institutions Code
39 to provide transitional housing to foster children at least 16 years
40 of age and not more than 18 years of age, and nonminor

1 dependents, as defined in subdivision (v) of Section 11400 of the
2 Welfare and Institutions Code, to promote their transition to
3 adulthood. A transitional housing placement provider shall be
4 privately operated and organized on a nonprofit basis.

5 (13) “Group home” means a residential facility that provides
6 24-hour care and supervision to children, delivered at least in part
7 by staff employed by the licensee in a structured environment. The
8 care and supervision provided by a group home shall be
9 nonmedical, except as otherwise permitted by law.

10 (14) “Runaway and homeless youth shelter” means a group
11 home licensed by the department to operate a program pursuant
12 to Section 1502.35 to provide voluntary, short-term, shelter and
13 personal services to runaway youth or homeless youth, as defined
14 in paragraph (2) of subdivision (a) of Section 1502.35.

15 (15) “Enhanced behavioral supports home” means a facility
16 certified by the State Department of Developmental Services
17 pursuant to Article 3.6 (commencing with Section 4684.80) of
18 Chapter 6 of Division 4.5 of the Welfare and Institutions Code,
19 and licensed by the State Department of Social Services as an adult
20 residential facility or a group home that provides 24-hour
21 nonmedical care to individuals with developmental disabilities
22 who require enhanced behavioral supports, staffing, and
23 supervision in a homelike setting. An enhanced behavioral supports
24 home shall have a maximum capacity of four consumers, shall
25 conform to Section 441.530(a)(1) of Title 42 of the Code of Federal
26 Regulations, and shall be eligible for federal Medicaid home- and
27 community-based services funding.

28 (16) “Community crisis home” means a facility certified by the
29 State Department of Developmental Services pursuant to Article
30 8 (commencing with Section 4698) of Chapter 6 of Division 4.5
31 of the Welfare and Institutions Code, and licensed by the State
32 Department of Social Services pursuant to Article 9.7 (commencing
33 with Section 1567.80), as an adult residential facility, providing
34 24-hour nonmedical care to individuals with developmental
35 disabilities receiving regional center service, in need of crisis
36 intervention services, and who would otherwise be at risk of
37 admission to the acute crisis center at Fairview Developmental
38 Center, Sonoma Developmental Center, an acute general hospital,
39 acute psychiatric hospital, an institution for mental disease, as
40 described in Part 5 (commencing with Section 5900) of Division

1 5 of the Welfare and Institutions Code, or an out-of-state
2 placement. A community crisis home shall have a maximum
3 capacity of eight consumers, as defined in subdivision (a) of
4 Section 1567.80, shall conform to Section 441.530(a)(1) of Title
5 42 of the Code of Federal Regulations, and shall be eligible for
6 federal Medicaid home- and community-based services funding.

7 (17) “Crisis nursery” means a facility licensed by the department
8 to operate a program pursuant to Section 1516 to provide short-term
9 care and supervision for children under six years of age who are
10 voluntarily placed for temporary care by a parent or legal guardian
11 due to a family crisis or stressful situation.

12 (18) “Short-term residential therapeutic program” means a
13 residential facility operated by a public agency or private
14 organization and licensed by the department pursuant to Section
15 1562.01 that provides an integrated program of specialized and
16 intensive care and supervision, services and supports, treatment,
17 and short-term, 24-hour care and supervision to children. The care
18 and supervision provided by a short-term residential therapeutic
19 program shall be nonmedical, except as otherwise permitted by
20 law. Private short-term residential therapeutic programs shall be
21 organized and operated on a nonprofit basis. A short-term
22 residential therapeutic program may be operated as a children’s
23 crisis residential-center *program*.

24 (19) “Private alternative boarding school” means a group home
25 licensed by the department to operate a program pursuant to Section
26 1502.2 to provide youth with 24-hour residential care and
27 supervision, which, in addition to providing educational services
28 to youth, provides, or holds itself out as providing,
29 behavioral-based services to youth with social, emotional, or
30 behavioral issues. The care and supervision provided by a private
31 alternative boarding school shall be nonmedical, except as
32 otherwise permitted by law.

33 (20) “Private alternative outdoor program” means a group home
34 licensed by the department to operate a program pursuant to Section
35 1502.21 to provide youth with 24-hour residential care and
36 supervision, which provides, or holds itself out as providing,
37 behavioral-based services in an outdoor living setting to youth
38 with social, emotional, or behavioral issues. The care and
39 supervision provided by a private alternative outdoor program
40 shall be nonmedical, except as otherwise permitted by law.

1 (21) “Children’s crisis residential program” means a facility
2 licensed by the department as a short-term residential therapeutic
3 program pursuant to Section 1562.02 and approved by the State
4 Department of Health Care Services, or a county mental health
5 plan to which the State Department of Health Care Services has
6 delegated approval authority, to operate a children’s crisis
7 residential mental health program approval pursuant to Section
8 11462.011 of the Welfare and Institutions Code, to serve children
9 experiencing mental health crises as an alternative to psychiatric
10 hospitalization.

11 (b) “Department” or “state department” means the State
12 Department of Social Services.

13 (c) “Director” means the Director of Social Services.

14 SEC. 3. Section 1562.02 is added to the Health and Safety
15 Code, to read:

16 1562.02. (a) The department may license a short-term
17 residential therapeutic program operating as a children’s crisis
18 residential program pursuant to this chapter. A children’s crisis
19 residential program shall meet all of the following requirements:

20 (1) If the program serves children who are not experiencing
21 mental health crises, have an identifiable and physically separate
22 unit for those children who are experiencing mental health crises.
23 The separate unit shall be indicated on the short-term residential
24 therapeutic program’s license.

25 (2) Obtain and have in good standing a mental health program
26 approval that includes a Medi-Cal mental health certification, as
27 described in Section 11462.01 of the Welfare and Institutions
28 Code, and a children’s crisis residential mental health program
29 approval, as described in Section ~~11462.01~~ 11462.011 of the
30 Welfare and Institutions Code, both of which are issued by the
31 State Department of Health Care Services, or a county mental
32 health plan to which the department has delegated approval
33 authority. The short-term residential therapeutic program shall
34 obtain a mental health program approval before operating as a
35 children’s crisis residential program. The department may revoke
36 a program’s license pursuant to Section 1550 for a program’s
37 failure to maintain the mental health program approval.

