

**Introduced by Senator Yee
(Coauthor: Senator Wolk)**February 22, 2013

An act to amend Sections 5348, 5349, 5813.5, and 5892 of the Welfare and Institutions Code, relating to mental health, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 664, as introduced, Yee. Mental health: Laura's Law: Mental Health Services Fund.

Existing law, known as Laura's Law, until January 1, 2017, regulates designated assisted outpatient treatment services, which a county may choose to provide for its residents. To implement the program, the county board of supervisors is required to, by resolution, authorize the program and make a finding that no voluntary mental health program serving adults, and no children's mental health program, may be reduced as a result of the program's implementation. In a county where assisted outpatient treatment services are available, a person is authorized to receive specific mental health services pursuant to an order if requisite criteria are met, as specified. Under that law, a participating county is required to provide prescribed assisted outpatient services, including a service planning and delivery process that provides for services that are client-directed and employ psychosocial rehabilitation and recovery principles.

This bill would no longer require a county to authorize the program by resolution and make those findings to implement the program. This bill would authorize a county to limit the number of persons to whom it provides assisted outpatient treatment services.

Existing law contains provisions governing the operation and financing of community mental health services for the mentally disordered in every county through locally administered and locally controlled community mental health programs. Existing law, the Mental Health Services Act, an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, funds a system of county mental health plans for the provision of mental health services, as specified. The act establishes the Mental Health Services Fund, continuously appropriated to and administered by the State Department of Health Care Services, to fund specified county mental health programs, including programs funded under the Adult and Older Adult Mental Health System of Care Act. The Adult and Older Adult Mental Health System of Care Act establishes service standards that require, among other things, that a service planning and delivery process provides for services that are client-directed and employ psychosocial rehabilitation and recovery principles. The act authorizes the Legislature to clarify procedures and terms of the act by majority vote.

This bill would make an appropriation by clarifying that mental health services provided under Laura's Law may be provided pursuant to the procedures established by the Mental Health Services Act. This bill would make other conforming changes and delete obsolete provisions.

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

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

1 SECTION 1. Section 5348 of the Welfare and Institutions Code
2 is amended to read:
3 5348. (a) For purposes of subdivision (e) of Section 5346, a
4 county that chooses to provide assisted outpatient treatment
5 services pursuant to this article *may limit the number of persons*
6 *to whom it provides assisted outpatient treatment services, and*
7 *shall offer assisted outpatient treatment services including, but not*
8 *limited to, all of the following:*
9 (1) Community-based, mobile, multidisciplinary, highly trained
10 mental health teams that use high staff-to-client ratios of no more
11 than 10 clients per team member for those subject to court-ordered
12 services pursuant to Section 5346.

1 (2) A service planning and delivery process that includes the
2 following:

3 (A) Determination of the numbers of persons to be served and
4 the programs and services that will be provided to meet their needs.
5 The local director of mental health shall consult with the sheriff,
6 the police chief, the probation officer, the mental health board,
7 contract agencies, and family, client, ethnic, and citizen
8 constituency groups as determined by the director.

9 (B) Plans for services, including outreach to families whose
10 severely mentally ill adult is living with them, design of mental
11 health services, coordination and access to medications, psychiatric
12 and psychological services, substance abuse services, supportive
13 housing or other housing assistance, vocational rehabilitation, and
14 veterans' services. Plans shall also contain evaluation strategies,
15 which shall consider cultural, linguistic, gender, age, and special
16 needs of minorities and those based on any characteristic listed or
17 defined in Section 11135 of the Government Code in the target
18 populations. Provision shall be made for staff with the cultural
19 background and linguistic skills necessary to remove barriers to
20 mental health services as a result of having
21 limited-English-speaking ability and cultural differences.
22 Recipients of outreach services may include families, the public,
23 primary care physicians, and others who are likely to come into
24 contact with individuals who may be suffering from an untreated
25 severe mental illness who would be likely to become homeless if
26 the illness continued to be untreated for a substantial period of
27 time. Outreach to adults may include adults voluntarily or
28 involuntarily hospitalized as a result of a severe mental illness.

