

AMENDED IN ASSEMBLY APRIL 11, 2000

AMENDED IN ASSEMBLY MARCH 23, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2034**

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**Introduced by Assembly Members Steinberg and Baugh**

**(Principal coauthors: Assembly Members Scott and Shelley)**

(Principal coauthors: Senators Burton and Perata)

**(Coauthors: Assembly Members Alquist, Aroner, Bock, Cardoza, Cox, Hertzberg, Honda, Keeley, Knox, Kuehl, Longville, Lowenthal, Machado, Mazzoni, Pescetti, Strom-Martin, Thomson, and Torlakson)**

(Coauthors: Senators Alpert, Chesbro, Rainey, Solis, and Vasconcellos)

February 18, 2000

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An act to amend Sections 5806, 5814, and 5814.5 of the Welfare and Institutions Code, relating to mental health, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2034, as amended, Steinberg. Mental health funding: local grants.

Existing law requires the State Department of Mental Health to establish service standards relating to mental health programs. These standards include plans for services and evaluation strategies to coordinate and provide access to housing assistance, vocational rehabilitation, and veterans' services.

This bill would include transition youth, as defined, within the target population and implement additional service standards relating to outreach and diagnostic and assessment services.

Existing law requires the director to establish a methodology for awarding grants and to establish a designated advisory committee. The department is also required to select up to 3 counties for eligibility for demonstration grants to be used to provide comprehensive services to the severely mentally ill.

This bill would require the director to include additional advisory committee members. This bill would also require additional criteria to be used in awarding grants. The department would be authorized to continue funding previously selected counties and to select additional counties to provide comprehensive services to the severely mentally ill. The 3-county limitation would be deleted.

Existing law requires counties receiving grants to provide the department with program outcome data.

This bill would also require the counties receiving grants to provide the department with information relating to funding for housing.

Existing law reappropriates \$10,000,000 to the department from a specified item in the Budget Act of 1999 for the purpose of funding grants. The provisions of this section are operative until July 1, 2000, and would be repealed on January 1, 2001.

This bill would reappropriate an unspecified sum to the department from the Budget Act of 2000 for the purpose of funding grants provided under the bill. This bill would also delete the repeal of these provisions and thus continue them indefinitely.

The bill would require the department to conduct a ~~study of review of published materials regarding certain public early psychosis education programs in Norway related to schizophrenia-related illnesses and to make recommendations~~. The bill would require the department to report to the Legislature on or before July 1, 2001, regarding the ~~study reviews and to make recommendations~~.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.



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

1 SECTION 1. (a) *The Legislature finds and declares*  
2 *as follows:*

3 (1) *In 1999, the Legislature recognized the*  
4 *longstanding problem of the underfunded community*  
5 *mental health care system and the consequences of*  
6 *severely mentally ill adults not getting treatment*  
7 *resulting in these adults being homeless, incarcerated in*  
8 *jails, and hospitalized.*

9 (2) *The Legislature began to address this problem by*  
10 *funding three pilot programs in Los Angeles,*  
11 *Sacramento, and Stanislaus Counties to provide extended*  
12 *community mental health services and outreach to*  
13 *mentally ill adults who are homeless or at risk of*  
14 *homelessness.*

15 (3) *The legislation, Chapter 617 of the Statutes of 1999*  
16 *(A.B. 34), required the State Department of Mental*  
17 *Health to evaluate these programs and determine if they*  
18 *were effective in reducing the risk of continued*  
19 *homelessness, incarceration, or hospitalization.*

20 (4) *The response to the offer of outreach services to*  
21 *severely mentally ill persons has been overwhelming,*  
22 *with more than 1,000 additional people now stabilized*  
23 *and in treatment with a greatly reduced risk of further*  
24 *homelessness, incarcerations, or hospitalizations.*

25 (5) *Based upon this success and the dramatic and*  
26 *unfortunate consequences of two decades of not*  
27 *providing adequate community mental health services, it*  
28 *is now time for the state to make a significant effort to*  
29 *substantially increase these programs and realize a*  
30 *measurable reduction in homelessness of people with*  
31 *mental illness by dramatically expanding these programs.*

32 (b) *It is the intent of the Legislature to enact*  
33 *legislation that will do all of the following:*

34 (1) *Provide funds in the 2000-01 fiscal year to allow the*  
35 *three counties that currently conduct programs to*  
36 *continue successful program expansions, based upon*  
37 *remaining unmet needs.*



