

## **Department of Mental Health**

### **BUDGET NO. 4440**

### **REPORT NO. 1**

### **HEALTH AND SAFETY CODE**

#### **DIVISION 2. LICENSING PROVISIONS [1200. - 1795.]**

*( Division 2 enacted by Stats. 1939, Ch. 60. )*

#### **CHAPTER 2. Health Facilities [1250. - 1339.59.]**

*( Chapter 2 repealed and added by Stats. 1973, Ch. 1202. )*

#### **ARTICLE 2. Administration [1265. - 1271.15.]**

*( Article 2 added by Stats. 1973, Ch. 1202. )*

#### **1266.1.**

(a) Each new or renewal application for a license for a psychiatric health facility shall be accompanied by a fee credited to the State Department of Social Services for its costs incurred in the review of psychiatric health facility programs, in connection with the licensing of these facilities. The amount of the fees shall be determined and collected by the State Department of Social Services, but the total amount of the fees collected shall not exceed the actual costs of licensure and review of psychiatric health facility programs, including, but not limited to, the costs of processing the application, inspection costs, and other related costs.

(b) New or renewal licensure application fees for psychiatric health facilities shall be collected by the State Department of Social Services.

(c) The annual fees shall be waived for any psychiatric health facility conducted, maintained, or operated by this state or any state department, authority, bureau, commission, or officer, or by the Regents of the University of California, or by a local hospital district, city, county, or city and county.

(d) If additional private psychiatric health facilities seek new licensure on or after January 1, 1991, the State Department of Social Services may increase the fees for all private psychiatric health facilities with more than nine beds sufficient to accommodate the increased level of workload and costs.

(e) (1) Any licensee desiring to obtain a special permit to offer and provide structured outpatient services shall file an application with the State Department of Social Services.

(2) The application for a special permit, if any, shall be submitted with each new or renewal application for a license for a psychiatric health facility, and shall be accompanied by a reasonable fee, as determined by the State Department of Social Services, not to exceed the actual costs of administration related to the special permit. An application for a special permit submitted by a psychiatric health facility operated by a public entity shall be exempt from the fee required pursuant to this section for the issuance of the special permit.

(3) The State Department of Social Services shall not issue a special permit unless the applicant furnishes all of the following:

(A) Its annual licensing fee required pursuant to subdivision (a).

(B) A completed application submitted on forms furnished by the department.

(C) A written agreement ensuring that the facility will have additional staffing for the services to be provided under the special permit, that the additional staffing will meet the same professional standards as required by regulation for inpatient services, and that a coordinator of these services will be appointed.

(D) Any other information or documentation as may be required by the department for its proper and efficient administration and enforcement of special permit services.

(4) The provision of structured outpatient services pursuant to a special permit may be as an alternative to admission to inpatient services, as aftercare services following discharge from inpatient care, or as both.

*(Amended by Stats. 2012, Ch. 34, Sec. 9. Effective June 27, 2012.)*

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-365		Mental health.	Chaptered 04/20/1990		-		
AB-404		Psychiatric health facilities: structured outpatient services.	Chaptered 07/29/1991		-		
AB-1469	Committee on Budget	Health and human services.	Amended Senate 06/25/2012	07/02/2012 - Re-referred to Com. on B. & F.R.	Senate-In Committee Process - Budget and Fiscal Review	Yes	Majority
AB-2703	Aghazarian	Health and human services.	Amended Assembly 04/24/2006	04/25/2006 - In committee: Set first hearing. Failed passage. Reconsideration granted. 04/25/2006 - Re-referred to Com. on HEALTH.	-	Yes	Majority
AB-3192		Mental health: facilities licensing.	Chaptered 09/13/1990		-		
SB-1009	Committee on Budget and Fiscal Review	Health and human services.	Chaptered 06/27/2012	06/27/2012 - Chaptered by Secretary of State. Chapter 34, Statutes of 2012.	Secretary of State-Chaptered	Yes	Majority

**COMMENTS/RECOMMENDATIONS:**

According to the Department of Mental Health, the program responsibility is proposed for transfer to the Department of Social Services. The Legislature may wish to consider keeping this requirement in law until the program is actually transferred/repealed.