29 (C) Provision for services to meet the needs of persons who are
30 physically disabled.

31 (D) Provision for services to meet the special needs of older
32 adults.

33 (E) Provision for family support and consultation services,
34 parenting support and consultation services, and peer support or
35 self-help group support, where appropriate.

36 (F) Provision for services to be client-directed and that employ
37 psychosocial rehabilitation and recovery principles.

38 (G) Provision for psychiatric and psychological services that
39 are integrated with other services and for psychiatric and
40 psychological collaboration in overall service planning.

1 (H) Provision for services specifically directed to seriously
2 mentally ill young adults 25 years of age or younger who are
3 homeless or at significant risk of becoming homeless. These
4 provisions may include continuation of services that still would
5 be received through other funds had eligibility not been terminated
6 as a result of age.

7 (I) Services reflecting special needs of women from diverse
8 cultural backgrounds, including supportive housing that accepts
9 children, personal services coordinator therapeutic treatment, and
10 substance treatment programs that address gender-specific trauma
11 and abuse in the lives of persons with mental illness, and vocational
12 rehabilitation programs that offer job training programs free of
13 gender bias and sensitive to the needs of women.

14 (J) Provision for housing for clients that is immediate,
15 transitional, permanent, or all of these.

16 (K) Provision for clients who have been suffering from an
17 untreated severe mental illness for less than one year, and who do
18 not require the full range of services, but are at risk of becoming
19 homeless unless a comprehensive individual and family support
20 services plan is implemented. These clients shall be served in a
21 manner that is designed to meet their needs.

22 (3) Each client shall have a clearly designated mental health
23 personal services coordinator who may be part of a
24 multidisciplinary treatment team who is responsible for providing
25 or assuring needed services. Responsibilities include complete
26 assessment of the client's needs, development of the client's
27 personal services plan, linkage with all appropriate community
28 services, monitoring of the quality and follow-through of services,
29 and necessary advocacy to ensure each client receives those
30 services that are agreed to in the personal services plan. Each client
31 shall participate in the development of his or her personal services
32 plan, and responsible staff shall consult with the designated
33 conservator, if one has been appointed, and, with the consent of
34 the client, shall consult with the family and other significant
35 persons as appropriate.

36 (4) The individual personal services plan shall ensure that
37 persons subject to assisted outpatient treatment programs receive
38 age-appropriate, gender-appropriate, and culturally appropriate
39 services, to the extent feasible, that are designed to enable
40 recipients to:

- 1 (A) Live in the most independent, least restrictive housing
2 feasible in the local community, and, for clients with children, to
3 live in a supportive housing environment that strives for
4 reunification with their children or assists clients in maintaining
5 custody of their children as is appropriate.
- 6 (B) Engage in the highest level of work or productive activity
7 appropriate to their abilities and experience.
- 8 (C) Create and maintain a support system consisting of friends,
9 family, and participation in community activities.
- 10 (D) Access an appropriate level of academic education or
11 vocational training.
- 12 (E) Obtain an adequate income.
- 13 (F) Self-manage their illnesses and exert as much control as
14 possible over both the day-to-day and long-term decisions that
15 affect their lives.
- 16 (G) Access necessary physical health care and maintain the best
17 possible physical health.
- 18 (H) Reduce or eliminate serious antisocial or criminal behavior,
19 and thereby reduce or eliminate their contact with the criminal
20 justice system.
- 21 (I) Reduce or eliminate the distress caused by the symptoms of
22 mental illness.
- 23 (J) Have freedom from dangerous addictive substances.
- 24 (5) The individual personal services plan shall describe the
25 service array that meets the requirements of paragraph (4), and to
26 the extent applicable to the individual, the requirements of
27 paragraph (2).
- 28 (b) A county that provides assisted outpatient treatment services
29 pursuant to this article also shall offer the same services on a
30 voluntary basis.
- 31 (c) Involuntary medication shall not be allowed absent a separate
32 order by the court pursuant to Sections 5332 to 5336, inclusive.
- 33 (d) A county that operates an assisted outpatient treatment
34 program pursuant to this article shall provide data to the State
35 Department of Health Care Services and, based on the data, the
36 department shall report to the Legislature on or before May 1 of
37 each year in which the county provides services pursuant to this
38 article. The report shall include, at a minimum, an evaluation of
39 the effectiveness of the strategies employed by each program
40 operated pursuant to this article in reducing homelessness and

