

Monday, December 13, 2021

11am, State Capitol – Room 4202

REGULATING THE SUBSTANCE ABUSE TREATMENT INDUSTRY

Background

What is Substance Use Disorder?

The Diagnostic and Statistical Manual of Mental Disorder (DSM-V) defines a drug or alcohol addiction as a substance use disorder (SUDs). A substance use disorder occurs when repeated use of alcohol and/or other drugs causes significant problems, including:

- Failure to meet major responsibilities at work, school, or home
- Health problems
- Disability

Frequent, long-term use of substances can result in neurological changes that may increase the likelihood of compulsive and destructive behaviors, and make it even more difficult for people to recover despite being ready to quit. However, like other chronic diseases, SUDs can be prevented, treated, and managed to help people recover. Peer support, medications to manage withdrawal symptoms and reduce cravings, and behavioral therapy can all be components of the recovery process.

A 2018 report from the Substance Abuse and Mental Health Services Administration estimated that approximately 20.3 million people aged 12 or older nationwide had a substance use disorder (SUD) related to their use of alcohol or illicit drugs in the past year.¹

Substance Use Disorders in California

According to the California Healthcare Foundation (CHCF), in 2018 about 8% of Californians, or roughly 2.7 million people, meet criteria for substance use disorder. However, only 10% of people receive any type of treatment.² Alcohol use disorder is the most prevalent type of substance use disorder, and SUDs are most prevalent among young adults 18 to 25, occurring at nearly twice the state average rate.

¹ <https://www.samhsa.gov/data/sites/default/files/cbhsq-reports/NSDUHNationalFindingsReport2018/NSDUHNationalFindingsReport2018.pdf>

² <https://www.chcf.org/wp-content/uploads/2018/09/SubstanceUseDisorderAlmanac2018.pdf>

Licensing Alcohol or drug abuse residential treatment facilities (RTFs) in California

Alcohol or drug abuse residential treatment facilities (RTFs) must be licensed with the California Department of Health Care Services (DHCS), regardless of the number of people served. RTFs are licensed to provide nonmedical, residential recovery, treatment, and detoxification services to adults who are recovering from problems related to alcohol or substance abuse or misuse. The services provided by these RTFs include detoxification, group and individual counseling, educational sessions, alcoholism or drug abuse recovery and treatment planning, and incidental medical services. The licensing application process includes a review of the description of services to be provided, schedule of activities, target population, and ensuring that appropriate personnel are available to provide the services. As of November 2021, there are over 900 RTFs registered on DHCS's website.³

In addition to obtaining a license from DHCS, all licensed adult alcoholism or drug treatment facilities are required to obtain at least one DHCS Level of Care Designation and/or at least one residential American Society of Addiction Medicine Level of Care Certification consistent with the services offered, and to maintain the applicable standard of care for that designation as a condition of licensure.⁴

Many facilities licensed by DHCS also seek out a voluntary certification offered by DHCS. Certification identifies RTFs that exceed minimum levels of service quality and are in substantial compliance with State program standards, specifically the Alcohol and/or Other Drug Certification Standards. Lastly, RTFs may be subject to other types of permits, clearances, business taxes or local fees required by the cities or counties in which they are located.

State Oversight of RTFs

As part of their licensing function, DHCS conducts reviews of RTF operations every two years, or as necessary. The Licensing and Certification Branch (LCB) within DHCS' Licensing and Certification Division is responsible for determining which facilities are and are not eligible for licensure. Licensure of a facility is not a singular event; facilities are granted licensing for set terms, and must reapply before their current license expires.

The LCB checks for compliance with statute and regulations to ensure the health and safety of RTF residents via the provision of services in a safe environment. Onsite reviews of RTFs include inspection of all areas of the physical building, personnel and resident file evaluation, policy and procedure reviews, interviews with personnel and residents, and a review of the schedule of activities. The LCB also investigates all complaints related to RTFs that fall in the jurisdiction of DHCS, such as patient deaths, complaints against staff, and allegations of a facility operating without a license. According to DHCS, the average length of time to complete an

³ <https://data.chhs.ca.gov/dataset/91f4ded1-d9a9-4419-882d-3bc6b8e09b6a/resource/1cbf39c4-0674-4dce-8f6f-4ff24eb8074e/download/suds-recovery-treatment-facilities-nov-2021.csv>

⁴ [DHCS Level of Care Designation](#)

investigation will vary depending on the scope of the allegations and investigation. Some can be completed within 90 days of receipt, but others that require a more intensive investigation and on-site visits, such as a patient death, may take closer to a year.

DHCS has the statutory authority to suspend or revoke a license for conduct in the operation of a RTF that is “inimical 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.”⁵ DHCS maintains an updated list of facilities online that are on probation, have been operating without a license, have had their license temporarily suspended, or have had their licenses revoked.⁶

Sober Living Homes

Some residential facilities do not provide Alcohol or Other Drug services and thus do not require licensure or certification by DHCS. These facilities are arrangements between landlords and tenants, or between groups of roommates agreeing to follow certain house rules. These include sober living environments, sober living homes, transitional housing, or alcohol and drug free housing. Although sober living environments or alcohol and drug free housing are not statutorily required to be licensed by DHCS, because they do not provide any clinical services and because DHCS has no authority over landlord/tenant relationships, they may be subject to any local permits, clearances, business taxes or fees required by cities or counties.

⁵ Health and Safety Code Section 11834.35-45

⁶ <https://www.dhcs.ca.gov/provgovpart/SUD-LCR/Pages/SUS-REV-NOV.aspx>