38 (3) Comply with all applicable licensing standards for a
39 short-term residential therapeutic program, unless otherwise
40 specified by the department in regulations.

1 (b) The State Department of Health Care Services shall, in
2 collaboration with the department, the County Behavioral Health
3 Directors Association of California, provider representatives, and
4 other relevant stakeholders, develop a rate for children who are
5 Medi-Cal beneficiaries and who are admitted to a children’s crisis
6 residential program. This subdivision shall be implemented only
7 to the extent that federal financial participation is available and
8 any necessary federal approvals have been obtained.

9 (c) Contingent upon an appropriation in the annual Budget Act
10 for these purposes, the department shall begin implementation of
11 this section no later than ~~January 1, 2018~~, *July 1, 2018*, and shall
12 commence the licensing process for children’s crisis residential
13 programs no later than ~~July 1, 2018~~. *January 1, 2019*.

14 SEC. 4. Section 1562.03 is added to the Health and Safety
15 Code, to read:

16 1562.03. (a) The department shall establish regulations for
17 short-term residential therapeutic programs that are operated as
18 children’s crisis residential ~~centers~~. *programs*. At a minimum, the
19 regulations shall include all of the following:

20 (1) The children’s crisis residential ~~center~~ *program* shall be
21 used only for diversion from admittance to a psychiatric
22 ~~hospitalization~~. *hospital*.

23 (2) (A) Length of the initial authorization for admission to a
24 children’s crisis residential program shall be limited to 10
25 consecutive days.

26 (B) ~~Before extending the length of stay for a Medi-Cal~~
27 ~~beneficiary beyond 10 consecutive days, If a determination is made~~
28 ~~by a health care professional that a children’s crisis residential~~
29 ~~program is the appropriate continued level of care,~~ the children’s
30 crisis residential program shall obtain prior approval from the
31 county mental health plan authorizing those ~~services~~. *services*
32 *before extending the length of stay for a Medi-Cal beneficiary*
33 *beyond 10 consecutive days*. In the case of beneficiaries of private
34 insurance, reauthorizations for admission shall be obtained using
35 the process established by the individual plans.

36 (3) Therapeutic programming shall be provided seven days a
37 week, including weekends and holidays, with sufficient
38 professional and paraprofessional staff to maintain an appropriate
39 treatment setting and services, based on individual children’s needs.

1 (4) The program shall be staffed with sufficient personnel to
 2 accept children 24 hours per day, seven days a week and to admit
 3 children, at a minimum, from 7 a.m. to 11 p.m., seven days a week,
 4 365 days per year. The program shall be sufficiently staffed to
 5 discharge children, as appropriate, seven days a week, 365 days
 6 per year.

7 (5) Facilities shall be limited to fewer than 16 beds, with at least
 8 50 percent of those beds in single-occupancy rooms.

9 (6) Facilities shall include ample physical space for
 10 accommodating individuals who provide ~~natural~~ *daily emotional*
 11 *and physical* supports to each child and for integrating family
 12 members into the day-to-day care of the youth.

13 (7) The program shall collaborate with each child’s existing
 14 mental health team, if applicable, child and family team, if
 15 applicable, and other formal and natural supports within 24 hours
 16 of intake and throughout the course of care and treatment as
 17 appropriate.

18 (8) The program shall ~~assist in the development~~ *create and*
 19 *assist with the implementation* of a plan for transitioning each
 20 admitted child from the program to his or her home and
 21 community, including the establishment of a mental health or child
 22 and family team if there is not one already.

23 (b) The program shall annually provide the department with all
 24 of the following data as it pertains to children in foster care and
 25 children not in foster care in conjunction with its application for
 26 licensure renewal:

- 27 (1) Age and gender of clients served.
- 28 (2) Duration of stay.
- 29 (3) Professional classification of staff and contracted staff.
- 30 (4) Type of placement the client was discharged to.

31 SEC. 5. Section 5848.5 of the Welfare and Institutions Code
 32 is amended to read:

33 5848.5. (a) The Legislature finds and declares all of the
 34 following:

35 (1) California has realigned public community mental health
 36 services to counties and it is imperative that sufficient
 37 community-based resources be available to meet the mental health
 38 needs of eligible individuals.

39 (2) Increasing access to effective outpatient and crisis
 40 stabilization services provides an opportunity to reduce costs

1 associated with expensive inpatient and emergency room care and
2 to better meet the needs of individuals with mental health disorders
3 in the least restrictive manner possible.

4 (3) Almost one-fifth of people with mental health disorders visit
5 a hospital emergency room at least once per year. If an adequate
6 array of crisis services is not available, it leaves an individual with
7 little choice but to access an emergency room for assistance and,
8 potentially, an unnecessary inpatient hospitalization.

9 (4) Recent reports have called attention to a continuing problem
10 of inappropriate and unnecessary utilization of hospital emergency
11 rooms in California due to limited community-based services for
12 individuals in psychological distress and acute psychiatric crisis.
13 Hospitals report that 70 percent of people taken to emergency
14 rooms for psychiatric evaluation can be stabilized and transferred
15 to a less intensive level of crisis care. Law enforcement personnel
16 report that their personnel need to stay with people in the
17 emergency room waiting area until a placement is found, and that
18 less intensive levels of care tend not to be available.

19 (5) Comprehensive public and private partnerships at both local
20 and regional levels, including across physical health services,
21 mental health, substance use disorder, law enforcement, social
22 services, and related supports, are necessary to develop and
23 maintain high quality, patient-centered, and cost-effective care for
24 individuals with mental health disorders that facilitates their
25 recovery and leads towards wellness.

26 (6) The recovery of individuals with mental health disorders is
27 important for all levels of government, business, and the local
28 community.

29 (b) This section shall be known, and may be cited, as the
30 Investment in Mental Health Wellness Act of 2013. The objectives
31 of this section are to do all of the following:

32 (1) Expand access to early intervention and treatment services
33 to improve the client experience, achieve recovery and wellness,
34 and reduce costs.

35 (2) Expand the continuum of services to address crisis
36 intervention, crisis stabilization, and crisis residential treatment
37 needs that are wellness, resiliency, and recovery oriented.

38 (3) Add at least 25 mobile crisis support teams and at least 2,000
39 crisis stabilization and crisis residential treatment beds to bolster

1 capacity at the local level to improve access to mental health crisis
2 services and address unmet mental health care needs.