1 hospitalization of persons in the program and in reducing
2 involvement with local law enforcement by persons in the program.
3 The evaluation and report shall also include any other measures
4 identified by the department regarding persons in the program and
5 all of the following, based on information that is available:

6 (1) The number of persons served by the program and, of those,
7 the number who are able to maintain housing and the number who
8 maintain contact with the treatment system.

9 (2) The number of persons in the program with contacts with
10 local law enforcement, and the extent to which local and state
11 incarceration of persons in the program has been reduced or
12 avoided.

13 (3) The number of persons in the program participating in
14 employment services programs, including competitive employment.

15 (4) The days of hospitalization of persons in the program that
16 have been reduced or avoided.

17 (5) Adherence to prescribed treatment by persons in the program.

18 (6) Other indicators of successful engagement, if any, by persons
19 in the program.

20 (7) Victimization of persons in the program.

21 (8) Violent behavior of persons in the program.

22 (9) Substance abuse by persons in the program.

23 (10) Type, intensity, and frequency of treatment of persons in
24 the program.

25 (11) Extent to which enforcement mechanisms are used by the
26 program, when applicable.

27 (12) Social functioning of persons in the program.

28 (13) Skills in independent living of persons in the program.

29 (14) Satisfaction with program services both by those receiving
30 them and by their families, when relevant.

31 SEC. 2. Section 5349 of the Welfare and Institutions Code is
32 amended to read:

33 ~~5349. This article shall be operative in those counties in which
34 the county board of supervisors, by resolution, authorizes its
35 application and makes a finding that no voluntary mental health
36 program serving adults, and no children's mental health program,
37 may be reduced as a result of the implementation of this article.~~

38 Compliance with this section shall be monitored by the State
39 Department of Health Care Services as part of its review and
40 approval of county performance contracts.

1 SEC. 3. Section 5813.5 of the Welfare and Institutions Code
2 is amended to read:

3 5813.5. Subject to the availability of funds from the Mental
4 Health Services Fund, the state shall distribute funds for the
5 provision of services under Sections 5347, 5348, 5801, 5802, and
6 5806 to county mental health programs. Services shall be available
7 to adults and seniors with severe illnesses who meet the eligibility
8 criteria in subdivisions (b) and (c) of Section 5600.3. For purposes
9 of ~~this act~~ *the Mental Health Services Act*, seniors means older
10 adult persons identified in ~~Part 3 (commencing with Section 5800)~~
11 ~~of this division~~ *part*.

12 (a) Funding shall be provided at sufficient levels to ensure that
13 counties can provide each adult and senior served pursuant to this
14 part with the medically necessary mental health services,
15 medications, and supportive services set forth in the applicable
16 treatment plan.

17 (b) The funding shall only cover the portions of those costs of
18 services that cannot be paid for with other funds including other
19 mental health funds, public and private insurance, and other local,
20 state, and federal funds.

21 (c) Each county mental health programs plan shall provide for
22 services in accordance with the system of care for adults and
23 seniors who meet the eligibility criteria in subdivisions (b) and (c)
24 of Section 5600.3.

