

AMENDED IN ASSEMBLY FEBRUARY 4, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 34**

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**Introduced by Assembly Member Steinberg  
(Coauthor: Assembly Member Thomson)**

December 7, 1998

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*An act to amend Sections 5802, 5806, and 5814 of the Welfare and Institutions Code, relating to mental health, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 34, as amended, Steinberg. Mental health funding: *local grants.*

Existing law provides for the allocation of state funds to counties for mental health programs.

This bill would ~~provide that, commencing with the 2000-01 fiscal year, every county shall receive an unspecified amount of funds based upon the net increase in the number of persons the county has provided with mental health services during the previous fiscal year~~ *make various statements of legislative findings and intent regarding the need to provide sufficient funds to counties for adult mental health and related services.*

*Existing law requires the State Department of Mental Health to establish service standards relating to mental health services. These standards are required to include, among other things, plans for services and evaluation strategies.*

*This bill would also require these standards to include coordination and access to related medications, substance*

abuse services, housing assistance, and vocational rehabilitation services.

The bill would also provide for planning grants and service expansion grants to counties for adult mental health programs.

The bill would appropriate \$10,000,000 from the General Fund to the department for provision of planning grants during the 1999–2000 fiscal year, and would express legislative intent that at least \$50,000,000 be appropriated each fiscal year thereafter pursuant to the annual Budget Act for these planning and service expansion grants.

Vote: ~~majority~~ 2/3. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares all of  
2 the following:

3 (a) Presently there are no financial incentives for  
4 counties to increase the number of people they serve with  
5 severe mental illness.

6 (b) County dollars are generally fixed, so that  
7 treatment of a higher than expected number of Medi-Cal  
8 recipients, who are entitled to treatment by the county,  
9 reduces the amount of funds available to serve other  
10 individuals.

11 (c) Counties should be provided an amount of funds to  
12 *establish systems of care for severely mentally ill adults,*  
13 *and provide mental health services and related*  
14 *medications for indigents not yet qualified for Medi-Cal,*  
15 ~~and for~~ substance abuse services, housing assistance,  
16 vocational rehabilitation, and other nonmedical  
17 programs necessary to stabilize homeless mentally ill  
18 persons and get them into regular treatment and off the  
19 streets.

20 ~~SEC. 2. Commencing with the 2000–01 fiscal year and~~  
21 ~~each fiscal year thereafter, every county shall receive~~  
22 ~~\$\_\_\_\_\_ based upon the net increase in the number of~~  
23 ~~persons the county has provided with mental health~~  
24 ~~services during the previous year.~~



1 SEC. 2. Section 5802 of the Welfare and Institutions  
2 Code is amended to read:

3 5802. (a) The Legislature finds that a mental health  
4 system of care for adults and older adults with severe and  
5 persistent mental illness is vital for the success of mental  
6 health managed care in California. Specifically:

7 (1) A comprehensive and coordinated system of care  
8 includes community-based treatment, case management,  
9 and interagency system components required by adults  
10 and older adults with severe and persistent mental illness.

11 (2) Mentally ill adults and older adults receive service  
12 from many different state and county agencies,  
13 particularly criminal justice, employment, housing,  
14 public welfare, health, and mental health. In a system of  
15 care these agencies collaborate in order to deliver  
16 integrated and cost-effective programs.

17 (3) The management of the risk for persons with  
18 severe mental illness and related financial risks is  
19 important for all levels of government, business, and the  
20 community.

21 (4) System of care services which ensure culturally  
22 competent care for persons with severe mental illness in  
23 the most appropriate, least restrictive level of care are  
24 necessary to achieve the desired performance outcomes.

25 (5) Mental health service providers need to increase  
26 accountability and further develop methods to measure  
27 progress towards client outcome goals and  
28 cost-effectiveness as required by a system of care.

29 (b) The Legislature further finds that the integrated  
30 service agency model developed in Los Angeles and  
31 Stanislaus Counties and the countywide systems model  
32 developed in Ventura County, beginning in the 1989–90  
33 fiscal year through the implementation of Chapter 982 of  
34 the Statutes of 1988, provides models for managing care  
35 for adults and older adults with severe mental illness that  
36 are vital to the implementation and success of the mental  
37 health managed care plan in California, and have  
38 successfully met the performance outcomes required by  
39 the Legislature.

1 (c) The Legislature also finds that the system  
2 components established in these three programs can be  
3 replicated and expanded to additional clients in order to  
4 provide greater benefit to adults and older adults with  
5 severe and persistent mental illness at a lower cost in  
6 California.

7 (d) Therefore, using the guidelines developed under  
8 the demonstration projects implemented under the adult  
9 system of care legislation in 1989, it is the intent of the  
10 Legislature to accomplish the following:

11 (1) Encourage each county to implement a system of  
12 care as described in this legislation for the delivery of  
13 mental health services to seriously mentally disordered  
14 adults and older adults.

15 (2) To promote system of care accountability for  
16 performance outcomes which enable adults with severe  
17 mental illness to reduce symptoms which impair their  
18 ability to live independently, work, maintain community  
19 supports, care for their children, stay in good health, not  
20 abuse drugs or alcohol, and not commit crimes.

21 (3) Maintain funding for the existing programs  
22 developed in Los Angeles, Stanislaus, and Ventura  
23 Counties as models and technical assistance resources for  
24 future expansion of system of care programs to other  
25 counties as funding becomes available.