1 (2) *Permit, in addition to the initial demonstration*  
2 *counties, counties that have adult system of care*  
3 *programs to have an opportunity to participate in these*  
4 *programs, based upon unmet needs, successful existing*  
5 *programs, and each county's capacity to increase services.*

6 (3) *Permit counties that do not yet have a system of*  
7 *care program to increase community mental health*  
8 *services by establishing an initial program that can be*  
9 *expanded upon in future years.*

10 SEC. 2. Section 5806 of the Welfare and Institutions  
11 Code is amended to read:

12 5806. The State Department of Mental Health shall  
13 establish service standards that ensure that members of  
14 the target population are identified, and services  
15 provided to assist them to live independently, work, and  
16 reach their potential as productive citizens. The  
17 department shall provide annual oversight of grants  
18 issued pursuant to this part for compliance with these  
19 standards. These standards ~~include~~ *shall include*, but are  
20 not limited to:

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

23 (1) Determination of the numbers of clients to be  
24 served and the programs and services that will be  
25 provided to meet their needs. The local director of  
26 mental health shall consult with the sheriff, the police  
27 chief, the probation officer, the mental health board,  
28 contract agencies, and family, client, ethnic and citizen  
29 constituency groups as determined by the director.

30 (2) Plans for services ~~including outreach~~, including  
31 outreach to transition youth and to families whose  
32 severely mentally ill adult is living with them, design of  
33 mental health services, coordination and access to  
34 medications ~~and to psychiatric~~, *psychiatric and*  
35 *psychological* services, substance abuse services,  
36 supportive housing or other housing assistance,  
37 vocational rehabilitation, and veterans' services. Plans  
38 shall also contain evaluation strategies, that shall consider  
39 cultural, linguistic, gender, age, and special needs of  
40 minorities in the target populations. Provision shall be



1 made for staff with the cultural background and linguistic  
2 skills necessary to remove barriers to mental health  
3 services due to limited English speaking ability and  
4 cultural differences.

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

7 (4) Provision for services to meet the special needs of  
8 older adults.

9 (5) Provision for family support and consultation  
10 services, parenting support and consultation services, and  
11 peer support or self-help group support, where  
12 appropriate.

13 (6) Provision for services to be client-directed and that  
14 employ psychosocial rehabilitation and recovery  
15 principles.

16 (7) Provision for psychiatric *and psychological*  
17 services that are integrated with other services and for  
18 psychiatric *and psychological* collaboration in overall  
19 service planning.

20 (8) Provision for transition youth diagnostic and  
21 assessment processes and services designed specifically to  
22 meet the needs of 18 to 25 year olds, inclusive. These  
23 provisions may include continuation of services that  
24 would still be received through other funds had eligibility  
25 not been terminated due to age.

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



1 (c) The individual personal services plan shall ensure  
2 that members of the target population involved in the  
3 system of care receive age, gender, and culturally  
4 appropriate services, to the extent feasible, that are  
5 designed to enable recipients to:

6 (1) Live in the most independent, least restrictive  
7 housing feasible in the local community.

8 (2) Engage in the highest level of work or productive  
9 activity appropriate to their abilities and experience.

10 (3) Create and maintain a support system consisting of  
11 friends, family, and participation in community activities.

12 (4) Access an appropriate level of academic education  
13 or vocational training.

14 (5) Obtain an adequate income.

15 (6) Self-manage their illness and exert as much control  
16 as possible over both the day-to-day and long-term  
17 decisions which affect their lives.

18 (7) Access necessary physical health care and  
19 maintain the best possible physical health.

20 (8) Reduce or eliminate antisocial or criminal  
21 behavior and thereby reduce or eliminate their contact  
22 with the criminal justice system.

23 (9) Reduce or eliminate the distress caused by the  
24 symptoms of mental illness.

25 (10) Have freedom from dangerous addictive  
26 substances.

27 (d) For purposes of this section and Section 5814,  
28 “transition youth” are individuals 18 to 25 years old,  
29 inclusive, with the conditions described in paragraph (2)  
30 of subdivision (a) of Section 5600.3.

31 SEC. 2. Section 5814 of the Welfare and Institutions  
32 Code is amended to read:

33 5814. (a) (1) This part shall be implemented only to  
34 the extent that funds are appropriated for purposes of this  
35 part. To the extent that funds are made available, the first  
36 priority shall go to maintain funding for the existing  
37 programs that meet adult system of care contract goals.