3 (4) Add at least 600 triage personnel to provide intensive case
4 management and linkage to services for individuals with mental
5 health care disorders at various points of access, such as at
6 designated community-based service points, homeless shelters,
7 and clinics.

8 (5) Reduce unnecessary hospitalizations and inpatient days by
9 appropriately utilizing community-based services and improving
10 access to timely assistance.

11 (6) Reduce recidivism and mitigate unnecessary expenditures
12 of local law enforcement.

13 (7) Provide local communities with increased financial resources
14 to leverage additional public and private funding sources to achieve
15 improved networks of care for individuals with mental health
16 disorders.

17 (8) Provide a complete continuum of crisis services for children
18 and youth 21 years of age and under regardless of where they live
19 in the state. The funds included in the 2016 Budget Act for the
20 purpose of developing the continuum of mental health crisis
21 services for children and youth 21 years of age and under shall be
22 for the following objectives:

23 (A) Provide a continuum of crisis services for children and youth
24 21 years of age and under regardless of where they live in the state.

25 (B) Provide for early intervention and treatment services to
26 improve the client experience, achieve recovery and wellness, and
27 reduce costs.

28 (C) Expand the continuum of community-based services to
29 address crisis intervention, crisis stabilization, and crisis residential
30 treatment needs that are wellness-, resiliency-, and
31 recovery-oriented.

32 (D) Add at least 200 mobile crisis support teams.

33 (E) Add at least 120 crisis stabilization services and beds and
34 crisis residential treatment beds to increase capacity at the local
35 level to improve access to mental health crisis services and address
36 unmet mental health care needs.

37 (F) Add triage personnel to provide intensive case management
38 and linkage to services for individuals with mental health care
39 disorders at various points of access, such as at designated

1 community-based service points, homeless shelters, schools, and
2 clinics.

3 (G) Expand family respite care to help families and sustain
4 caregiver health and well-being.

5 (H) Expand family supportive training and related services
6 designed to help families participate in the planning process, access
7 services, and navigate programs.

8 (I) Reduce unnecessary hospitalizations and inpatient days by
9 appropriately utilizing community-based services.

10 (J) Reduce recidivism and mitigate unnecessary expenditures
11 of local law enforcement.

12 (K) Provide local communities with increased financial
13 resources to leverage additional public and private funding sources
14 to achieve improved networks of care for children and youth 21
15 years of age and under with mental health disorders.

16 (c) Through appropriations provided in the annual Budget Act
17 for this purpose, it is the intent of the Legislature to authorize the
18 California Health Facilities Financing Authority, hereafter referred
19 to as the authority, and the Mental Health Services Oversight and
20 Accountability Commission, hereafter referred to as the
21 commission, to administer competitive selection processes as
22 provided in this section for capital capacity and program expansion
23 to increase capacity for mobile crisis support, crisis intervention,
24 crisis stabilization services, crisis residential treatment, and
25 specified personnel resources.

26 (d) Funds appropriated by the Legislature to the authority for
27 purposes of this section shall be made available to selected
28 counties, or counties acting jointly. The authority may, at its
29 discretion, also give consideration to private nonprofit corporations
30 and public agencies in an area or region of the state if a county, or
31 counties acting jointly, affirmatively supports this designation and
32 collaboration in lieu of a county government directly receiving
33 grant funds.

34 (1) Grant awards made by the authority shall be used to expand
35 local resources for the development, capital, equipment acquisition,
36 and applicable program startup or expansion costs to increase
37 capacity for client assistance and services in the following areas:

38 (A) Crisis intervention, as authorized by Sections 14021.4,
39 14680, and 14684.

1 (B) Crisis stabilization, as authorized by Sections 14021.4,
2 14680, and 14684.

3 (C) Crisis residential treatment, as authorized by Sections
4 14021.4, 14680, and 14684.

5 (D) Rehabilitative mental health services, as authorized by
6 Sections 14021.4, 14680, and 14684.

7 (E) Mobile crisis support teams, including personnel and
8 equipment, such as the purchase of vehicles.

9 (2) The authority shall develop selection criteria to expand local
10 resources, including those described in paragraph (1), and processes
11 for awarding grants after consulting with representatives and
12 interested stakeholders from the mental health community,
13 including, but not limited to, the County Behavioral Health
14 Directors Association of California, service providers, consumer
15 organizations, and other appropriate interests, such as health care
16 providers and law enforcement, as determined by the authority.
17 The authority shall ensure that grants result in cost-effective
18 expansion of the number of community-based crisis resources in
19 regions and communities selected for funding. The authority shall
20 also take into account at least the following criteria and factors
21 when selecting recipients of grants and determining the amount
22 of grant awards:

23 (A) Description of need, including, at a minimum, a
24 comprehensive description of the project, community need,
25 population to be served, linkage with other public systems of health
26 and mental health care, linkage with local law enforcement, social
27 services, and related assistance, as applicable, and a description
28 of the request for funding.

29 (B) Ability to serve the target population, which includes
30 individuals eligible for Medi-Cal and individuals eligible for county
31 health and mental health services.

32 (C) Geographic areas or regions of the state to be eligible for
33 grant awards, which may include rural, suburban, and urban areas,
34 and may include use of the five regional designations utilized by
35 the County Behavioral Health Directors Association of California.

36 (D) Level of community engagement and commitment to project
37 completion.

38 (E) Financial support that, in addition to a grant that may be
39 awarded by the authority, will be sufficient to complete and operate
40 the project for which the grant from the authority is awarded.

1 (F) Ability to provide additional funding support to the project,
2 including public or private funding, federal tax credits and grants,
3 foundation support, and other collaborative efforts.

4 (G) Memorandum of understanding among project partners, if
5 applicable.

6 (H) Information regarding the legal status of the collaborating
7 partners, if applicable.

8 (I) Ability to measure key outcomes, including improved access
9 to services, health and mental health outcomes, and cost benefit
10 of the project.

11 (3) The authority shall determine maximum grants awards,
12 which shall take into consideration the number of projects awarded
13 to the grantee, as described in paragraph (1), and shall reflect
14 reasonable costs for the project and geographic region. The
15 authority may allocate a grant in increments contingent upon the
16 phases of a project.

17 (4) Funds awarded by the authority pursuant to this section may
18 be used to supplement, but not to supplant, existing financial and
19 resource commitments of the grantee or any other member of a
20 collaborative effort that has been awarded a grant.