25 (d) Planning for services shall be consistent with the philosophy,
26 principles, and practices of the Recovery Vision for mental health
27 consumers:

28 (1) To promote concepts key to the recovery for individuals
29 who have mental illness: hope, personal empowerment, respect,
30 social connections, self-responsibility, and self-determination.

31 (2) To promote consumer-operated services as a way to support
32 recovery.

33 (3) To reflect the cultural, ethnic, and racial diversity of mental
34 health consumers.

35 (4) To plan for each consumer's individual needs.

36 (e) The plan for each county mental health program shall
37 indicate, subject to the availability of funds as determined by Part
38 4.5 (commencing with Section 5890) of this division, and other
39 funds available for mental health services, adults and seniors with
40 a severe mental illness being served by this program are either

1 receiving services from this program or have a mental illness that
2 is not sufficiently severe to require the level of services required
3 of this program.

4 (f) Each county plan and annual update pursuant to Section
5 5847 shall consider ways to provide services similar to those
6 established pursuant to the Mentally Ill Offender Crime Reduction
7 Grant Program. Funds shall not be used to pay for persons
8 incarcerated in state prison or parolees from state prisons. *Funds*
9 *may be used to provide persons with assisted outpatient treatment*
10 *services, as defined in Section 5345.*

11 (g) The department shall contract for services with county
12 mental health programs pursuant to Section 5897. ~~After the~~
13 ~~effective date of this section January 1, 2005, the term grants~~
14 ~~referred to “grant” as used in Sections 5814 and 5814.5 shall refer~~
15 ~~to such contracts means a contract described in this subdivision.~~

16 SEC. 4. Section 5892 of the Welfare and Institutions Code is
17 amended to read:

18 5892. (a) In order to promote efficient implementation of ~~this~~
19 ~~act the Mental Health Services Act~~, the county shall use funds
20 distributed from the Mental Health Services Fund as follows:

21 (1) In 2005–06, 2006–07, and in 2007–08 10 percent shall be
22 placed in a trust fund to be expended for education and training
23 programs pursuant to Part 3.1 (*commencing with Section 5820*) of
24 *this division.*

25 (2) In 2005–06, 2006–07 and in 2007–08 10 percent for capital
26 facilities and technological needs distributed to counties in
27 accordance with a formula developed in consultation with the
28 California Mental Health Directors Association to implement plans
29 developed pursuant to Section 5847.

30 (3) Twenty percent of funds distributed to the counties pursuant
31 to subdivision (c) of Section 5891 shall be used for prevention and
32 early intervention programs in accordance with Part 3.6
33 (*commencing with Section 5840*) of this division.

34 (4) The expenditure for prevention and early intervention may
35 be increased in any county in which the department determines
36 that the increase will decrease the need and cost for additional
37 services to severely mentally ill persons in that county by an
38 amount at least commensurate with the proposed increase.

39 (5) The balance of funds shall be distributed to county mental
40 health programs for services to persons with severe mental illnesses

1 pursuant to Part 4 (commencing with Section 5850), for the
2 children’s system of ~~care~~ and care, Part 3 (commencing with
3 Section 5800), for the adult and older adult system of ~~care~~ care,
4 and Sections 5347 and 5348.

5 (6) Five percent of the total funding for each county mental
6 health program for Part 3 (commencing with Section 5800), Part
7 3.6 (commencing with Section 5840), and Part 4 (commencing
8 with Section 5850) of this division, shall be utilized for innovative
9 programs in accordance with Sections 5830, 5847, and 5848.

10 (b) In any year after 2007–08, programs for services pursuant
11 to Part 3 (commencing with Section 5800), and Part 4
12 (commencing with Section 5850) of this division may include
13 funds for technological needs and capital facilities, human resource
14 needs, and a prudent reserve to ensure services do not have to be
15 significantly reduced in years in which revenues are below the
16 average of previous years. The total allocation for purposes
17 authorized by this subdivision shall not exceed 20 percent of the
18 average amount of funds allocated to that county for the previous
19 five years pursuant to this section.

