



JENNIFER KENT  
*Director*

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
*Governor*

August 31, 2017

The Honorable Marc Levine  
Member of the Assembly  
State Capitol, Room 5135  
Sacramento, CA 95814

Dear Assembly Member Levine:

**ASSEMBLY BILL 1372 (AS AMENDED JUNE 13, 2017) – OPPOSE**

The Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 1372. AB 1372 would authorize a crisis stabilization unit (CSU), at the discretion of a Mental Health Plan (MHP), to provide medically necessary crisis stabilization services to individuals beyond 24-hours when an individual needs inpatient psychiatric care or outpatient care and an inpatient psychiatric bed or outpatient services are not reasonably available. The bill would allow individuals that are placed under, or are already under, a 72-hour hold, to be credited for the time detained at a CSU. The bill would also require DHCS to 1) seek any Medicaid State Plan Amendment (SPA), waiver, or amendment to an existing waiver that is determined necessary for implementation, 2) amend its contract with a MHP to include a provision authorizing a MHP to elect to provide crisis stabilization services for more than 24-hours through a CSU, and 3) require each MHP to establish treatment protocols, documentation standards, and administrative procedures for CSUs providing crisis stabilization services for more than 24-hours.

DHCS acknowledges the need to dedicate resources and efforts to increase the number of psychiatric inpatient hospital beds. However, this bill attempts to address the psychiatric inpatient hospital bed shortage by allowing CSUs to serve as psychiatric inpatient hospitals, which is not their purpose. Such action risks the health and safety of a beneficiary who is admitted to the CSU while awaiting transition to a higher level of care, as well as a beneficiary who needs crisis stabilization services but may find they cannot access a CSU because the CSU has admitted a patient who is awaiting transition to a lower level of care.

Furthermore, the bill does not address potential conflict between state and federal law, nor provide a funding mechanism or associated necessary changes.

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AB 1372 would allow MHPs to provide crisis stabilization services as a specialty mental health service (SMHS) in a manner that deviates from how the services are currently covered and defined in California's Medicaid State Plan, necessitating a SPA and 1915(b) SMHS waiver amendments. If the Centers for Medicare and Medicaid Services does not approve the SPA and/or 1915(b) waiver amendments, DHCS and MHPs would lack appropriate federal authority to provide and reimburse for crisis stabilization services as proposed in the bill, thereby creating a conflict with State and Federal law.

Finally, there are separate, ongoing efforts to address the shortage of psychiatric inpatient hospital beds, including those that expand and strengthen the continuum of care, which make this bill premature. For example, under Welfare and Institutions Code §5848.5, the Investment in Mental Health Wellness Act of 2013 was enacted to increase the number of crisis beds in order to reduce overutilization of emergency rooms for crisis mental health services. It is anticipated that 1,070 crisis residential and stabilization beds statewide will be available by the end of 2017. For these reasons, DHCS is opposed to the bill.

If you have any questions regarding our position, please feel free to contact me at (916) 440-7500.

Sincerely,

Original signed by

Carol Gallegos  
Deputy Director

cc: The Honorable Senator Lara  
Senate Appropriations Committee  
State Capitol, Room 2206  
Sacramento, CA 95814

Members, Senate Appropriations Committee  
Senate Republican Caucus