21 (5) All projects that are awarded grants by the authority shall
22 be completed within a reasonable period of time, to be determined
23 by the authority. Funds shall not be released by the authority until
24 the applicant demonstrates project readiness to the authority's
25 satisfaction. If the authority determines that a grant recipient has
26 failed to complete the project under the terms specified in awarding
27 the grant, the authority may require remedies, including the return
28 of all or a portion of the grant.

29 (6) A grantee that receives a grant from the authority under this
30 section shall commit to using that capital capacity and program
31 expansion project, such as the mobile crisis team, crisis
32 stabilization unit, or crisis residential treatment program, for the
33 duration of the expected life of the project.

34 (7) The authority may consult with a technical assistance entity,
35 as described in paragraph (5) of subdivision (a) of Section 4061,
36 for purposes of implementing this section.

37 (8) The authority may adopt emergency regulations relating to
38 the grants for the capital capacity and program expansion projects
39 described in this section, including emergency regulations that

1 define eligible costs and determine minimum and maximum grant
2 amounts.

3 (9) The authority shall provide reports to the fiscal and policy
4 committees of the Legislature on or before May 1, 2014, and on
5 or before May 1, 2015, on the progress of implementation, that
6 include, but are not limited to, the following:

7 (A) A description of each project awarded funding.

8 (B) The amount of each grant issued.

9 (C) A description of other sources of funding for each project.

10 (D) The total amount of grants issued.

11 (E) A description of project operation and implementation,
12 including who is being served.

13 (10) A recipient of a grant provided pursuant to paragraph (1)
14 shall adhere to all applicable laws relating to scope of practice,
15 licensure, certification, staffing, and building codes.

16 (e) Of the funds specified in paragraph (8) of subdivision (b),
17 it is the intent of the Legislature to authorize the authority and the
18 commission to administer competitive selection processes as
19 provided in this section for capital capacity and program expansion
20 to increase capacity for mobile crisis support, crisis intervention,
21 crisis stabilization services, crisis residential treatment, family
22 respite care, family supportive training and related services, and
23 triage personnel resources for children and youth 21 years of age
24 and under.

25 (f) Funds appropriated by the Legislature to the authority to
26 address crisis services for children and youth 21 years of age and
27 under for the purposes of this section shall be made available to
28 selected counties or counties acting jointly. The authority may, at
29 its discretion, also give consideration to private nonprofit
30 corporations and public agencies in an area or region of the state
31 if a county, or counties acting jointly, affirmatively support this
32 designation and collaboration in lieu of a county government
33 directly receiving grant funds.

34 (1) Grant awards made by the authority shall be used to expand
35 local resources for the development, capital, equipment acquisition,
36 and applicable program startup or expansion costs to increase
37 capacity for client assistance and crisis services for children and
38 youth 21 years of age and under in the following areas:

39 (A) Crisis intervention, as authorized by Sections 14021.4,
40 14680, and 14684.

1 (B) Crisis stabilization, as authorized by Sections 14021.4,
2 14680, and 14684.

3 (C) Crisis residential treatment, as authorized by Sections
4 14021.4, 14680, and 14684 and as provided at a children’s crisis
5 residential program, as defined in Section 1502 of the Health and
6 Safety Code.

7 (D) Mobile crisis support teams, including the purchase of
8 equipment and vehicles.

9 (E) Family respite care.

10 (2) The authority shall develop selection criteria to expand local
11 resources, including those described in paragraph (1), and processes
12 for awarding grants after consulting with representatives and
13 interested stakeholders from the mental health community,
14 including, but not limited to, county mental health directors, service
15 providers, consumer organizations, and other appropriate interests,
16 such as health care providers and law enforcement, as determined
17 by the authority. The authority shall ensure that grants result in
18 cost-effective expansion of the number of community-based crisis
19 resources in regions and communities selected for funding. The
20 authority shall also take into account at least the following criteria
21 and factors when selecting recipients of grants and determining
22 the amount of grant awards:

23 (A) Description of need, including, at a minimum, a
24 comprehensive description of the project, community need,
25 population to be served, linkage with other public systems of health
26 and mental health care, linkage with local law enforcement, social
27 services, and related assistance, as applicable, and a description
28 of the request for funding.

29 (B) Ability to serve the target population, which includes
30 individuals eligible for Medi-Cal and individuals eligible for county
31 health and mental health services.

32 (C) Geographic areas or regions of the state to be eligible for
33 grant awards, which may include rural, suburban, and urban areas,
34 and may include use of the five regional designations utilized by
35 the California Behavioral Health Directors Association.

36 (D) Level of community engagement and commitment to project
37 completion.

38 (E) Financial support that, in addition to a grant that may be
39 awarded by the authority, will be sufficient to complete and operate
40 the project for which the grant from the authority is awarded.

1 (F) Ability to provide additional funding support to the project,
2 including public or private funding, federal tax credits and grants,
3 foundation support, and other collaborative efforts.

4 (G) Memorandum of understanding among project partners, if
5 applicable.

6 (H) Information regarding the legal status of the collaborating
7 partners, if applicable.

8 (I) Ability to measure key outcomes, including utilization of
9 services, health and mental health outcomes, and cost benefit of
10 the project.

11 (3) The authority shall determine maximum grant awards, which
12 shall take into consideration the number of projects awarded to
13 the grantee, as described in paragraph (1), and shall reflect
14 reasonable costs for the project, geographic region, and target ages.
15 The authority may allocate a grant in increments contingent upon
16 the phases of a project.

17 (4) Funds awarded by the authority pursuant to this section may
18 be used to supplement, but not to supplant, existing financial and
19 resource commitments of the grantee or any other member of a
20 collaborative effort that has been awarded a grant.

21 (5) All projects that are awarded grants by the authority shall
22 be completed within a reasonable period of time, to be determined
23 by the authority. Funds shall not be released by the authority until
24 the applicant demonstrates project readiness to the authority's
25 satisfaction. If the authority determines that a grant recipient has
26 failed to complete the project under the terms specified in awarding
27 the grant, the authority may require remedies, including the return
28 of all, or a portion, of the grant.

29 (6) A grantee that receives a grant from the authority under this
30 section shall commit to using that capital capacity and program
31 expansion project, such as the mobile crisis team, crisis
32 stabilization unit, family respite care, or crisis residential treatment
33 program, for the duration of the expected life of the project.

