

AMENDED IN SENATE JUNE 13, 2016

AMENDED IN SENATE MAY 18, 2016

AMENDED IN ASSEMBLY MARCH 23, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 38

Introduced by Assembly Member Eggman

December 1, 2014

An act to add and repeal ~~Section 1367.020 of the Health and Safety Code, Part 6 (commencing with Section 5950) of Division 5 of the Welfare and Institutions Code~~, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

AB 38, as amended, Eggman. ~~Mental Health Delivery Demonstration Project~~: *health: Early Diagnosis and Psychosis Preventive Treatment Program.*

Existing law, the Bronzan-McCorquodale Act, sets out a system of community mental health care services provided by counties and administered by the State Department of Health Care Services.

This bill would establish the EDAPT pilot program in the department to utilize integrated systems of care to provide early intervention, assessment, diagnosis, a treatment plan, and necessary services for individuals with severe mental illness and children with severe emotional disturbance, as specified. The bill would require the department to use funds appropriated for this purpose by the Legislature to provide reimbursement to the EDAPT program for services provided to persons who are referred to that program, but whose private health benefit plan, as defined, does not cover the full range of required services. The bill would require the University of California, Davis, if they accept money

from the program, in the 4th year after the program is established but no later than January 1, 2022, to report specified information to the health committees of both houses of the Legislature. The bill would repeal the program as of January 1, 2022.

~~Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care. Existing law requires health care service plans to meet specified criteria. Existing law makes a willful violation of that act a crime.~~

~~This bill would, commencing July 1, 2017, authorize health care service plans that offer health care services within the greater Sacramento area to require enrollees seeking services for a mental health condition to participate in a Mental Health Delivery Demonstration Project through an Early Diagnosis and Psychosis Treatment (EDAPT) program, as defined. The bill would require plans that choose to participate to develop clinical guidelines for enrollees and to make those guidelines available as part of their evidence of coverage and to primary care providers and specialty mental health providers in their contracted network. The bill would allow an enrollee to opt out of the EDAPT program if a psychiatrist notifies the plan that the enrollee is under his or her care. These provisions would be repealed on January 1, 2020. Because a willful violation of these provisions would be a crime, this bill would impose a state-mandated local program.~~

~~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~~-no.

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) *There are approximately 1.2 million adult Californians who*
- 4 *suffer from severe mental illness and over 700,000 children in*
- 5 *California who deal with severe emotional disturbance.*
- 6 (1)

1 (2) Despite the importance of and emphasis on mental health
2 parity, management of mental illness within a system of care is
3 far more difficult than most types of physical illness. There are
4 significant differences between the delivery systems for the
5 Medi-Cal population and the delivery systems for those covered
6 by private insurance, and there are unique problems associated
7 with each system. While changes are needed in both, there is an
8 immediate need to look for ways to better serve the insured
9 population.

10 ~~(2)~~

11 (3) The limited number of providers, the lack of facilities for
12 treatment, and the difficulties of arranging for and coordinating
13 ancillary services have made it extremely difficult for health
14 insurers to meet the needs of enrollees facing significant mental
15 health issues.

16 ~~(3)~~

17 (4) Attempts to develop truly accessible provider networks that
18 can link with the array of administrative and ancillary services that
19 the mentally ill need to manage their disease and to improve will
20 take an investment of time and resources.

21 ~~(4)~~

22 (5) Systems of care known as Early Diagnosis and ~~Psychosis~~
23 *Preventive Treatment* (EDAPT) programs may hold the key to
24 these problems. These integrated systems of care provide early
25 intervention, assessment, diagnosis, a treatment plan, and the
26 services necessary to implement that plan. EDAPT programs have
27 interdisciplinary teams of physicians, clinicians, advocates, and
28 staff that coordinate care on an outpatient basis.

29 ~~(5)~~

30 (6) EDAPT programs do not yet exist in sufficient number to
31 allow them to meet the provider network requirements health
32 insurers must meet. While it is possible under existing law for
33 health insurers to contract with existing EDAPT programs, there
34 are a number of regulatory and practical issues that stand in the
35 way of directing patients to them so that the patients' conditions
36 can be effectively managed. If insurers could designate an EDAPT
37 program as an exclusive provider for their enrollees, an assessment
38 can be made of the overall efficacy of the model.

39 (b) Therefore, it is the intent of the Legislature to establish a
40 demonstration project ~~or projects in geographic areas of the state~~

1 where EDAPT programs exist to allow health insurers to opt in to
 2 utilizing the *full range of* EDAPT programs as exclusive provider
 3 networks for services to preserve the functioning of the insurers’
 4 enrollees in need of these services.