20 (c) The allocations pursuant to subdivisions (a) and (b) shall
21 include funding for annual planning costs pursuant to Section 5848.
22 The total of these costs shall not exceed 5 percent of the total of
23 annual revenues received for the fund. The planning costs shall
24 include funds for county mental health programs to pay for the
25 costs of consumers, family members, and other stakeholders to
26 participate in the planning process and for the planning and
27 implementation required for private provider contracts to be
28 significantly expanded to provide additional services pursuant to
29 Part 3 (commencing with Section 5800), and Part 4 (commencing
30 with Section 5850) of this division.

31 (d) Prior to making the allocations pursuant to subdivisions (a),
32 (b), and (c), funds shall be reserved for the costs for the State
33 Department of Health Care Services, the California Mental Health
34 Planning Council, the Office of Statewide Health Planning and
35 Development, the Mental Health Services Oversight and
36 Accountability Commission, the State Department of Public Health,
37 and any other state agency to implement all duties pursuant to the
38 programs set forth in this section. These costs shall not exceed 3.5
39 percent of the total of annual revenues received for the fund. The
40 administrative costs shall include funds to assist consumers and

1 family members to ensure the appropriate state and county agencies
2 give full consideration to concerns about quality, structure of
3 service delivery, or access to services. The amounts allocated for
4 administration shall include amounts sufficient to ensure adequate
5 research and evaluation regarding the effectiveness of services
6 being provided and achievement of the outcome measures set forth
7 in Part 3 (commencing with Section 5800), Part 3.6 (commencing
8 with Section 5840), and Part 4 (commencing with Section 5850)
9 of this division. The amount of funds available for the purposes
10 of this subdivision in any fiscal year shall be subject to
11 appropriation in the annual Budget Act.

12 (e) In 2004–05 funds shall be allocated as follows:

13 (1) Forty-five percent for education and training pursuant to
14 Part 3.1 (commencing with Section 5820) of this division.

15 (2) Forty-five percent for capital facilities and technology needs
16 in the manner specified by paragraph (2) of subdivision (a).

17 (3) Five percent for local planning in the manner specified in
18 subdivision (c).

19 (4) Five percent for state implementation in the manner specified
20 in subdivision (d).

21 (f) Each county shall place all funds received from the State
22 Mental Health Services Fund in a local Mental Health Services
23 Fund. The Local Mental Health Services Fund balance shall be
24 invested consistent with other county funds and the interest earned
25 on the investments shall be transferred into the fund. The earnings
26 on investment of these funds shall be available for distribution
27 from the fund in future years.

28 (g) All expenditures for county mental health programs shall
29 be consistent with a currently approved plan or update pursuant
30 to Section 5847.

31 (h) Other than funds placed in a reserve in accordance with an
32 approved plan, any funds allocated to a county which have not
33 been spent for their authorized purpose within three years shall
34 revert to the state to be deposited into the fund and available for
35 other counties in future years, provided however, that funds for
36 capital facilities, technological needs, or education and training
37 may be retained for up to 10 years before reverting to the fund.

38 (i) If there are still additional revenues available in the fund
39 after the Mental Health Services Oversight and Accountability
40 Commission has determined there are prudent reserves and no

1 unmet needs for any of the programs funded pursuant to this
2 section, including all purposes of the Prevention and Early
3 Intervention Program, the commission shall develop a plan for
4 expenditures of these revenues to further the purposes of this act
5 and the Legislature may appropriate these funds for any purpose
6 consistent with the commission's adopted plan which furthers the
7 purposes of this act.