38 (2) The director shall establish a methodology for  
39 awarding grants under this part consistent with the  
40 legislative intent expressed in Section 5802, and in



1 consultation with the advisory committee established in  
2 this subdivision.

3 (3) The director shall establish an advisory committee  
4 for the purpose of providing advice regarding the  
5 development of criteria for the award of grants, and the  
6 identification of specific performance measures for  
7 evaluating the effectiveness of grants. The committee  
8 shall include, but not be limited to, representatives from  
9 state, county, and community veterans' services and  
10 disabled veterans outreach programs, supportive housing  
11 and other housing assistance programs, law enforcement,  
12 county mental health and private providers of local  
13 mental health services and mental health outreach  
14 services, the Board of Corrections, the State Department  
15 of Alcohol and Drug Programs, local substance abuse  
16 services providers, the Department of Rehabilitation,  
17 providers of local employment services, the State  
18 Department of Social Services, a service provider to  
19 transition youth, the United Advocates for Children of  
20 California, the California Mental Health Advocates for  
21 Children and Youth, the Mental Health Association of  
22 California, the California Alliance for the Mentally Ill, the  
23 California Network of Mental Health Clients, and the  
24 Mental Health Planning Council.

25 (4) The criteria for the award of grants shall include,  
26 but not be limited to, all of the following:

27 (A) A description of a comprehensive strategic plan  
28 for providing outreach, prevention, intervention, and  
29 evaluation in a cost appropriate manner corresponding to  
30 the criteria specified in subdivision (c).

31 (B) A description of the local population to be served,  
32 ability to administer an effective service program, and  
33 the degree to which local agencies and advocates will  
34 support and collaborate with program efforts.

35 (C) A description of efforts to maximize the utilization  
36 of other state, federal, and local funds that can support  
37 and enhance the cost effectiveness of these programs.

38 (D) A description of efforts to obtain health  
39 foundation charitable funds to expand and support these  
40 programs.



1 (5) In addition to the criteria specified in paragraph  
2 (4), counties seeking grants for expansion of programs  
3 that were funded pursuant to this part prior to January 1,  
4 2001, shall provide:

5 (A) Data on the total number of adults and the total  
6 number of transition youth receiving extensive  
7 community mental health services ~~not~~ *including*  
8 *programs* funded pursuant to this part *and other*  
9 *programs*. This information shall identify the number of  
10 persons served in programs that meet the criteria for  
11 adults system of care and the number in other structured  
12 programs.

13 (B) Data for each type of program on the amount of  
14 funding expended per person.

15 (C) To the extent available, outcome measures for  
16 other programs that serve populations similar to those  
17 served with funds provided pursuant to this part.

18 (D) An analysis that compares the cost and outcomes  
19 for services provided under the adults system of care  
20 programs with services provided under other programs  
21 for adults with similar needs.

22 (E) The policy reasons or other explanations for those  
23 receiving services outside of the adults system of care  
24 programs and, to the extent possible, the county's plan for  
25 expansion of system of care services to include persons  
26 not currently receiving services under this type of system  
27 of care program.

28 (b) In each year in which additional funding is  
29 provided by the State Budget the department shall  
30 establish programs that offer individual counties  
31 sufficient funds to comprehensively serve severely  
32 mentally ill adults who are homeless, recently released  
33 from a county jail or the state prison, or others who are  
34 untreated, unstable, and at significant risk of  
35 incarceration or homelessness unless treatment is  
36 provided to them and who are severely mentally ill  
37 adults. For purposes of this subdivision, "severely  
38 mentally ill adults" are those individuals described in  
39 subdivision (b) of Section 5600.3 or transition youth. In  
40 consultation with the advisory committee established



1 pursuant to paragraph (3) of subdivision (a), the  
2 department shall report to the Legislature on or before  
3 May 1, 2000, and shall evaluate, at a minimum, the  
4 effectiveness of the strategies in providing successful  
5 outreach and reducing homelessness, involvement with  
6 local law enforcement, and other measures identified by  
7 the department. The evaluation shall include, as much of  
8 the following as available information permits:

9 (1) The number of persons served, and of those, the  
10 number who are able to maintain housing, and the  
11 number who receive extensive community mental health  
12 services.