34 (7) The authority may consult with a technical assistance entity,
35 as described in paragraph (5) of subdivision (a) of Section 4061,
36 for the purposes of implementing this section.

37 (8) The authority may adopt emergency regulations relating to
38 the grants for the capital capacity and program expansion projects
39 described in this section, including emergency regulations that

1 define eligible costs and determine minimum and maximum grant
2 amounts.

3 (9) The authority shall provide reports to the fiscal and policy
4 committees of the Legislature on or before January 10, 2018, and
5 annually thereafter, on the progress of implementation, that include,
6 but are not limited to, the following:

7 (A) A description of each project awarded funding.

8 (B) The amount of each grant issued.

9 (C) A description of other sources of funding for each project.

10 (D) The total amount of grants issued.

11 (E) A description of project operation and implementation,
12 including who is being served.

13 (10) A recipient of a grant provided pursuant to paragraph (1)
14 shall adhere to all applicable laws relating to scope of practice,
15 licensure, certification, staffing, and building codes.

16 (g) Funds appropriated by the Legislature to the commission
17 for purposes of this section shall be allocated for triage personnel
18 to provide intensive case management and linkage to services for
19 individuals with mental health disorders at various points of access.
20 These funds shall be made available to selected counties, counties
21 acting jointly, or city mental health departments, as determined
22 by the commission through a selection process. It is the intent of
23 the Legislature for these funds to be allocated in an efficient manner
24 to encourage early intervention and receipt of needed services for
25 individuals with mental health disorders, and to assist in navigating
26 the local service sector to improve efficiencies and the delivery of
27 services.

28 (1) Triage personnel may provide targeted case management
29 services face to face, by telephone, or by telehealth with the
30 individual in need of assistance or his or her significant support
31 person, and may be provided anywhere in the community. These
32 service activities may include, but are not limited to, the following:

33 (A) Communication, coordination, and referral.

34 (B) Monitoring service delivery to ensure the individual accesses
35 and receives services.

36 (C) Monitoring the individual's progress.

37 (D) Providing placement service assistance and service plan
38 development.

1 (2) The commission shall take into account at least the following
2 criteria and factors when selecting recipients and determining the
3 amount of grant awards for triage personnel as follows:

4 (A) Description of need, including potential gaps in local service
5 connections.

6 (B) Description of funding request, including personnel and use
7 of peer support.

8 (C) Description of how triage personnel will be used to facilitate
9 linkage and access to services, including objectives and anticipated
10 outcomes.

11 (D) Ability to obtain federal Medicaid reimbursement, when
12 applicable.

13 (E) Ability to administer an effective service program and the
14 degree to which local agencies and service providers will support
15 and collaborate with the triage personnel effort.

16 (F) Geographic areas or regions of the state to be eligible for
17 grant awards, which shall include rural, suburban, and urban areas,
18 and may include use of the five regional designations utilized by
19 the County Behavioral Health Directors Association of California.

20 (3) The commission shall determine maximum grant awards,
21 and shall take into consideration the level of need, population to
22 be served, and related criteria, as described in paragraph (2), and
23 shall reflect reasonable costs.

24 (4) Funds awarded by the commission for purposes of this
25 section may be used to supplement, but not supplant, existing
26 financial and resource commitments of the county, counties acting
27 jointly, or city mental health department that received the grant.

28 (5) Notwithstanding any other law, a county, counties acting
29 jointly, or city mental health department that receives an award of
30 funds for the purpose of supporting triage personnel pursuant to
31 this subdivision is not required to provide a matching contribution
32 of local funds.

33 (6) Notwithstanding any other law, the commission, without
34 taking any further regulatory action, may implement, interpret, or
35 make specific this section by means of informational letters,
36 bulletins, or similar instructions.

37 (7) The commission shall provide a status report to the fiscal
38 and policy committees of the Legislature on the progress of
39 implementation no later than March 1, 2014.

1 (h) Funds appropriated by the Legislature to the commission
2 pursuant to paragraph (8) of subdivision (b) for the purposes of
3 addressing children’s crisis services shall be allocated to support
4 triage personnel and family supportive training and related services.
5 These funds shall be made available to selected counties, counties
6 acting jointly, or city mental health departments, as determined
7 by the commission through a selection process. The commission
8 may, at its discretion, also give consideration to private nonprofit
9 corporations and public agencies in an area or region of the state
10 if a county, or counties acting jointly, affirmatively supports this
11 designation and collaboration in lieu of a county government
12 directly receiving grant funds.

13 (1) These funds may provide for a range of crisis-related services
14 for a child in need of assistance, or his or her parent, guardian, or
15 caregiver. These service activities may include, but are not limited
16 to, the following:

- 17 (A) Intensive coordination of care and services.
- 18 (B) Communication, coordination, and referral.
- 19 (C) Monitoring service delivery to the child or youth.
- 20 (D) Monitoring the child’s progress.
- 21 (E) Providing placement service assistance and service plan
22 development.

23 (F) Crisis or safety planning.

24 (2) The commission shall take into account at least the following
25 criteria and factors when selecting recipients and determining the
26 amount of grant awards for these funds, as follows:

- 27 (A) Description of need, including potential gaps in local service
28 connections.
- 29 (B) Description of funding request, including personnel.
- 30 (C) Description of how personnel and other services will be
31 used to facilitate linkage and access to services, including
32 objectives and anticipated outcomes.
- 33 (D) Ability to obtain federal Medicaid reimbursement, when
34 applicable.
- 35 (E) Ability to provide a matching contribution of local funds.
- 36 (F) Ability to administer an effective service program and the
37 degree to which local agencies and service providers will support
38 and collaborate with the triage personnel effort.
- 39 (G) Geographic areas or regions of the state to be eligible for
40 grant awards, which shall include rural, suburban, and urban areas,

1 and may include use of the five regional designations utilized by
2 the County Behavioral Health Directors Association of California.

3 (3) The commission shall determine maximum grant awards,
4 and shall take into consideration the level of need, population to
5 be served, and related criteria, as described in paragraph (2), and
6 shall reflect reasonable costs.

7 (4) Funds awarded by the commission for purposes of this
8 section may be used to supplement, but not supplant, existing
9 financial and resource commitments of the county, counties acting
10 jointly, or a city mental health department that received the grant.

11 (5) Notwithstanding any other law, a county, counties acting
12 jointly, or a city mental health department that receives an award
13 of funds for the purpose of this section is not required to provide
14 a matching contribution of local funds.