## REPORT NO. 2

### WELFARE AND INSTITUTIONS CODE

#### DIVISION 4. MENTAL HEALTH [4000. - 4390.]

*( Heading of Division 4 amended by Stats. 1977, Ch. 1252. )*

#### PART 1. GENERAL ADMINISTRATION, POWERS AND DUTIES OF THE DEPARTMENT [4000. - 4098.5.]

*( Heading of Part 1 amended by Stats. 1977, Ch. 1252. )*

#### CHAPTER 1. General [4000. - 4027.]

*( Heading of Chapter 1 added by Stats. 1978, Ch. 1393. )*

#### 4024.

The State Department of State Hospitals proposed allocations for level-of-care staffing in state hospitals that serve persons with mental disabilities shall be submitted to the Department of Finance for review and approval in July and again on a quarterly basis. Each quarterly report shall include an analysis of client characteristics of admissions and discharges in addition to information on any changes in characteristics of current residents.

The State Department of State Hospitals shall submit by January 1 and May 1 to the Department of Finance for its approval: (a) all assumptions underlying estimates of state hospital mentally disabled population; and (b) a comparison of the actual and estimated population levels for the year to date. If the actual population differs from the estimated population by 50 or more, the department shall include in its reports an analysis of the causes of the change and the fiscal impact. The Department of Finance shall approve or modify the assumptions underlying all population estimates within 15 working days of their submission. If the Department of Finance does not approve or modify the assumptions by that date, the assumptions, as presented by the submitting department, shall be deemed to be accepted by the Department of Finance as of that date. The estimates of populations and the comparison of actual versus estimated population levels shall be made available to the Joint Legislative Budget Committee immediately following approval by the Department of Finance.

The Department of Finance shall also make available to the Joint Legislative Budget Committee a listing of all of the approved assumptions and the impact of each assumption, as well as all supporting data provided by the State Department of State Hospitals or developed independently by the Department of Finance. However, the departmental estimates, assumptions, and other supporting data as have been prepared shall be forwarded to the Joint Legislative Budget Committee not later than January 15 or May 15 by the State Department of State Hospitals in the event this information has not been released earlier.

*(Amended by Stats. 2012, Ch. 24, Sec. 75. Effective June 27, 2012.)*

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-1470	Committee on Budget	Mental health: State Department of State Hospitals.	Chaptered 06/27/2012	06/27/2012 - Chaptered by Secretary of State - Chapter 24, Statutes of 2012.	Secretary of State-Chaptered	Yes	Majority
SB-1010	Committee on Budget and Fiscal Review	Mental health: State Department of State Hospitals.	Amended Assembly 06/13/2012	06/14/2012 - Withdrawn from committee. (Ayes	Assembly-In Floor Process	Yes	Majority

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
				47. Noes 25. (Page 5301.) 06/14/2012 - Ordered to second reading. 06/14/2012 - Read second time. Ordered to third reading.			

**COMMENTS/RECOMMENDATIONS:**

According to the Department of Mental Health, this information is already included in the department’s biannual caseload estimates.

## **REPORT NO. 3**

### **WELFARE AND INSTITUTIONS CODE- WIC**

#### **DIVISION 6. ADMISSIONS AND JUDICIAL COMMITMENTS [6000. - 6825.]**

*( Division 6 repealed (comm. with Section 5000) and added by Stats. 1967, Ch. 1667. )*

#### **PART 2. JUDICIAL COMMITMENTS [6250. - 6825.]**

*( Part 2 added by Stats. 1967, Ch. 1667. )*

#### **CHAPTER 2. Commitment Classification [6331. - 6609.3.]**

*( Chapter 2 added by Stats. 1967, Ch. 1667. )*

#### **ARTICLE 4. Sexually Violent Predators [6600. - 6609.3.]**

*( Article 4 added by Stats. 1995, Ch. 763, Sec. 3. )*

#### **6601. (m)(1)**

(a) (1) Whenever the Secretary of the Department of Corrections and Rehabilitation determines that an individual who is in custody under the jurisdiction of the Department of Corrections and Rehabilitation, and who is either serving a determinate prison sentence or whose parole has been revoked, may be a sexually violent predator, the secretary shall, at least six months prior to that individual's scheduled date for release from prison, refer the person for evaluation in accordance with this section. However, if the inmate was received by the department with less than nine months of his or her sentence to serve, or if the inmate's release date is modified by judicial or administrative action, the secretary may refer the person for evaluation in accordance with this section at a date that is less than six months prior to the inmate's scheduled release date.

