

AMENDED IN ASSEMBLY APRIL 6, 2016  
AMENDED IN ASSEMBLY MARCH 18, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1764**

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**Introduced by Assembly Member Waldron**

February 3, 2016

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An act to amend Section ~~5348 of the Welfare and Institutions~~ 127660 of the Health and Safety Code, relating to ~~mental health~~ health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1764, as amended, Waldron. ~~Mental health services: assisted outpatient treatment.~~ *California Health Benefit Review Program: financial impacts.*

*Existing law, until July 1, 2017, requests the University of California to establish the California Health Benefit Review Program to assess, among other things, legislation that proposes to mandate or repeal a mandated benefit or service, as defined. Existing law requests the University of California to prepare a written analysis with relevant data on public health, medical, financial, and other impacts of that legislation, as specified.*

*Existing law requests the University of California to provide the analysis to the appropriate policy and fiscal committees of the Legislature, as specified, and to submit a report to the Governor and the Legislature regarding the implementation of these provisions by January 1, 2017. Existing law establishes the Health Care Benefits Fund in the State Treasury to effectively support the University of California and its work in implementing these provisions.*

*This bill would additionally request the University of California to include in its analysis, as part of the financial impacts of the above legislation, relevant data on the impact of coverage or repeal of coverage of the benefit or service on anticipated costs or savings estimated upon implementation for the 2 subsequent state fiscal years and, if applicable, for the 5 subsequent state fiscal years, as specified.*

~~Existing law, the Assisted Outpatient Treatment Demonstration Project Act of 2002, known as Laura's Law, until January 1, 2017, grants each county the authority to offer certain assisted outpatient treatment services for its residents by adopting a resolution or through the county budget process and by making a finding that no mental health program, as specified, may be reduced as a result of implementation. Under that law, participating counties are required to offer prescribed assisted outpatient treatment services, including, among other things, a service planning and delivery process and a mental health personal services coordinator, as specified. Existing law authorizes participating counties to pay for the services provided from moneys distributed to the counties from various continuously appropriated funds, including the Mental Health Services Fund when included in a county plan, as specified.~~

~~Existing law authorizes designated persons to request the county behavioral health director to file a petition in the superior court for an order for assisted outpatient treatment, for an initial period not to exceed 6 months, for a person who meets specified criteria. Existing law requires the county behavioral health director to investigate the appropriateness of filing the petition. Existing law also provides specified rights to a person who is the subject of the petition. Existing law requires participating counties to also offer the services described above on a voluntary basis.~~

~~This bill would authorize participating counties to agree to act jointly to offer, or to contract with each other to offer, assisted outpatient treatment services pursuant to these provisions, subject to the approval of the State Department of Health Care Services. The bill would provide that the agreement may include all or a portion of those services and would require a county that is a party to the agreement to separately offer required services that are not included in the agreement.~~

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

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

1     *SECTION 1. Section 127660 of the Health and Safety Code is*  
2     *amended to read:*

3     127660. (a) The Legislature hereby requests the University of  
4     California to establish the California Health Benefit Review  
5     Program to assess legislation proposing to mandate a benefit or  
6     service, as defined in subdivision (d), and legislation proposing to  
7     repeal a mandated benefit or service, as defined in subdivision (e),  
8     and to prepare a written analysis with relevant data on the  
9     following:

10    (1) Public health impacts, including, but not limited to, all of  
11    the following:

12    (A) The impact on the health of the community, including the  
13    reduction of communicable disease and the benefits of prevention  
14    such as those provided by childhood immunizations and prenatal  
15    care.

16    (B) The impact on the health of the community, including  
17    diseases and conditions where disparities in outcomes associated  
18    with the social determinants of health as well as gender, race,  
19    sexual orientation, or gender identity are established in  
20    peer-reviewed scientific and medical literature.

21    (C) The extent to which the benefit or service reduces premature  
22    death and the economic loss associated with disease.