26 (4) *Provide sufficient funds for counties to establish*  
27 *outreach programs and to provide mental health services*  
28 *and related medications, substance abuse services,*  
29 *housing assistance, vocational rehabilitation, and other*  
30 *nonmedical programs necessary to stabilize homeless*  
31 *mentally ill persons, get them off the street, and into*  
32 *treatment and recovery.*

33 *SEC. 3. Section 5806 of the Welfare and Institutions*  
34 *Code is amended to read:*

35 5806. The State Department of Mental Health shall  
36 establish service standards that ~~assure~~ *ensure* that  
37 members of the target population are identified, and  
38 services provided to assist them to live independently,  
39 work, and reach their potential as productive citizens.  
40 These standards include but are not limited to:



1 (a) A service planning process that is target  
2 population based and includes the following:

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

9 (2) Plans for services including outreach, ~~services~~  
10 ~~design,~~ *and of mental health services, coordination and*  
11 *access to medications, substance abuse services, housing*  
12 *assistance, and vocational rehabilitation services. Plans*  
13 *shall also contain* evaluation strategies, *which* shall  
14 consider cultural, linguistic, gender, age, and special  
15 needs of minorities in the target populations. Provision  
16 shall be made for staff with the cultural background and  
17 linguistic skills necessary to remove barriers to mental  
18 health services due to limited English speaking ability  
19 and cultural differences.

20 (3) Provisions for services to meet the needs of target  
21 population clients who are physically disabled.

22 (4) Provision for services to meet the special needs of  
23 older adults.

24 (5) Provision for family support and consultation  
25 services, parenting support and consultation services, and  
26 peer support or self-help group support, where  
27 appropriate.

28 (b) Each client shall have either a clearly designated  
29 mental health case manager or a multidisciplinary  
30 treatment team who is responsible for providing or  
31 assuring needed services. Responsibilities include  
32 complete assessment of the client's needs, development  
33 of the client's personal services plan, linkage with all  
34 appropriate community services, monitoring of the  
35 quality and followthrough of services, and necessary  
36 advocacy to ensure each client receives those services  
37 which are agreed to in the personal services plan. Each  
38 client shall participate in the development of his or her  
39 personal services plan, and responsible staff shall consult  
40 with the designated conservator and, with the consent of



1 the client, consult with the family and other significant  
 2 persons as appropriate.

3 (c) The individual personal services plan shall assure  
 4 that members of the target population involved in the  
 5 system of care receive services which are designed to:

6 (1) Reduce the disabling symptoms of mental illness.

7 (2) Live in the most normal housing feasible in the  
 8 local community.

9 (3) Have an adequate income and an appropriate  
 10 level of work or vocational training.

11 (4) Are in good health.

12 (5) Have a support system, with friendships and  
 13 participation in community activities.

14 (6) Have freedom from dangerous, addictive  
 15 substances.

16 (7) Maintain socially responsible behavior.

17 (8) Obtain an appropriate level of education and  
 18 learning.

19 (9) Receive culturally appropriate services.

20 (10) Receive gender and age appropriate services.

21 *SEC. 4. Section 5814 of the Welfare and Institutions*  
 22 *Code is amended to read:*

23 5814. (a) This part shall be implemented only to the  
 24 extent that funds are appropriated for purposes of this  
 25 part in the Budget Act. To the extent that funds are made  
 26 available, the first priority shall go to maintain funding for  
 27 the existing programs developed in Los Angeles,  
 28 Stanislaus, and Ventura Counties ~~with any excess~~  
 29 ~~directed to the expansion of the program to other~~  
 30 ~~qualifying counties.~~

31 (b) *As funds become available, this program shall be*  
 32 *expanded to provide funding for counties with significant*  
 33 *populations of homeless mentally ill persons consisting of*  
 34 *both of the following types of grants:*

35 (1) *Planning grants for new counties to create, and for*  
 36 *existing system of care counties to expand, an adult*  
 37 *system of care that meets the requirements of this part.*

38 (2) (A) *Four-year service expansion grants in*  
 39 *accordance with a contract between the state and*  
 40 *approved counties that provides a formula for annual*



1 *increased funding reflecting net increases in the total*  
2 *annual number of severely mentally ill adults who receive*  
3 *extensive community mental health services in at least*  
4 *four consecutive months.*

5 *(B) The formula incentive funding provided pursuant*  
6 *to subparagraph (A) shall be sufficient to provide mental*  
7 *health services, medically necessary medications to treat*  
8 *severe mental illnesses, alcohol and drug services,*  
9 *housing assistance, and vocational rehabilitation. These*  
10 *grants shall, however, pay for only the portion of the costs*  
11 *of those services not likely to be provided by federal funds*  
12 *or other state funds.*

13 *SEC. 5. (a) The sum of ten million dollars*  
14 *(\$10,000,000) is hereby appropriated from the General*  
15 *Fund to the State Department of Mental Health for*  
16 *implementation of paragraph (1) of subdivision (b) of*  
17 *Section 5814 of the Welfare and Institutions Code during*  
18 *the 1999–2000 fiscal year.*

19 *(b) It is the intent of the Legislature that,*  
20 *commencing with the 2000–01 fiscal year, at least fifty*  
21 *million dollars (\$50,000,000) be provided each fiscal year,*  
22 *pursuant to the annual Budget Act, for implementation*  
23 *of subdivision (b) of Section 5814 of the Welfare and*  
24 *Institutions Code.*

