

Assembly Bill No. 38

Passed the Assembly August 31, 2016

Chief Clerk of the Assembly

Passed the Senate August 29, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add and repeal Part 6 (commencing with Section 5950) of Division 5 of the Welfare and Institutions Code, relating to mental health, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 38, Eggman. Mental health: Early Diagnosis and 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 Early Diagnosis and Preventive Treatment (EDAPT) Program Fund in the State Treasury to provide funding to the Regents of the University of California for the purpose of providing reimbursement to an EDAPT program that would 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 authorize moneys from private or other sources to be deposited into the fund and used for purposes of the bill. The bill would require, when the Department of Finance has determined that the total amount of the moneys in the fund has reached or exceeded \$1,200,000, the Controller to distribute all of the moneys in the fund to the Regents of the University of California for the purpose of providing reimbursement to an 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, thereby making an appropriation. The bill would require the Regents of the University of California, if the regents accept the money, or if the regents accept federal funding distributed by the State Department of Health Care Services for the purpose of supporting an EDAPT program, as specified, to report, on or after January 1, 2022, but prior to January 1, 2023, specified information to the health committees of both houses of the Legislature. The bill would repeal the program as of January 1, 2023.

Appropriation: yes.

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) There are approximately 1.2 million adult Californians who suffer from severe mental illness and over 700,000 children in California who deal with severe emotional disturbance.

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

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

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

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

(6) EDAPT programs do not yet exist in sufficient numbers to allow them to meet the provider network requirements health insurers must meet. While it is possible under existing law for health insurers to contract with existing EDAPT programs, there are a number of regulatory and practical issues that stand in the way of directing patients to them so that the patients' conditions

can be effectively managed. If insurers could designate an EDAPT program as an exclusive provider for their enrollees, an assessment could be made of the overall efficacy of the model.

(b) Therefore, it is the intent of the Legislature to provide funding to augment private health benefit plan coverage in order to provide patients with the full range of necessary EDAPT services.

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

PART 6. EDAPT FUNDING PILOT PROGRAM

5950. (a) There is hereby established the Early Diagnosis and Preventive Treatment (EDAPT) Program Fund within the State Treasury. Moneys from private or other sources may be deposited into the fund and used for purposes of this part. General Fund moneys shall not be deposited into the fund.

(b) When the Department of Finance has determined that the total amount of the moneys in the fund established pursuant to subdivision (a) has reached or exceeded one million two hundred thousand dollars (\$1,200,000), the Controller shall distribute all of the moneys in the fund to the Regents of the University of California for the purpose of providing reimbursement to an 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.

(c) Funds distributed pursuant to this part shall not be used to pay for services normally covered by the patient's private health benefit plan and shall only be used to augment private health benefit plan coverage to provide the patient with the full range of necessary services.

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

(1) "EDAPT program" means an Early Diagnosis and Preventive Treatment program and refers to a program that utilizes 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.

(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 Regents of the University of California accept moneys from the fund established pursuant to this part, or accept federal funds distributed by the State Department of Health Care Services as described in subdivision (b), the regents shall report, on or after January 1, 2022, but prior to January 1, 2023, to the health committees of both houses of the Legislature all of the following:

(1) Evidence as to whether the early psychosis approach reduces the duration of untreated psychosis, reduces the severity of symptoms, improves relapse rates, decreases the use of inpatient care in comparison to standard care, supports educational and career progress, and reduces the cost of treatment in comparison to standard treatment methodologies.

(2) The number of patients with private health benefit plans served by an EDAPT program in the 12 months prior to the implementation of this part.

(3) The number of patients with private health benefit plans served by an EDAPT program that has received funding pursuant to this part.

(4) The number of patients participating in an EDAPT program that has received funding pursuant to this part who are considered stabilized, as a percentage of patients served.

(5) The number of patients participating in an EDAPT program that has received funding pursuant to this part who need services beyond those provided in the program and the nature of those services.

(6) Any other information the regents deem necessary.

(b) If the State Department of Health Care Services distributes federal funds to the Regents of the University of California for the purpose of supporting an EDAPT program, the regents shall issue the report described in subdivision (a), to the extent permitted by federal law.

(c) A report to be submitted pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

5952. This part shall remain in effect only until January 1, 2023, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2023, deletes or extends that date.

Approved _____, 2016

Governor