15 (6) Notwithstanding any other law, the commission, without
16 taking any further regulatory action, may implement, interpret, or
17 make specific this section by means of informational letters,
18 bulletins, or similar instructions.

19 (7) The commission may waive requirements in this section for
20 counties with a population of 100,000 or less, if the commission
21 determines it is in the best interest of the state and meets the intent
22 of the law.

23 (8) The commission shall provide a status report to the fiscal
24 and policy committees of the Legislature on the progress of
25 implementation no later than January 10, 2018, and annually
26 thereafter.

27 SEC. 6. Section 11462.01 of the Welfare and Institutions Code,
28 as added by Section 75 of Chapter 773 of the Statutes of 2015, is
29 amended to read:

30 11462.01. (a) (1) If a program is not intended for the exclusive
31 use of private insurance plans, no later than 12 months following
32 the date of initial licensure, a short-term residential therapeutic
33 program, as defined in subdivision (ad) of Section 11400 of this
34 code and paragraph (18) of subdivision (a) of Section 1502 of the
35 Health and Safety Code, shall obtain a contract, subject to an
36 agreement on rates and terms and conditions, with a county mental
37 health plan to provide specialty mental health services and
38 demonstrate the ability to meet the therapeutic needs of each child,
39 as identified in any of the following:

40 (A) A mental health assessment.

- 1 (B) The child’s case plan.
- 2 (C) The child’s needs and services plan.
- 3 (D) Other documentation demonstrating the child has a mental
- 4 health need.

5 (2) A short-term residential therapeutic program shall comply
6 with any other mental health program approvals required by the
7 State Department of Health Care Services or by a county mental
8 health plan to which mental health program approval authority has
9 been delegated.

10 (b) A short-term residential therapeutic program, except as
11 specified in subdivision (c), may accept for placement a child who
12 meets both of the criteria in paragraphs (1) and (2) and at least one
13 of the conditions in paragraph (3).

14 (1) The child does not require inpatient care in a licensed health
15 facility.

16 (2) The child has been assessed as requiring the level of services
17 provided in a short-term residential therapeutic program in order
18 to maintain the safety and well-being of the child or others due to
19 behaviors, including those resulting from traumas, that render the
20 child or those around the child unsafe or at risk of harm, or that
21 prevent the effective delivery of needed services and supports
22 provided in the child’s own home or in other family settings, such
23 as with a relative, guardian, foster family, resource family, or
24 adoptive family. The assessment shall ensure the child has needs
25 in common with other children or youth in the care of the facility,
26 consistent with subdivision (c) of Section 16514.

27 (3) The child meets at least one of the following conditions:

28 (A) The child has been assessed, pursuant to Section 4096, as
29 meeting the medical necessity criteria for Medi-Cal specialty
30 mental health services, as provided for in Section 1830.205 or
31 1830.210 of Title 9 of the California Code of Regulations.

32 (B) The child has been assessed, pursuant to Section 4096, as
33 seriously emotionally disturbed, as defined in subdivision (a) of
34 Section 5600.3.

35 (C) The child requires emergency placement pursuant to
36 paragraph (3) of subdivision (i).

37 (D) The child has been assessed, pursuant to Section 4096, as
38 requiring the level of services provided by the short-term residential
39 therapeutic program in order to meet his or her behavioral or
40 therapeutic needs.

1 (4) Subject to the requirements of this subdivision, a short-term
2 residential therapeutic program may have a specialized program
3 to serve a child, including, but not limited to, the following:

4 (A) A commercially sexually exploited child.

5 (B) A private voluntary placement, if the youth exhibits status
6 offender behavior, the parents or other relatives feel they cannot
7 control the child's behavior, and short-term intervention is needed
8 to transition the child back into the home.

9 (C) A juvenile sex offender.

10 (D) A child who is affiliated with, or impacted by, a gang.

11 (c) (1) A short-term residential therapeutic program that is
12 operating as a children's crisis residential program, as defined in
13 Section 1502 of the Health and Safety Code, may accept for
14 admission any ~~child~~, *child who meets all of the following*
15 *requirements:*

16 (A) *The child is referred by a parent or guardian, or by the*
17 *representative of a public or private entity, including, but not*
18 *limited to, the county probation agency or child welfare services*
19 *agency with responsibility for the placement of a child in foster*
20 *care, that has the right to make these decisions on behalf of a child*
21 *who is in mental health crisis and, absent admission to a children's*
22 *crisis residential program, would otherwise require acceptance by*
23 *the emergency department of a general hospital, or admission into*
24 *a psychiatric hospital or the psychiatric inpatient unit of a general*
25 *hospital. crisis.*

26 (B) *The child is under 19, 20, or 21 years of age, depending on*
27 *a program's licensing requirements.*

28 (C) *The child has a serious behavioral health disorder.*

29 (D) *The child requires a 24-hour-a-day, seven-day-a-week,*
30 *staff-secured, unlocked treatment setting.*

31 (2) *The primary function of a children's crisis residential*
32 *program is to provide short-term crisis stabilization, therapeutic*
33 *intervention, and specialized programming in an unlocked,*
34 *staff-secured setting with a high degree of supervision and*
35 *structure and the goal of supporting the rapid and successful*
36 *transition of the child back to the community.*

37 (d) A foster family agency that is certified as a Medi-Cal
38 specialty mental health provider pursuant to Section 1810.435 of
39 Title 9 of the California Code of Regulations by the State
40 Department of Health Care Services, or by a county mental health

1 plan to which the department has delegated certification authority,
2 and which has entered into a contract with a county mental health
3 plan pursuant to Section 1810.436 of Title 9 of the California Code
4 of Regulations, shall provide, or provide access to, specialty mental
5 health services to children under its care who do not require
6 inpatient care in a licensed health facility and who meet the medical
7 necessity criteria for Medi-Cal specialty mental health services
8 provided for in Section 1830.205 or 1830.210 of Title 9 of the
9 California Code of Regulations.

10 (e) A foster family agency that is not certified as a Medi-Cal
11 specialty mental health provider shall provide access to specialty
12 and non-specialty mental health services in that program for
13 children who do not require inpatient care in a licensed health
14 facility and who meet any of the conditions in paragraph (3) of
15 subdivision (b). In this situation the foster family agency shall do
16 the following:

17 (1) In the case of a child who is a Medi-Cal beneficiary, arrange
18 for specialty mental health services from the county mental health
19 plan.