23    (2) Medical impacts, including, but not limited to, all of the  
24    following:

25    (A) The extent to which the benefit or service is generally  
26    recognized by the medical community as being effective in the  
27    screening, diagnosis, or treatment of a condition or disease, as  
28    demonstrated by a review of scientific and peer-reviewed medical  
29    literature.

30    (B) The extent to which the benefit or service is generally  
31    available and utilized by treating physicians.

32    (C) The contribution of the benefit or service to the health status  
33    of the population, including the results of any research  
34    demonstrating the efficacy of the benefit or service compared to  
35    alternatives, including not providing the benefit or service.

36    (D) The extent to which mandating or repealing the benefits or  
37    services would not diminish or eliminate access to currently  
38    available health care benefits or services.

(3) Financial impacts, including, but not limited to, all of the following:

(A) The extent to which the coverage or repeal of coverage will increase or decrease the benefit or cost of the benefit or service.

(B) The extent to which the coverage or repeal of coverage will increase the utilization of the benefit or service, or will be a substitute for, or affect the cost of, alternative benefits or services.

(C) The extent to which the coverage or repeal of coverage will increase or decrease the administrative expenses of health care service plans and health insurers and the premium and expenses of subscribers, enrollees, and policyholders.

(D) The impact of this coverage or repeal of coverage on the total cost of health care.

*(E) The impact of this coverage or repeal of coverage on anticipated costs or savings estimated upon implementation for the following periods:*

*(i) The two subsequent state fiscal years.*

*(ii) If applicable, the five subsequent state fiscal years through a longer-range estimate.*

~~(E)~~

(F) The potential cost or savings to the private sector, including the impact on small employers as defined in paragraph (1) of subdivision (l) of Section 1357, the Public Employees' Retirement System, other retirement systems funded by the state or by a local government, individuals purchasing individual health insurance, and publicly funded state health insurance programs, including the Medi-Cal program and the Healthy Families Program.

~~(F)~~

(G) The extent to which costs resulting from lack of coverage or repeal of coverage are or would be shifted to other payers, including both public and private entities.

~~(G)~~

(H) The extent to which mandating or repealing the proposed benefit or service would not diminish or eliminate access to currently available health care benefits or services.

~~(H)~~

(I) The extent to which the benefit or service is generally utilized by a significant portion of the population.

~~(I)~~

1 (J) The extent to which health care coverage for the benefit or  
2 service is already generally available.

3 ~~(J)~~

4 (K) The level of public demand for health care coverage for the  
5 benefit or service, including the level of interest of collective  
6 bargaining agents in negotiating privately for inclusion of this  
7 coverage in group contracts, and the extent to which the mandated  
8 benefit or service is covered by self-funded employer groups.

9 ~~(K)~~

10 (L) In assessing and preparing a written analysis of the financial  
11 impact of legislation proposing to mandate a benefit or service and  
12 legislation proposing to repeal a mandated benefit or service  
13 pursuant to this paragraph, the Legislature requests the University  
14 of California to use a certified actuary or other person with relevant  
15 knowledge and expertise to determine the financial impact.

16 (4) The impact on essential health benefits, as defined in Section  
17 1367.005 of this code and Section 10112.27 of the Insurance Code,  
18 and the impact on the California Health Benefit Exchange.

19 (b) The Legislature further requests that the California Health  
20 Benefit Review Program assess legislation that impacts health  
21 insurance benefit design, cost sharing, premiums, and other health  
22 insurance topics.

23 (c) The Legislature requests that the University of California  
24 provide every analysis to the appropriate policy and fiscal  
25 committees of the Legislature not later than 60 days, or in a manner  
26 and pursuant to a timeline agreed to by the Legislature and the  
27 California Health Benefit Review Program, after receiving a request  
28 made pursuant to Section 127661. In addition, the Legislature  
29 requests that the university post every analysis on the Internet and  
30 make every analysis available to the public upon request.

31 (d) As used in this section, “legislation proposing to mandate a  
32 benefit or service” means a proposed statute that requires a health  
33 care service plan or a health insurer, or both, to do any of the  
34 following:

35 (1) Permit a person insured or covered under the policy or  
36 contract to obtain health care treatment or services from a particular  
37 type of health care provider.

