



JENNIFER KENT  
*Director*

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



EDMUND G. BROWN JR.  
*Governor*

July 12, 2017

The Honorable Ed Hernandez  
Senate Health Committee  
State Capitol, Room 2191  
Sacramento, CA 95814

Dear Senator Hernandez:

**ASSEMBLY BILL 572 (AS AMENDED JULY 3, 2017) – OPPOSE**

The Department of Health Care Services (DHCS) must inform you of its opposition to Assembly Bill (AB) 572. AB 572 would locate a DHCS Substance Use Disorder Compliance Division (SUDCD) Investigator in the City of Costa Mesa as a two-year pilot program, contingent on the City Council of the City of Costa Mesa's approval. The Investigator would be responsible for investigating complaints against licensed alcohol and drug treatment facilities throughout the city or any other cities choosing to participate in the pilot program, within Orange County. The bill would authorize the City of Costa Mesa to contract with Orange County, or a city incorporated within Orange County, to assign the Investigator to investigate complaints within those cities. AB 572 would also require the City of Costa Mesa to provide an office and amenities for the Investigator, and to reimburse DHCS for the Investigator's compensation and benefits. The pilot program would be completed no later than December 31, 2019, and would require the City of Costa Mesa to provide a program evaluation to the Legislature no later than July 1, 2020.

DHCS has identified issues which would result from AB 572 due to: logistical and staffing issues pertaining to the required Investigator position; the physical location of facility files in Sacramento; and the removal of DHCS' ability to manage its own staff and the possible conflict of interest that could occur by giving the City of Costa Mesa authority to determine workload.

Investigations can often require other communication with other DHCS staff including legal, licensing analysts and other complaint analysts and document review. The ability to meet with DHCS staff could be difficult for the Investigator located in the City of Costa Mesa. In addition, all licensing and complaint files are physically housed in Sacramento. DHCS does not have electronic records of complaint files; therefore, the Investigator would need to review all current licensing files and past complaint reports in

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person in Sacramento. The additional time required for the Investigator to confer with DHCS staff and review physical documents could lead to a backlog of cases in the City of Costa Mesa.

DHCS also has concerns with the bill's intent to allow the City of Costa Mesa to determine the workload of the Investigator. Essentially, this would remove DHCS' ability to manage their own staff and could create a conflict of interest as the City of Costa Mesa may have different priorities for investigations than what DHCS deems as a priority.

In addition, DHCS is currently working diligently to address licensing and complaint issues in Orange County, as well as throughout California. DHCS has two sections that are responsible for ensuring the compliance of our statutes, regulations, and standards. The Licensing and Certification Section currently has 24 analysts, with 12 analysts who are assigned to work cases predominately located in Orange County. These analysts could be conducting compliance reviews in Orange County on an average of two weeks out of the month. The Complaints Section has a total of 17 analysts, all of which have the ability to conduct complaint investigations. These analysts also conduct complaint investigations in Orange County on an average of two weeks out of the month. This could result in periods of time when there are multiple DHCS staff in Orange County at working to resolve issues.

DHCS works with local law enforcement agencies, if needed, on compliance-related issues. With the increasing number of facilities, DHCS is continually assessing staffing needs in all areas related to substance use disorder services, including licensing, certification, and compliance.

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 Assembly Member Quirk-Silva  
Member of the Assembly  
State Capitol, Room 6012  
Sacramento, CA 95814

Members, Senate Health Committee  
Senate Republican Caucus