20 (2) In all other cases, arrange for the child to receive mental
21 health services.

22 (f) All short-term residential therapeutic programs shall maintain
23 the level of care and services necessary to meet the needs of the
24 children and youth in their care and shall maintain and have in
25 good standing the appropriate mental health program approval. If
26 a program will admit Medi-Cal beneficiaries, the mental health
27 program approval shall include a certification to provide Medi-Cal
28 specialty mental health services issued by the State Department
29 of Health Care Services or a county mental health plan to which
30 the department has delegated mental health program approval
31 authority, pursuant to Section 4096.5 of this code or Section
32 1810.435 or 1810.436 of Title 9 of the California Code of
33 Regulations. All foster family agencies that are certified as a
34 Medi-Cal specialty mental health provider pursuant to Section
35 1810.435 of Title 9 of the California Code of Regulations shall
36 maintain the level of care and services necessary to meet the needs
37 of children and youth in their care and shall maintain and have in
38 good standing the Medi-Cal specialty mental health provider
39 certification issued by the State Department of Health Care

1 Services or a county mental health plan to which the department
2 has delegated certification authority.

3 (g) The assessments described in subparagraphs (A), (B), (C),
4 and (D) of paragraph (3) of subdivision (b) shall ensure the child's
5 individual behavioral or treatment needs are consistent with, and
6 can be met by, the facility and shall be made by one of the
7 following, as applicable:

8 (1) An interagency placement committee, as described in Section
9 4096, considering the recommendations from the child and family
10 team, if any are available. If the short-term residential therapeutic
11 program serves children who are placed by county child welfare
12 agencies and children who are placed by probation departments,
13 the interagency placement committee shall also ensure the
14 requirements of subdivision (c) of Section 16514 have been met
15 with respect to commonality of need.

16 (2) A licensed mental health professional as defined in
17 subdivision (g) of Section 4096.

18 (3) For the purposes of this section, an AFDC-FC funded child
19 with an individualized education program developed pursuant to
20 Article 2 (commencing with Section 56320) of Chapter 4 of Part
21 30 of Division 4 of Title 2 of the Education Code that assesses the
22 child as seriously emotionally disturbed, as defined in, and subject
23 to, this section and recommends out-of-home placement at the
24 level of care provided by the provider, shall be deemed to have
25 met the assessment requirement.

26 (h) The evaluation described in subparagraph (A) of paragraph
27 (3) of subdivision (i) shall be made pursuant to subdivision (b) of
28 Section 706.6 or paragraph (2) of subdivision (c) of Section
29 16501.1.

30 (i) (1) The provider shall ensure that AFDC-FC funded children,
31 assessed pursuant to subparagraphs (A) and (B) of paragraph (3)
32 of subdivision (b), who are accepted for placement have been
33 approved for placement by an interagency placement committee,
34 as described in Section 4096, except as provided for in paragraphs
35 (3) and (4) of subdivision (g).

36 (2) The approval shall be in writing and shall indicate that the
37 interagency placement committee has determined one of the
38 following:

39 (A) The child meets the medical necessity criteria for Medi-Cal
40 specialty mental health services, as provided for in Section

1 1830.205 or 1830.210 of Title 9 of the California Code of
2 Regulations.

3 (B) The child is seriously emotionally disturbed, as described
4 in subdivision (a) of Section 5600.3.

5 (3) (A) Nothing in subdivisions (a) to (h), inclusive, or this
6 subdivision shall prevent an emergency placement of a child or
7 youth into a certified short-term residential therapeutic program
8 or children’s crisis residential program prior to the determination
9 by the interagency placement committee, but only if a licensed
10 mental health professional, as defined in subdivision (g) of Section
11 4096, has made a written determination within 72 hours of the
12 child’s or youth’s placement, that the child or youth requires the
13 level of services and supervision provided by the short-term
14 residential therapeutic program in order to meet his or her
15 behavioral or therapeutic needs, or has made a written
16 determination within 24 hours of the child’s or youth’s placement
17 in a children’s crisis residential program that the child or youth is
18 experiencing a mental health crisis as defined in subdivision (c)
19 and is in need of the care and services provided by the children’s
20 crisis residential program. If the short-term residential therapeutic
21 program serves children placed by county child welfare agencies
22 and children placed by probation departments, the interagency
23 placement committee shall also ensure the requirements of
24 subdivision (c) of Section 16514 have been met with respect to
25 commonality of need.

26 (i) The interagency placement committee, as appropriate, shall,
27 within 30 days of placement, make the determinations, with
28 recommendations from the child and family team, required by this
29 subdivision.

30 (ii) If it determines the placement is appropriate, the interagency
31 placement committee, with recommendations from the child and
32 family team, shall transmit the approval, in writing, to the county
33 placing agency and the short-term residential therapeutic program.

34 (iii) If it determines the placement is not appropriate, the
35 interagency placement committee shall respond pursuant to
36 subparagraph (B).

37 (B) (i) If the interagency placement committee determines at
38 any time that the placement is not appropriate, it shall, with
39 recommendations from the child and family team, transmit the
40 disapproval, in writing, to the county placing agency and the

1 short-term residential therapeutic program and shall include a
2 recommendation as to the child’s appropriate level of care and
3 placement to meet his or her service needs. The necessary
4 interagency placement committee representative or representatives
5 shall participate in any child and family team meetings to refer the
6 child or youth to an appropriate placement, as specified in this
7 section.

8 (ii) The child may remain in the placement for the amount of
9 time necessary to identify and transition the child to an alternative,
10 suitable placement.

11 (iii) Notwithstanding clause (ii), if the interagency placement
12 committee determined the placement was not appropriate due to
13 a health and safety concern, immediate arrangements for the child
14 to transition to an appropriate placement shall occur.

15 (j) Commencing January 1, 2017, for AFDC-FC funded children
16 or youth, only those children or youth who are approved for
17 placement, as set forth in this section, may be accepted by a
18 short-term residential therapeutic program.

19 (k) The department shall, through regulation, establish
20 consequences for the failure of a short-term residential therapeutic
21 program to obtain written approval for placement of an AFDC-FC
22 funded child or youth pursuant to this section.