13 (2) The number of persons with contacts with local  
14 law enforcement and the extent to which local and state  
15 incarceration has been reduced or avoided.

16 (3) The number of persons participating in  
17 employment service programs including competitive  
18 employment.

19 (4) The number of persons contacted in outreach  
20 efforts who appear to be severely mentally ill, as  
21 described in Section 5600.3, who have refused treatment  
22 after completion of all applicable outreach measures.

23 (5) The amount of hospitalization that has been  
24 reduced or avoided.

25 (c) Each project shall include outreach and service  
26 grants in accordance with a contract between the state  
27 and approved counties that reflects the number of  
28 anticipated contacts with people who are homeless or at  
29 risk of homelessness, and the number of those who are  
30 severely mentally ill and who are likely to be successfully  
31 referred for treatment and will remain in treatment until  
32 successfully discharged.

33 (d) If sufficient funds have been made available to  
34 provide funding to all counties that are eligible as set forth  
35 in this section, additional funding may be made available  
36 for other counties, or groups of counties, that do not  
37 currently have an existing program of integrated services  
38 that meet adults system of care criteria. To the extent  
39 funds are available, those counties may apply for a start  
40 up program to serve approximately 100 people in



1 accordance with specific terms and conditions of  
2 oversight and training which shall be developed by the  
3 department, in consultation with the advisory  
4 committee.

5 (e) (1) As used in this part, “receiving extensive  
6 mental health services” means having a case manager, as  
7 described in subdivision (b) of Section 5806, and having  
8 an individual personal service plan, as described in  
9 subdivision (c) of Section 5806.

10 (2) The funding provided pursuant to this part shall be  
11 sufficient to provide mental health services, medically  
12 necessary medications to treat severe mental illnesses,  
13 alcohol and drug services, supportive housing and other  
14 housing assistance, vocational rehabilitation, money  
15 management assistance for accessing other health care  
16 and obtaining federal income and housing support,  
17 accessing veterans’ services, and stipends to attract and  
18 retain sufficient numbers of qualified professionals as  
19 necessary to provide the necessary levels of these  
20 services. These grants shall, however, pay for only that  
21 portion of the costs of those services not otherwise  
22 provided by federal funds or other state funds.

23 (f) Contracts awarded pursuant to this part shall be  
24 exempt from the Public Contract Code and the state  
25 administrative manual and shall not be subject to the  
26 approval of the Department of General Services.

27 (g) Notwithstanding any other provision of law, funds  
28 awarded to counties pursuant to this part and Part 4  
29 (commencing with Section 5850) shall not require a local  
30 match in funds.

31 SEC. 3. Section 5814.5 of the Welfare and Institutions  
32 Code is amended to read:

33 5814.5. (a) Of the funds appropriated pursuant to  
34 Schedule (a) of Item 4440-101-0001 of the Budget Act of  
35 2000, the sum of \_\_\_\_\_ dollars (\$\_\_\_\_) shall be  
36 allocated in accordance with the following schedule:

37 (1) The sum of five hundred thousand dollars  
38 (\$500,000) shall be reappropriated in augmentation of  
39 Schedule (a) of Item 4440-001-0001 of the Budget Act of  
40 2000 to provide for departmental support for the



1 additional administrative costs associated with the  
2 augmentation contained in paragraph (2). Specifically,  
3 this amount shall be utilized by the State Department of  
4 Mental Health to provide for its administration of these  
5 programs, and to work together with the Department of  
6 Finance, the Department of Corrections, the Board of  
7 Corrections, state associations representing law  
8 enforcement and local government, and the Legislative  
9 Analyst, in order to collect and evaluate the program  
10 performance and cost data pertaining to these programs.

11 (2) The sum of \_\_\_\_\_ dollars (\$\_\_\_\_) shall be  
12 allocated for continuation and expansion of counties  
13 funded in 1999–2000 that have successfully demonstrated  
14 the cost effectiveness of their grants received in that year  
15 and demonstrate significant continued unmet need and  
16 capacity for expansion without compromising quality or  
17 cost effectiveness of care and to other counties or portions  
18 of counties, that demonstrate that the county can provide  
19 comprehensive services, as set forth in this part, to a  
20 substantial number of adults who are severely mentally  
21 ill, as defined in Section 5600.3, and are homeless or  
22 recently released from the county jail or who are  
23 untreated, unstable, and at significant risk of  
24 incarceration or homelessness unless treatment is  
25 provided.