(2) A petition may be filed under this section if the individual was in custody pursuant to his or her determinate prison term, parole revocation term, or a hold placed pursuant to Section 6601.3, at the time the petition is filed. A petition shall not be dismissed on the basis of a later judicial or administrative determination that the individual's custody was unlawful, if the unlawful custody was the result of a good faith mistake of fact or law. This paragraph shall apply to any petition filed on or after January 1, 1996.

(b) The person shall be screened by the Department of Corrections and Rehabilitation and the Board of Parole Hearings based on whether the person has committed a sexually violent predatory offense and on a review of the person's social, criminal, and institutional history. This screening shall be conducted in accordance with a structured screening instrument developed and updated by the State Department of State Hospitals in consultation with the Department of Corrections and Rehabilitation. If as a result of this screening it is determined that the person is likely to be a sexually violent predator, the Department of Corrections and Rehabilitation shall refer the person to the State Department of State Hospitals for a full evaluation of whether the person meets the criteria in Section 6600.

(c) The State Department of State Hospitals shall evaluate the person in accordance with a standardized assessment protocol, developed and updated by the State Department of State Hospitals, to determine whether the person is a sexually violent predator as defined in this article. The standardized assessment protocol shall require assessment of diagnosable mental disorders, as well as various factors known to be associated with the risk of reoffense among sex offenders. Risk factors to be considered shall include criminal and psychosexual history, type, degree, and duration of sexual deviance, and severity of mental disorder.

(d) Pursuant to subdivision (c), the person shall be evaluated by two practicing psychiatrists or psychologists, or one practicing psychiatrist and one practicing psychologist, designated by the

Director of State Hospitals, one or both of whom may be independent professionals as defined in subdivision (g). If both evaluators concur that the person has a diagnosed mental disorder so that he or she is likely to engage in acts of sexual violence without appropriate treatment and custody, the Director of State Hospitals shall forward a request for a petition for commitment under Section 6602 to the county designated in subdivision (i). Copies of the evaluation reports and any other supporting documents shall be made available to the attorney designated by the county pursuant to subdivision (i) who may file a petition for commitment.

(e) If one of the professionals performing the evaluation pursuant to subdivision (d) does not concur that the person meets the criteria specified in subdivision (d), but the other professional concludes that the person meets those criteria, the Director of State Hospitals shall arrange for further examination of the person by two independent professionals selected in accordance with subdivision (g).

(f) If an examination by independent professionals pursuant to subdivision (e) is conducted, a petition to request commitment under this article shall only be filed if both independent professionals who evaluate the person pursuant to subdivision (e) concur that the person meets the criteria for commitment specified in subdivision (d). The professionals selected to evaluate the person pursuant to subdivision (g) shall inform the person that the purpose of their examination is not treatment but to determine if the person meets certain criteria to be involuntarily committed pursuant to this article. It is not required that the person appreciate or understand that information.

(g) Any independent professional who is designated by the Secretary of the Department of Corrections and Rehabilitation or the Director of State Hospitals for purposes of this section shall not be a state government employee, shall have at least five years of experience in the diagnosis and treatment of mental disorders, and shall include psychiatrists and licensed psychologists who have a doctoral degree in psychology. The requirements set forth in this section also shall apply to any professionals appointed by the court to evaluate the person for purposes of any other proceedings under this article.

(h) If the State Department of State Hospitals determines that the person is a sexually violent predator as defined in this article, the Director of State Hospitals shall forward a request for a petition to be filed for commitment under this article to the county designated in subdivision (i). Copies of the evaluation reports and any other supporting documents shall be made available to the attorney designated by the county pursuant to subdivision (i) who may file a petition for commitment in the superior court.

(i) If the county's designated counsel concurs with the recommendation, a petition for commitment shall be filed in the superior court of the county in which the person was convicted of the offense for which he or she was committed to the jurisdiction of the Department of Corrections and Rehabilitation. The petition shall be filed, and the proceedings shall be handled, by either the district attorney or the county counsel of that county. The county board of supervisors shall designate either the district attorney or the county counsel to assume responsibility for proceedings under this article.

(j) The time limits set forth in this section shall not apply during the first year that this article is operative.

