



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



GAVIN NEWSOM
GOVERNOR

DATE: March 12, 2021

Behavioral Health Information Notice No: 21-012

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Actions Against Unlicensed Facilities Providing Substance Use
Disorder Treatment Services: Implementation of Senate Bill 406

REFERENCE: [Chapter 302, Senate Bill 406](#)
[Information on DHCS Licensing and Certification](#)
[MHSUDS IN No. 19-003](#)

PURPOSE: To notify stakeholders of the passage of Senate Bill 406 (SB 406) and reinforce the Department of Health Care Service's (DHCS) regulatory authority to investigate and take action against an unlicensed facility providing licensable treatment services.

BACKGROUND:

SB 406 amends Health and Safety Code (HSC) Section 11833.05 to require DHCS take action against an unlicensed facility operating as an alcohol or drug recovery or treatment facility that is disclosed as a recovery residence pursuant to the disclosure requirements of HSC Section 11833.05 and SB 992. DHCS implemented provisions of SB 992 through [MHSUDS IN No. 19-003](#). The definition of a recovery residence is now in subdivision (f) of HSC 11833.05.

DEFINITION:

For the purposes of HSC Section 11833.05, “recovery residence” means a residential dwelling that provides primary housing for individuals who seek a cooperative living arrangement that supports personal recovery from a substance use disorder and that does not require licensure by the department nor provides licensable services, pursuant to Chapter 7.5 (commencing with HSC Section 11834.01). A recovery residence may include, but is not limited to, residential dwellings commonly referred to as “sober living homes,” “sober living environments,” or “unlicensed alcohol and drug-free residences.”

POLICY:

DHCS has the sole authority to license alcohol and drug recovery or treatment facilities providing residential nonmedical services to adults recovering from substance use disorders and needing recovery, treatment or detoxification services. If a facility is alleged to be providing recovery, treatment, or detoxification services without obtaining a license, DHCS is required, pursuant to HSC Section 11834.31, to investigate the allegation and issue a notice to cease providing services under specified conditions.

SB 406 requires DHCS to take action against an unlicensed facility that is disclosed as a recovery residence pursuant to the disclosure requirements described in HSC Section 11833.05. SB 406 also clarifies that DHCS is not required to investigate a recovery residence disclosed pursuant to HSC Section 11833.05 if there is not an allegation of providing licensable services. Additionally, SB 406 authorizes DHCS to refer a substantiated complaint against a recovery residence to other enforcement entities as appropriate under state or federal law. These entities include the Department of Insurance, the Department of Managed Health Care, the Attorney General, and the United States Attorney General.

Sincerely,

Original signed by

Janelle Ito-Orille, Chief
Licensing and Certification Division