38 (2) Offer or provide coverage for the screening, diagnosis, or  
39 treatment of a particular disease or condition.

(3) Offer or provide coverage of a particular type of health care treatment or service, or of medical equipment, medical supplies, or drugs used in connection with a health care treatment or service.

(e) As used in this section, “legislation proposing to repeal a mandated benefit or service” means a proposed statute that, if enacted, would become operative on or after January 1, 2008, and would repeal an existing requirement that a health care service plan or a health insurer, or both, do any of the following:

(1) Permit a person insured or covered under the policy or contract to obtain health care treatment or services from a particular type of health care provider.

(2) Offer or provide coverage for the screening, diagnosis, or treatment of a particular disease or condition.

(3) Offer or provide coverage of a particular type of health care treatment or service, or of medical equipment, medical supplies, or drugs used in connection with a health care treatment or service.

**SECTION 1.** ~~Section 5348 of the Welfare and Institutions Code is amended to read:~~

~~5348. (a) For purposes of subdivision (e) of Section 5346, a county that chooses to provide assisted outpatient treatment services pursuant to this article shall offer assisted outpatient treatment services including, but not limited to, all of the following:~~

~~(1) Community-based, mobile, multidisciplinary, highly trained mental health teams that use high staff-to-client ratios of no more than 10 clients per team member for those subject to court-ordered services pursuant to Section 5346.~~

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

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

~~(B) Plans for services, including outreach to families whose severely mentally ill adult is living with them, design of mental health services, coordination and access to medications, psychiatric and psychological services, substance abuse services, supportive housing or other housing assistance, vocational rehabilitation, and veterans’ services. Plans shall also contain evaluation strategies,~~

1 which shall consider cultural, linguistic, gender, age, and special  
2 needs of minorities and those based on any characteristic listed or  
3 defined in Section 11135 of the Government Code in the target  
4 populations. Provision shall be made for staff with the cultural  
5 background and linguistic skills necessary to remove barriers to  
6 mental health services as a result of having  
7 limited-English-speaking ability and cultural differences.  
8 Recipients of outreach services may include families, the public,  
9 primary care physicians, and others who are likely to come into  
10 contact with individuals who may be suffering from an untreated  
11 severe mental illness who would be likely to become homeless if  
12 the illness continued to be untreated for a substantial period of  
13 time. Outreach to adults may include adults voluntarily or  
14 involuntarily hospitalized as a result of a severe mental illness.

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

17 (D) Provision for services to meet the special needs of older  
18 adults.

19 (E) Provision for family support and consultation services,  
20 parenting support and consultation services, and peer support or  
21 self-help group support, where appropriate.

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

24 (G) Provision for psychiatric and psychological services that  
25 are integrated with other services and for psychiatric and  
26 psychological collaboration in overall service planning.

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

33 (I) Services reflecting special needs of women from diverse  
34 cultural backgrounds, including supportive housing that accepts  
35 children, personal services coordinator therapeutic treatment, and  
36 substance treatment programs that address gender-specific trauma  
37 and abuse in the lives of persons with mental illness, and vocational  
38 rehabilitation programs that offer job training programs free of  
39 gender bias and sensitive to the needs of women.

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

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

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

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

~~(A) Live in the most independent, least restrictive housing feasible in the local community, and, for clients with children, to live in a supportive housing environment that strives for reunification with their children or assists clients in maintaining custody of their children as is appropriate.~~

~~(B) Engage in the highest level of work or productive activity appropriate to their abilities and experience.~~

~~(C) Create and maintain a support system consisting of friends, family, and participation in community activities.~~

~~(D) Access an appropriate level of academic education or vocational training.~~

~~(E) Obtain an adequate income.~~



1     ~~(F) Self-manage their illnesses and exert as much control as~~  
2     ~~possible over both the day-to-day and long-term decisions that~~  
3     ~~affect their lives.~~