(k) An order issued by a judge pursuant to Section 6601.5, finding that the petition, on its face, supports a finding of probable cause to believe that the individual named in the petition is likely to engage in sexually violent predatory criminal behavior upon his or her release, shall toll that

person's parole pursuant to paragraph (4) of subdivision (a) of Section 3000 of the Penal Code, if that individual is determined to be a sexually violent predator.

(l) Pursuant to subdivision (d), the attorney designated by the county pursuant to subdivision (i) shall notify the State Department of State Hospitals of its decision regarding the filing of a petition for commitment within 15 days of making that decision.

(m) (1) The department shall provide the fiscal and policy committees of the Legislature, including the Chairperson of the Joint Legislative Budget Committee, and the Department of Finance, with a semiannual update on the progress made to hire qualified state employees to conduct the evaluation required pursuant to subdivision (d). The first update shall be provided no later than July 10, 2009.

(2) On or before January 2, 2010, the department shall report to the Legislature on all of the following:

(A) The costs to the department for the sexual offender commitment program attributable to the provisions in Proposition 83 of the November 2006 general election, otherwise known as Jessica's Law.

(B) The number and proportion of inmates evaluated by the department for commitment to the program as a result of the expanded evaluation and commitment criteria in Jessica's Law.

(C) The number and proportion of those inmates who have actually been committed for treatment in the program.

(3) This section shall remain in effect and be repealed on the date that the director executes a declaration, which shall be provided to the fiscal and policy committees of the Legislature, including the Chairperson of the Joint Legislative Budget Committee, and the Department of Finance, specifying that sufficient qualified state employees have been hired to conduct the evaluations required pursuant to subdivision (d), or January 1, 2013, whichever occurs first.

*(Amended (as amended by Stats. 2011, Ch. 359, Sec. 2) by Stats. 2012, Ch. 24, Sec. 139. Effective June 27, 2012. Repealed on or before January 1, 2013, as prescribed by its own provisions. See later operative version, as amended by Stats. 2011, Ch. 359, Sec. 3. Note: This section was amended on Nov. 7, 2006, by initiative Prop. 83. Prop. 83 allows (in Sec. 33) the Legislature to directly amend its provisions.)*

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-231	Sharon Runner, La Suer	The Sexual Predator Punishment and Control Act: Jessica's Law.	Amended Assembly 08/15/2005	01/30/2006 - From committee without further action pursuant to Joint Rule 62(a).	-	Yes	Two Thirds
AB-888		Sexually violent predators.	Chaptered 10/11/1995		-		
AB-1458	Wiggins	Sexually violent predators: treatment programs: commitment petitions.	Enrolled 08/31/2000	09/29/2000 - Vetoed by Governor.	-		
AB-1470	Committee on Budget	Mental health: State Department of State Hospitals.	Chaptered 06/27/2012	06/27/2012 - Chaptered by Secretary of State - Chapter 24, Statutes of 2012.	Secretary of State-Chaptered	Yes	Majority
AB-1496		Sexually violent	Chaptered		-		

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
		predators.	02/22/1996				
AB-1841	Bogh	Sexually violent predators.	Introduced 01/11/2006	04/04/2006 - In committee: Set first hearing. Failed passage. Reconsideration granted.	-	Yes	Majority
AB-3130		Sexually violent predators.	Chaptered 09/13/1996		-		
SB-11	Schiff, Costa, Rainey	Sexually violent predators.	Chaptered 07/22/1999	07/22/1999 - Chaptered by Secretary of State. Chapter 136, Statutes of 1999.	-		
SB-179	Pavley	Sex offenders: parole.	Chaptered 09/29/2011	09/29/2011 - Chaptered by Secretary of State. Chapter 359, Statutes of 2011.	Secretary of State-Chaptered	Yes	Two Thirds
SB-492	Correa	Sexually violent predators: civil commitment.	Introduced 02/17/2011	01/31/2012 - Returned to Secretary of Senate pursuant to Joint Rule 56.	Senate-Died - Public Safety	Yes	Two Thirds
SB-588	Runner, Denham, Hollingsworth, Poochigian	The Sexual Predator Punishment and Control Act: Jessica's Law.	Amended Senate 08/18/2005	01/31/2006 - Returned to Secretary of Senate pursuant to Joint Rule 56.	-	Yes	Two Thirds
SB-864	Poochigian	Sexually violent predators: term of commitment.	Amended Assembly 03/08/2006	06/26/2006 - Returned to Chief Clerk pursuant to Joint Rule 62(a).	-	Yes	Majority
SB-1010	Committee on Budget and Fiscal Review	Mental health: State Department of State Hospitals.	Amended Assembly 06/13/2012	06/14/2012 - Withdrawn from committee. (Ayes 47. Noes 25. Page 5301.) 06/14/2012 - Ordered to second reading. 06/14/2012 - Read second time. Ordered to third reading.	Assembly-In Floor Process	Yes	Majority
SB-1128	Alquist	Sex Offender Punishment, Control, and Containment Act of 2006.	Chaptered 09/20/2006	09/20/2006 - Chaptered by Secretary of State. Chapter 337, Statutes of	-	Yes	Two Thirds



Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
				2006. 09/20/2006 - Approved by Governor.			
SB-1143		Sexually violent predators.	Chaptered 10/11/1995		-		
SB-1201	DeSaulnier	Sex offenders: assessments.	Chaptered 09/30/2010	09/30/2010 - Chaptered by Secretary of State. Chapter 710, Statutes of 2010.	Secretary of State- Chaptered	Yes	Majority
SB-1203	Runner	Crime: sex offenders.	Amended Senate 04/22/2008	11/30/2008 - From Assembly without further action.	Assembly- Died - Public Safety	Yes	Two Thirds
SB-1546	Runner	Sexually violent predators.	Chaptered 09/30/2008	09/30/2008 - Chaptered by Secretary of State. Chapter 601, Statutes of 2008.	Secretary of State- Chaptered	Yes	Two Thirds
SB-1976		Sexually violent predators.	Chaptered 09/29/1998		-		

**COMMENTS/RECOMMENDATIONS:**

According to the Department of Finance, the Department of Personnel Administration approved the SVP Evaluator civil service classification in October 2011, eliminating the need for this report. Paragraph (3) of subdivision (m) repeals the reporting requirement on January 1, 2013.

## REPORT NO. 4

### WELFARE AND INSTITUTIONS CODE

#### DIVISION 4. MENTAL HEALTH [4000. - 4390.]

( Heading of Division 4 amended by Stats. 1977, Ch. 1252. )

#### PART 3. DEPARTMENTAL PROGRAM INITIATIVES [4340. - 4369.4.]

( Part 3 added by Stats. 1991, Ch. 89, Sec. 51. )

#### CHAPTER 7. Comprehensive Act for Families and Caregivers of Brain-Impaired Adults [4362. - 4368.5.]

( Chapter 7 added by Stats. 1992, Ch. 1374, Sec. 13. )

#### 4365.5.

(a) The Statewide Resources Consultant shall submit progress reports on its activities as required by the director. These reports shall include, but not be limited to, a summary and evaluation of the activities of the resource centers. Client, caregiver, service, and cost data shall be provided for each operating resource center.

(b) The department, in consultation with the Statewide Resources Consultant, shall report to the Legislature annually on the effectiveness of the resource centers. The report shall be submitted within six months after the end of each fiscal year. The evaluation shall include, but not be limited to, all of the following:

- (1) The costs and amount of each type of service provided.
- (2) An assessment of the nature and extent of the demand for services which provide respite, and an evaluation of their success in meeting this demand.
- (3) Recommendations for improving the effectiveness of the program in deterring the institutionalization of brain-impaired adults, allowing caregivers to maintain a normal routine and promoting the continuance of quality care for brain-impaired adults.
- (4) Recommendations for ensuring that unmet needs of brain-impaired persons and their families are identified and addressed with appropriate programs and services.

(Added by Stats. 1992, Ch. 1374, Sec. 13, Effective October 28, 1992.)

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
AB-14		Human services.	Chaptered 10/28/1992		-		

**COMMENTS/RECOMMENDATIONS:** The Department of Mental Health recommends deletion because funding for the Caregiver Resources Center is no longer available. The Legislature may wish to keep the requirement in law until the program has actually been eliminated.

**REPORT NO. 6**

**WELFARE AND INSTITUTIONS CODE- WIC**

**AB 1183 (CHAPTER 758, STATUTES OF 2008) SECTION 24**

**SEC. 24.**

**5777.**

(a) (1) Except as otherwise specified in this part, a contract entered into pursuant to this part shall include a provision that the mental health plan contractor shall bear the financial risk for the cost of providing medically necessary mental health services to Medi-Cal beneficiaries irrespective of whether the cost of those services exceeds the payment set forth in the contract. If the expenditures for services do not exceed the payment set forth in the contract, the mental health plan contractor shall report the unexpended amount to the department, but shall not be required to return the excess to the department.

