

AMENDED IN ASSEMBLY APRIL 11, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1054

**Introduced by Assembly Member Chesbro
(Principal coauthor: Assembly Member Lowenthal)**

February 22, 2013

An act to amend Section 5912 of the Welfare and Institutions Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

AB 1054, as amended, Chesbro. Mental health: skilled nursing facility: reimbursement rate.

Existing law provides for the licensure and regulation of health facilities, including skilled nursing facilities, by the State Department of Public Health. Existing law requires the State Department of Health Care Services to contract with skilled nursing facilities that have been designated by the State Department of ~~Mental Health~~ *State Hospitals* as institutions for mental disease to provide services to the residents. Existing law also provides procedures for the transfer of programmatic and fiscal responsibilities for mental health services from the state to counties. Under existing law, as long as contracts require institutions for mental disease to continue to be licensed as skilled nursing facilities, they are reimbursed at a specified rate.

This bill would ~~set, effective July 1, 2014, require~~ the reimbursement rate for services in those institutions for mental disease ~~at the rate established through negotiations between the institution and the county in which it is located. By imposing new duties on local agencies this bill would impose a state-mandated local program to increase by 3.5% annually.~~

~~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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

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

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

1 SECTION 1. Section 5912 of the Welfare and Institutions Code
2 is amended to read:

3 5912. (a) As long as contracts require institutions for mental
4 disease to continue to be licensed and certified as skilled nursing
5 facilities by the State Department of Public Health, they shall be
6 reimbursed for basic services at the rate established ~~through~~
7 ~~negotiations between the institution for mental disease and the~~
8 ~~county in which it is located.~~ *by the State Department of Health*
9 *Care Services. Effective July 1, 2014, the reimbursement rate for*
10 *institutions for mental disease shall increase by 3.5 percent*
11 *annually.*

12 (b) *It is the intent of the Legislature that the annual rate*
13 *increases provided in subdivision (a) be utilized by the institutions*
14 *for mental disease to meet direct service costs and, to the extent*
15 *possible, improve the quality of care rendered to residents in the*
16 *facilities.*

17 ~~SEC. 2. If the Commission on State Mandates determines that~~
18 ~~this act contains costs mandated by the state, reimbursement to~~
19 ~~local agencies and school districts for those costs shall be made~~
20 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
21 ~~4 of Title 2 of the Government Code.~~