4     ~~(G) Access necessary physical health care and maintain the best~~  
5     ~~possible physical health.~~

6     ~~(H) Reduce or eliminate serious antisocial or criminal behavior,~~  
7     ~~and thereby reduce or eliminate their contact with the criminal~~  
8     ~~justice system.~~

9     ~~(I) Reduce or eliminate the distress caused by the symptoms of~~  
10    ~~mental illness.~~

11    ~~(J) Have freedom from dangerous addictive substances.~~

12    ~~(5) The individual personal services plan shall describe the~~  
13    ~~service array that meets the requirements of paragraph (4), and to~~  
14    ~~the extent applicable to the individual, the requirements of~~  
15    ~~paragraph (2).~~

16    ~~(b) A county that provides assisted outpatient treatment services~~  
17    ~~pursuant to this article also shall offer the same services on a~~  
18    ~~voluntary basis.~~

19    ~~(c) Counties that authorize the application of this article pursuant~~  
20    ~~to Section 5349 may agree to act jointly to offer, or to contract~~  
21    ~~with each other to offer, assisted outpatient treatment services~~  
22    ~~pursuant to this article, subject to the approval of the State~~  
23    ~~Department of Health Care Services. The agreement may include~~  
24    ~~all or a portion of the assisted outpatient treatment services offered~~  
25    ~~pursuant to this article. A county that is a party to the agreement~~  
26    ~~shall separately offer assisted outpatient treatment services that~~  
27    ~~are not included in the agreement, in accordance with this article.~~

28    ~~(d) Involuntary medication shall not be allowed absent a separate~~  
29    ~~order by the court pursuant to Sections 5332 to 5336, inclusive.~~

30    ~~(e) A county that operates an assisted outpatient treatment~~  
31    ~~program pursuant to this article shall provide data to the State~~  
32    ~~Department of Health Care Services and, based on the data, the~~  
33    ~~department shall report to the Legislature on or before May 1 of~~  
34    ~~each year in which the county provides services pursuant to this~~  
35    ~~article. The report shall include, at a minimum, an evaluation of~~  
36    ~~the effectiveness of the strategies employed by each program~~  
37    ~~operated pursuant to this article in reducing homelessness and~~  
38    ~~hospitalization of persons in the program and in reducing~~  
39    ~~involvement with local law enforcement by persons in the program.~~  
40    ~~The evaluation and report shall also include any other measures~~

- 1 identified by the department regarding persons in the program and  
2 all of the following, based on information that is available:
- 3 (1) ~~The number of persons served by the program and, of those,~~  
4 ~~the number who are able to maintain housing and the number who~~  
5 ~~maintain contact with the treatment system.~~
- 6 (2) ~~The number of persons in the program with contacts with~~  
7 ~~local law enforcement, and the extent to which local and state~~  
8 ~~incarceration of persons in the program has been reduced or~~  
9 ~~avoided.~~
- 10 (3) ~~The number of persons in the program participating in~~  
11 ~~employment services programs, including competitive employment.~~
- 12 (4) ~~The days of hospitalization of persons in the program that~~  
13 ~~have been reduced or avoided.~~
- 14 (5) ~~Adherence to prescribed treatment by persons in the program.~~
- 15 (6) ~~Other indicators of successful engagement, if any, by persons~~  
16 ~~in the program.~~
- 17 (7) ~~Victimization of persons in the program.~~
- 18 (8) ~~Violent behavior of persons in the program.~~
- 19 (9) ~~Substance abuse by persons in the program.~~
- 20 (10) ~~Type, intensity, and frequency of treatment of persons in~~  
21 ~~the program.~~
- 22 (11) ~~Extent to which enforcement mechanisms are used by the~~  
23 ~~program, when applicable.~~
- 24 (12) ~~Social functioning of persons in the program.~~
- 25 (13) ~~Skills in independent living of persons in the program.~~
- 26 (14) ~~Satisfaction with program services both by those receiving~~  
27 ~~them and by their families, when relevant.~~