(2) If the mental health plan is not the county's, the mental health plan may not transfer the obligation for any mental health services to Medi-Cal beneficiaries to the county. The mental health plan may purchase services from the county. The mental health plan shall establish mutually agreed-upon protocols with the county that clearly establish conditions under which beneficiaries may obtain non-Medi-Cal reimbursable services from the county. Additionally, the plan shall establish mutually agreed-upon protocols with the county for the conditions of transfer of beneficiaries who have lost Medi-Cal eligibility to the county for care under Part 2 (commencing with Section 5600), Part 3 (commencing with Section 5800), and Part 4 (commencing with Section 5850).

(3) The mental health plan shall be financially responsible for ensuring access and a minimum required scope of benefits, consistent with state and federal requirements, to the services to the Medi-Cal beneficiaries of that county regardless of where the beneficiary resides. The department shall require that the definition of medical necessity used, and the minimum scope of benefits offered, by each mental health contractor be the same, except to the extent that any variations receive prior federal approval and are consistent with state and federal statutes and regulations.

(b) Any contract entered into pursuant to this part may be renewed if the plan continues to meet the requirements of this part, regulations promulgated pursuant thereto, and the terms and conditions of the contract. Failure to meet these requirements shall be cause for nonrenewal of the contract. The department may base the decision to renew on timely completion of a mutually agreed upon plan of correction of any deficiencies, submissions of required information in a timely manner, or other conditions of the contract. At the discretion of the department, each contract may be renewed for a period not to exceed three years.

(c) (1) The obligations of the mental health plan shall be changed only by contract or contract amendment.

(2) A change may be made during a contract term or at the time of contract renewal, where there is a change in obligations required by federal or state law or when required by a change in the interpretation or implementation of any law or regulation. To the extent permitted by federal law and except as provided under subdivision (r) of Section 5778, if any change in obligations occurs that affects the cost to the mental health plan of performing under the terms of its contract, the

department may reopen contracts to negotiate the state General Fund allocation to the mental health plan under Section 5778, if the mental health plan is reimbursed through a fee-for-service payment system, or the capitation rate to the mental health plan under Section 5779, if the mental health plan is reimbursed through a capitated rate payment system. During the time period required to redetermine the allocation or rate, payment to the mental health plan of the allocation or rate in effect at the time the change occurred shall be considered interim payments and shall be subject to increase or decrease, as the case may be, effective as of the date on which the change is effective.

(3) To the extent permitted by federal law, either the department or the mental health plan may request that contract negotiations be reopened during the course of a contract due to substantial changes in the cost of covered benefits that result from an unanticipated event.

(d) The department shall immediately terminate a contract when the director finds that there is an immediate threat to the health and safety of Medi-Cal beneficiaries. Termination of the contract for other reasons shall be subject to reasonable notice of the department's intent to take that action and notification of affected beneficiaries. The plan may request a public hearing by the Office of Administrative Hearings.

(e) A plan may terminate its contract in accordance with the provisions in the contract. The plan shall provide written notice to the department at least 180 days prior to the termination or nonrenewal of the contract.

(f) Upon the request of the Director of Mental Health, the Director of the Department of Managed Health Care may exempt a mental health plan contractor or a capitated rate contract from the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code). These exemptions may be subject to conditions the director deems appropriate. Nothing in this part shall be construed to impair or diminish the authority of the Director of the Department of Managed Health Care under the Knox-Keene Health Care Service Plan Act of 1975, nor shall anything in this part be construed to reduce or otherwise limit the obligation of a mental health plan contractor licensed as a health care service plan to comply with the requirements of the Knox-Keene Health Care Service Plan Act of 1975, and the rules of the Director of the Department of Managed Health Care promulgated thereunder. The Director of Mental Health, in consultation with the Director of the Department of Managed Health Care, shall analyze the appropriateness of licensure or application of applicable standards of the Knox-Keene Health Care Service Plan Act of 1975.

(g) (1) The department, pursuant to an agreement with the State Department of Health Care Services, shall provide oversight to the mental health plans to ensure quality, access, and cost efficiency. At a minimum, the department shall, through a method independent of any agency of the mental health plan contractor, monitor the level and quality of services provided, expenditures pursuant to the contract, and conformity with federal and state law.