5 SEC. 2. Section 1367.020 is added to the Health and Safety
 6 Code, to read:

7 1367.020. (a) Notwithstanding any other law, commencing
 8 July 1, 2017, a health care service plan that offers health care
 9 services on an individual or group basis in the greater Sacramento
 10 area may require enrollees seeking services for a mental health
 11 condition to participate in a Mental Health Delivery Demonstration
 12 Project through an Early Diagnosis and Psychosis Treatment
 13 Program.

14 (b) If a plan chooses to require its enrollees to participate in the
 15 project, it shall develop clinical guidelines for those enrollees and
 16 make those guidelines available as part of its evidence of coverage.
 17 The plan shall also make those guidelines available to all primary
 18 care providers and specialty mental health providers in its
 19 contracted network.

20 (c) An enrollee directed to a Mental Health Delivery
 21 Demonstration Project site for services shall be able to opt out of
 22 those services if a psychiatrist notifies the plan that the enrollee is
 23 under his or her care.

24 (d) For purposes of this section, “Early Diagnosis and Psychosis
 25 Treatment Program” means a mental health service program that
 26 provides early intervention, diagnosis, treatment, and necessary
 27 support through interdisciplinary teams of physicians, mental health
 28 professionals, social workers, and advocates on an outpatient basis
 29 and through a single point of entry.

30 (e) This section shall remain in effect only until January 1, 2020,
 31 and as of that date is repealed, unless a later enacted statute, that
 32 is enacted before January 1, 2020, deletes or extends that date.

33 SEC. 3. No reimbursement is required by this act pursuant to
 34 Section 6 of Article XIII B of the California Constitution because
 35 the only costs that may be incurred by a local agency or school
 36 district will be incurred because this act creates a new crime or
 37 infraction, eliminates a crime or infraction, or changes the penalty
 38 for a crime or infraction, within the meaning of Section 17556 of
 39 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.~~

3 *SEC. 2. Part 6 (commencing with Section 5950) is added to*
4 *Division 5 of the Welfare and Institutions Code, to read:*

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PART 6. EDAPT PILOT PROGRAM

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5950. (a) There is hereby established the EDAPT pilot program within the State Department of Health Care Services to utilize integrated systems of care to provide early intervention, assessment, diagnosis, a treatment plan, and necessary services for individuals with severe mental illness and children with severe emotional disturbance using an interdisciplinary team of physicians, clinicians, advocates, and staff who coordinate care on an outpatient basis.

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(b) (1) The department shall use funds appropriated for this purpose by the Legislature to provide reimbursement to the EDAPT program for services provided to persons who are referred to that program, but whose private health benefit plan does not cover the full range of required services.

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(2) The department may solicit and accept funds from private, federal, or other sources to use for purposes of this program.

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(d) For purposes of this part, the following definitions shall apply:

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(1) "EDAPT program" means the Early Diagnosis and Preventive Treatment program provided at the Davis campus of the University of California.

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(2) "Private health benefit plan" means a program or entity that provides, arranges, pays for, or reimburses the cost of health benefits, but does not include coverage provided through the Medi-Cal system.

5951. (a) If the University of California, Davis accepts money from the department through the EDAPT pilot program, in the fourth year after the program is established but no later than

1 *January 1, 2022, it shall report to the health committees of both*
2 *houses of the Legislature all of the following:*
3 *(1) Evidence as to whether the early psychosis approach reduces*
4 *the duration of untreated psychosis, reduces the severity of*
5 *symptoms, improves relapse rates, decreases the use of inpatient*
6 *care in comparison to standard care, supports educational and*
7 *career progress, and reduces the cost of treatment in comparison*
8 *to standard treatment methodologies.*
9 *(2) The number of patients with private health benefit plans*
10 *served by the EDAPT pilot program in the 12 months prior to the*
11 *implementation of the pilot program.*
12 *(3) The number of patients with private health benefit plans*
13 *served by the EDAPT pilot program.*
14 *(4) The number of patients in the program who are considered*
15 *stabilized, as a percentage of patients served.*
16 *(5) The number of patients needing services beyond those*
17 *provided in the program and the nature of those services.*
18 *(6) Any other information the university deems necessary.*
19 *(b) A report to be submitted pursuant to this section shall be*
20 *submitted in compliance with Section 9795 of the Government*
21 *Code.*
22 *5952. This part shall remain in effect only until January 1,*
23 *2022, and as of that date is repealed, unless a later enacted statute,*
24 *that is enacted before January 1, 2022, deletes or extends that*
25 *date.*