8 ~~(j) For the 2011–12 fiscal year, General Fund revenues will be~~
9 ~~insufficient to fully fund many existing mental health programs,~~
10 ~~including Early and Periodic Screening, Diagnosis, and Treatment~~
11 ~~(EPSDT), Medi-Cal Specialty Mental Health Managed Care, and~~
12 ~~mental health services provided for special education pupils. In~~
13 ~~order to adequately fund those programs for the 2011–12 fiscal~~
14 ~~year and avoid deeper reductions in programs that serve individuals~~
15 ~~with severe mental illness and the most vulnerable, medically~~
16 ~~needy citizens of the state, prior to distribution of funds under~~
17 ~~paragraphs (1) to (6), inclusive, of subdivision (a), effective July~~
18 ~~1, 2011, moneys shall be allocated from the Mental Health Services~~
19 ~~Fund to the counties as follows:~~

20 ~~(1) Commencing July 1, 2011, one hundred eighty-three million~~
21 ~~six hundred thousand dollars (\$183,600,000) of the funds available~~
22 ~~as of July 1, 2011, in the Mental Health Services Fund, shall be~~
23 ~~allocated in a manner consistent with subdivision (c) of Section~~
24 ~~5778 and based on a formula determined by the state in~~
25 ~~consultation with the California Mental Health Directors~~
26 ~~Association to meet the fiscal year 2011–12 General Fund~~
27 ~~obligation for Medi-Cal Specialty Mental Health Managed Care.~~

28 ~~(2) Upon completion of the allocation in paragraph (1), the~~
29 ~~Controller shall distribute to counties ninety-eight million five~~
30 ~~hundred eighty-six thousand dollars (\$98,586,000) from the Mental~~
31 ~~Health Services Fund for mental health services for special~~
32 ~~education pupils based on a formula determined by the state in~~
33 ~~consultation with the California Mental Health Directors~~
34 ~~Association.~~

35 ~~(3) Upon completion of the allocation in paragraph (2), the~~
36 ~~Controller shall distribute to counties 50 percent of their 2011–12~~
37 ~~Mental Health Services Act component allocations consistent with~~
38 ~~Sections 5847 and 5891, not to exceed four hundred eighty-eight~~
39 ~~million dollars (\$488,000,000). This allocation shall commence~~
40 ~~beginning August 1, 2011.~~

1 ~~(4) Upon completion of the allocation in paragraph (3), and as~~
 2 ~~revenues are deposited into the Mental Health Services Fund, the~~
 3 ~~Controller shall distribute five hundred seventy-nine million dollars~~
 4 ~~(\$579,000,000) from the Mental Health Services Fund to counties~~
 5 ~~to meet the General Fund obligation for EPSDT for fiscal year~~
 6 ~~2011–12. These revenues shall be distributed to counties on a~~
 7 ~~quarterly basis and based on a formula determined by the state in~~
 8 ~~consultation with the California Mental Health Directors~~
 9 ~~Association. These funds shall not be subject to reconciliation or~~
 10 ~~cost settlement.~~

11 ~~(5) The Controller shall distribute to counties the remaining~~
 12 ~~2011–12 Mental Health Services Act component allocations~~
 13 ~~consistent with Sections 5847 and 5891, beginning no later than~~
 14 ~~April 30, 2012. These remaining allocations shall be made on a~~
 15 ~~monthly basis.~~

16 ~~(6) The total one-time allocation from the Mental Health~~
 17 ~~Services Fund for EPSDT, Medi-Cal Specialty Mental Health~~
 18 ~~Managed Care, and mental health services provided to special~~
 19 ~~education pupils as referenced shall not exceed eight hundred~~
 20 ~~sixty-two million dollars (\$862,000,000). Any revenues deposited~~
 21 ~~in the Mental Health Services Fund in fiscal year 2011–12 that~~
 22 ~~exceed this obligation shall be distributed to counties for remaining~~
 23 ~~fiscal year 2011–12 Mental Health Services Act component~~
 24 ~~allocations, consistent with Sections 5847 and 5891.~~

25 ~~(k) Subdivision (j) shall not be subject to repayment.~~

26 ~~(l) Subdivision (j) shall become inoperative on July 1, 2012.~~