(2) (A) Commencing July 1, 2008, county mental health plans, in collaboration with the department, the federally required external review organization, providers, and other stakeholders, shall establish an advisory statewide performance improvement project (PIP) to increase the coordination, quality, effectiveness, and efficiency of service delivery to children who are either receiving at least three thousand dollars (\$3,000) per month in the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program services or children identified in the top 5 percent of the county EPSDT cost, whichever is lowest. The statewide PIP shall replace one of the two required PIPs that mental health plans must perform under federal regulations outlined in the mental health plan contract.

(B) The federally required external quality review organization shall provide independent oversight and reviews with recommendations and findings or summaries of findings, as appropriate, from a statewide perspective. This information shall be accessible to county mental health plans, the department, county welfare directors, providers, and other interested stakeholders in a manner that both facilitates, and allows for, a comprehensive quality improvement process for the EPSDT Program.

(C) Each July, the department, in consultation with the federally required external quality review organization and the county mental health plans, shall determine the average monthly cost threshold for counties to use to identify children to be reviewed who are currently receiving EPSDT services. The department shall consult with representatives of county mental health directors, county welfare directors, providers, and the federally required external quality review organization in setting the annual average monthly cost threshold and in implementing the statewide PIP. The department shall provide an annual update to the Legislature on the results of this statewide PIP by October 1 of each year for the prior fiscal year.

(D) It is the intent of the Legislature for the EPSDT PIP to increase the coordination, quality, effectiveness, and efficiency of service delivery to children receiving EPSDT services and to facilitate evidence-based practices within the program, and other high-quality practices consistent with the values of the public mental health system within the program to ensure that children are receiving appropriate mental health services for their mental health wellness.

(E) This paragraph shall become inoperative on September 1, 2011.

(h) County employees implementing or administering a mental health plan act in a discretionary capacity when they determine whether or not to admit a person for care or to provide any level of care pursuant to this part.

(i) If a county chooses to discontinue operations as the local mental health plan, the new plan shall give reasonable consideration to affiliation with nonprofit community mental health agencies that were under contract with the county and that meet the mental health plan's quality and cost efficiency standards.

(j) Nothing in this part shall be construed to modify, alter, or increase the obligations of counties as otherwise limited and defined in Chapter 3 (commencing with Section 5700) of Part 2. The county's maximum obligation for services to persons not eligible for Medi-Cal shall be no more than the amount of funds remaining in the mental health subaccount pursuant to Sections 17600, 17601, 17604, 17605, 17606, and 17609 after fulfilling the Medi-Cal contract obligations.

**COMMENTS/RECOMMENDATIONS:** According to the Department of Mental Health, the annual report was never published due to incomplete data. The reporting requirement sunset on September 1, 2011, and the Early Periodic Screening, Diagnosis and Treatment Program (EPSDT) was included in the 2011 Realignment.

**REPORT NO. 6**

**WELFARE AND INSTITUTIONS CODE- WIC**

**DIVISION 4. MENTAL HEALTH [4000. - 4390.]**

*( Heading of Division 4 amended by Stats. 1977, Ch. 1252. )*

**PART 2. ADMINISTRATION OF STATE INSTITUTIONS FOR THE MENTALLY DISORDERED [4100. - 4335.]**

*( Heading of Part 2 renamed from Chapter 2 by Stats. 1977, Ch. 1252. )*

**CHAPTER 1. Jurisdiction and General Government [4100. - 4139.]**

*( Heading of Chapter 1 renamed from Article 1 by Stats. 1977, Ch. 1252. )*

**4125. (d)**

(d) No later than August 15 of each year, the director shall provide to the Legislature a summary data sheet containing information on how the benefit fund at each state hospital was expended in the previous fiscal year.

Bill	Lead Authors	Subject	Latest Bill Version	Last History Action	Status	Fiscal Committee	Vote Required
SB-1404	Chesbro	State hospitals for the mentally disordered: patient funds: self-help groups.	Chaptered 09/03/2002	09/03/2002 - Chaptered by Secretary of State. Chapter 352, Statutes of 2002.	-		

**COMMENTS/RECOMMENDATIONS:**

According to the Department of Mental Health, this information is "available upon request."