23 (l) The department shall not establish a rate for a short-term
24 residential therapeutic program unless the provider submits a
25 recommendation from the host county or the primary placing
26 county that the program is needed and that the provider is willing
27 and capable of operating the program at the level sought. For
28 purposes of this subdivision, “host county,” and “primary placing
29 county,” mean the same as defined in the department’s AFDC-FC
30 ratesetting regulations.

31 (m) Any certified short-term residential therapeutic program
32 shall be reclassified and paid at the appropriate program rate for
33 which it is qualified if either of the following occurs:

34 (1) (A) It fails to maintain the level of care and services
35 necessary to meet the needs of the children and youth in care, as
36 required by subdivision (a). The determination shall be made
37 consistent with the department’s AFDC-FC ratesetting regulations
38 developed pursuant to Section 11462 and shall take into
39 consideration the highest level of care and associated rates for
40 which the program may be eligible if granted an extension pursuant

1 to Section 11462.04 or any reduction in rate associated with a
2 provisional or probationary rate granted or imposed under Section
3 11466.01.

4 (B) In the event of a determination under this paragraph, the
5 short-term residential therapeutic program may appeal the finding
6 or submit a corrective action plan. The appeal process specified
7 in Section 11466.6 shall be available to a short-term residential
8 therapeutic program that provides intensive and therapeutic
9 treatment. During any appeal, the short-term residential therapeutic
10 program that provides intensive and therapeutic treatment shall
11 maintain the appropriate level of care.

12 (2) It fails to maintain a certified mental health treatment
13 program as required by subdivision (f).

14 (n) In addition to any other review required by law, the child
15 and family team as defined in paragraph (4) of subdivision (a) of
16 Section 16501 may periodically review the placement of the child
17 or youth. If the child and family team make a recommendation
18 that the child or youth no longer needs, or is not benefiting from,
19 placement in a short-term residential therapeutic program, the team
20 shall transmit the disapproval, in writing, to the county placing
21 agency to consider a more appropriate placement.

22 (o) The department shall develop a process to address
23 placements when, subsequent to the child's or youth's placement,
24 a determination is made by the interagency placement team and
25 shall consider the recommendations of the child and family team,
26 either that the child or youth is not in need of the care and services
27 provided by the certified program. The process shall include, but
28 not be limited to:

29 (1) Notice of the determination in writing to both the county
30 placing agency and the short-term residential therapeutic program
31 or foster family agency that provides intensive and therapeutic
32 treatment.

33 (2) Notice of the county's plan, and a timeframe, for removal
34 of the child or youth in writing to the short-term residential
35 therapeutic program that provides intensive and therapeutic
36 treatment.

37 (3) Referral to an appropriate placement.

38 (4) Actions to be taken if a child or youth is not timely removed
39 from the short-term residential therapeutic program that provides

1 intensive and therapeutic treatment or placed in an appropriate
2 placement.

3 (p) (1) Nothing in this section shall prohibit a short-term
4 residential therapeutic program from accepting private admissions
5 of children or youth.

6 (2) When a referral is not from a public agency and no public
7 funding is involved, there is no requirement for public agency
8 review or determination of need.

9 (3) Children and youth subject to paragraphs (1) and (2) shall
10 have been determined to be seriously emotionally disturbed, as
11 described in subdivision (a) of Section 5600.3, and subject to
12 Section 1502.4 of the Health and Safety Code, by a licensed mental
13 health professional, as defined in subdivision (g) of Section 4096.

14 SEC. 7. Section 11462.011 is added to the Welfare and
15 Institutions Code, to read:

16 11462.011. (a) The State Department of Health Care Services
17 shall, in consultation with the Department of Managed Health
18 Care, the State Department of Social Services, the County
19 Behavioral Health Directors Association of California, the County
20 Welfare Directors Association of California, the Chief Probation
21 Officers of California, provider representatives, and other relevant
22 stakeholders, establish program standards and procedures for
23 oversight, enforcement, and issuance of children's crisis residential
24 mental health program approvals, including provisional approvals
25 that are effective for a period of less than one year. The State
26 Department of Health Care Services shall also establish due process
27 protections related to the children's crisis residential mental health
28 program approval process.

29 (b) A children's crisis residential mental health program
30 approval issued by the State Department of Health Care Services,
31 or a county mental health plan to which the department has
32 delegated approval authority, shall be a condition of continued
33 licensure for a short-term residential therapeutic program operating
34 as a children's crisis residential program.

35 (c) The State Department of Health Care Services, or a county
36 mental health plan to which the department has delegated approval
37 authority, may enforce the children's crisis residential mental
38 health program approval standards by taking any of the following
39 actions against a noncompliant children's crisis residential
40 program:

1 (1) Suspend or revoke a children’s crisis residential mental
2 health program approval.

3 (2) Impose monetary penalties.

4 (3) Place a children’s crisis residential mental health program
5 on probation.

6 (4) Require a children’s crisis residential mental health program
7 to prepare and comply with a corrective action plan.

8 (d) The State Department of Health Care Services, or a county
9 mental health plan to which the department has delegated approval
10 authority, shall provide a children’s crisis residential mental health
11 program with due process protections when taking any of the
12 actions described in subdivision (c).

13 (e) Contingent upon an appropriation in the annual Budget Act
14 for these purposes, the department shall begin implementation of
15 this section no later than July 1, 2018, and shall commence the
16 operation of the approval process for children’s crisis residential
17 mental health program approvals no later than January 1, 2019.

18 SEC. 8. (a) Contingent upon an appropriation from the annual
19 Budget Act for these purposes, the State Department of Social
20 Services and the State Department of Health Care Services shall
21 adopt regulations to implement this act on or before July 1, 2018.

22 (b) Notwithstanding the rulemaking provisions of the
23 Administrative Procedure Act (Chapter 3.5 (commencing with
24 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
25 Code), the State Department of Social Services and the State
26 Department of Health Care Services may implement and administer
27 the changes made by this act through information notices,
28 all-county letters, or similar written instructions until regulations
29 are adopted.

30 (c) This section shall become effective upon appropriation of
31 funds by the Legislature for the purposes described in this section.

32 SEC. 9. No reimbursement is required by this act pursuant to
33 Section 6 of Article XIII B of the California Constitution because
34 the only costs that may be incurred by a local agency or school
35 district will be incurred because this act creates a new crime or
36 infraction, eliminates a crime or infraction, or changes the penalty
37 for a crime or infraction, within the meaning of Section 17556 of
38 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

O