26 (b) (1) Counties eligible for funding pursuant to  
27 paragraph (2) of subdivision (a) shall be those that have  
28 existing integrated adult service programs that meet the  
29 criteria for an adult system of care, as set forth in Section  
30 5806, and that have, or can develop, integrated forensic  
31 programs with similar characteristics for parolees and  
32 those recently released from county jail who meet the  
33 target population requirements of Section 5600.3 and are  
34 at risk of incarceration unless the services are provided.  
35 Local enrollment for integrated adult service programs  
36 and for integrated forensic programs funded pursuant to  
37 paragraph (2) of subdivision (a) shall adhere to all  
38 conditions set forth by the department, including the  
39 total number of clients to be enrolled, the providers to  
40 which clients are enrolled and the maximum cost for each



1 provider, the maximum number of clients to be served at  
2 any one time, the outreach and screening process used to  
3 identify enrollees, and the total cost of the program. Local  
4 enrollment of each individual for integrated forensic  
5 programs shall be subject to the approval of the county  
6 mental health director or his or her designee.

7 (2) Each county shall ensure that funds provided by  
8 these grants are used to expand existing integrated  
9 service programs that meet the criteria of adults system  
10 of care to provide new services in accordance with the  
11 purpose for which they were appropriated and allocated,  
12 and that none of these funds shall be used to supplant  
13 existing services to severely mentally ill adults. In order  
14 to ensure that this requirement is met, the department  
15 shall develop methods and contractual requirements, as  
16 it determines necessary. At a minimum, these assurances  
17 shall include that state and federal requirements  
18 regarding tracking of funds are met and that patient  
19 records are maintained in a manner that protects privacy  
20 and confidentiality, as required under federal and state  
21 law.

22 (c) Each county selected to receive a grant pursuant  
23 to this section shall provide data as the department may  
24 require, that demonstrates the outcomes of these adult  
25 system of care programs, shall specify the additional  
26 numbers of severely mentally ill adults to whom they will  
27 provide comprehensive services for each million dollars  
28 of additional funding that may be awarded through either  
29 an integrated adult service grant or an integrated  
30 forensic grant, and shall agree to provide services in  
31 accordance with Section 5806. Each county shall identify,  
32 as the department may require, the amount of funding  
33 required for housing market conditions, the estimated  
34 number of people who will be eligible for income from  
35 Social Security, and types of housing and support services  
36 that will be required.

37 SEC. 4. (a) The State Department of Mental Health  
38 ~~shall conduct a study of the public education program in~~  
39 ~~certain communities in Norway that utilizes schools, shall~~  
40 *conduct a review of published materials regarding early*



1 *psychosis education programs such as those operating in*  
2 *Melbourne, Australia, London, England, Canada,*  
3 *Rogaland, Norway that utilize schools, primary care*  
4 *physicians, and a general public education campaign to*  
5 *ensure that people suffering from schizophrenia-related*  
6 *illnesses seek receive treatment within six months of the*  
7 *onset of the symptoms as compared to two several years*  
8 *in similar communities in Norway and Denmark.*

9 ~~(b) The State Department of Mental Health shall~~  
10 ~~make recommendations for the implementation in~~  
11 ~~California of a public education program similar to the~~  
12 ~~program in Norway described in subdivision (a). The~~  
13 ~~recommendations shall include, but not be limited to, an~~  
14 ~~analysis of how the cost of the program may be offset by~~  
15 ~~savings in the total cost to society including, but not~~  
16 ~~limited to, the public and private costs of treatment and~~  
17 ~~other governmental costs related to schizophrenia and~~  
18 ~~other mental illnesses that may be affected by a program~~  
19 ~~of this type. without these programs.~~

20 *(b) The State Department of Mental Health, on or*  
21 *before July 1, 2001, shall report to the Legislature*  
22 *regarding the findings of the literature review and make*  
23 *recommendations as to whether such a program should*  
24 *be implemented in California. The report shall include,*  
25 *but not be limited to, information related to the costs and*  
26 *benefits to mentally ill persons and the society in which*  
27 *they live. The report shall also include an overview of the*  
28 *actions and resources necessary to implement such a*  
29 *program in California.*

30 (c) The State Department of Mental Health shall  
31 report to the Legislature regarding the study and  
32 recommendations required under this section on or  
33 before July 1, 2001.

