

## MEMORANDUM

<b>DATE</b>	May 4, 2017
<b>TO</b>	Policy and Advocacy Committee
<b>FROM</b>	 Jason Glasspiegel Central Services Coordinator
<b>SUBJECT</b>	Agenda Item #6(c)(17) – AB 501 (Ridley-Thomas) Mental Health: Community Care Facilities

### **Background:**

This bill would authorize the creation of short-term residential therapeutic programs that operate as children's crisis residential programs that admit any child who is experiencing a mental health crisis and meets specified requirements, including that the child has a serious behavioral health disorder and is referred by a parent or guardian, or by the representative of a public or private entity that has the right to make these decisions on behalf of a child.

The bill would require the Department of Health Care Services, in consultation with certain stakeholders including the State Department of Social Services, to establish program standards and procedures, as specified, for a children's crisis residential mental health program approval, and would require the children's crisis residential mental health program approval to be a condition of continued licensure for a short-term residential therapeutic program operating as a children's crisis residential program.

**Location:** Assembly Committee on Appropriations

**Status:** 4/26/2017 From committee: Do pass and re-refer to Committee on Appropriations with recommendation: To Consent Calendar.

**Votes:** 04/25/2017 Assembly Committee on Human Services (7-0-0)  
4/4/2017 Assembly Committee on Health (15-0-0)

### **Action Requested:**

No action is required at this time. Staff will continue to watch AB 501 (Ridley-Thomas) due to its potential impact on access to mental health services for children experiencing serious mental health crises.

Attachment A: AB 501(Ridley-Thomas) Text

[Home](#)[Bill Information](#)[California Law](#)[Publications](#)[Other Resources](#)[My Subscriptions](#)[My Favorites](#)**AB-501 Mental health: community care facilities.** (2017-2018)**SECTION 1.** *The Legislature finds and declares all of the following:*

*(a) There is an urgent need to provide more crisis care alternatives to hospitals for children and youth experiencing mental health crises.*

*(b) The problems are especially acute for children and youth who may have to wait for days for a hospital bed and who may be transported, without a parent, to the nearest facility hundreds of miles away.*

*(c) In 2012, the California Hospital Association reported that two-thirds of the people taken to a hospital for a psychiatric emergency did not meet the criteria for that level of care, but the care they needed was not available.*

*(d) The type of care that is needed includes crisis residential treatment for children.*

*(e) This level of care is part of the full continuum of care considered medically necessary for many children with serious emotional disturbances.*

*(f) In 2013, the Legislature enacted the Investment in Mental Health Wellness Act (Senate Bill 82, Chapter 34 of the Statutes of 2013) to provide one-time funding to counties to expand the availability of mental health crisis care services, including short-term crisis residential treatment services. However, there is currently no state licensing category for short-term crisis residential programs for children. As a result, counties wanting to expand local capacity to meet the needs of children and youth for crisis residential treatment services were ineligible for this competitive grant program.*

*(g) In most communities, inpatient crisis treatment is completely unavailable for children and youth, even though it may be medically necessary.*

*(h) Crisis residential care is an essential level of care for the treatment of children and youth with serious emotional disturbances in a mental health crisis, and it often serves as an alternative to hospitalization.*

*(i) It is imperative that California identify a licensing category specifically for mental health crisis residential care that can be utilized for children and youth who are beneficiaries of both public and private health care plans.*

**SEC. 2.** Section 1502 of the Health and Safety Code is amended to read:**1502.** As used in this chapter:

(a) "Community care facility" means any facility, place, or building that is maintained and operated to provide nonmedical residential care, day treatment, adult day care, or foster family agency services for children, adults, or children and adults, including, but not limited to, the physically handicapped, mentally impaired, incompetent persons, and abused or neglected children, and includes the following:

(1) "Residential facility" means any family home, group care facility, or similar facility determined by the department, for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual.

(2) "Adult day program" means any community-based facility or program that provides care to persons 18 years of age or older in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of these individuals on less than a 24-hour basis.

(3) "Therapeutic day services facility" means any facility that provides nonmedical care, counseling, educational or vocational support, or social rehabilitation services on less than a 24-hour basis to persons under 18 years of age who would otherwise be placed in foster care or who are returning to families from foster care. Program standards for these facilities shall be developed by the department, pursuant to Section 1530, in consultation with

therapeutic day services and foster care providers.

(4) "Foster family agency" means any public agency or private organization, organized and operated on a nonprofit basis, engaged in any of the following:

(A) Recruiting, certifying, approving, and training of, and providing professional support to, foster parents and resource families.

(B) Coordinating with county placing agencies to find homes for foster children in need of care.

(C) Providing services and supports to licensed or certified foster parents, county-approved resource families, and children to the extent authorized by state and federal law.

(5) "Foster family home" means any residential facility providing 24-hour care for six or fewer foster children that is owned, leased, or rented and is the residence of the foster parent or parents, including their family, in whose care the foster children have been placed. The placement may be by a public or private child placement agency or by a court order, or by voluntary placement by a parent, parents, or guardian. It also means a foster family home described in Section 1505.2.

(6) "Small family home" means any residential facility, in the licensee's family residence, that provides 24-hour care for six or fewer foster children who have mental disorders or developmental or physical disabilities and who require special care and supervision as a result of their disabilities. A small family home may accept children with special health care needs, pursuant to subdivision (a) of Section 17710 of the Welfare and Institutions Code. In addition to placing children with special health care needs, the department may approve placement of children without special health care needs, up to the licensed capacity.

(7) "Social rehabilitation facility" means any residential facility that provides social rehabilitation services for no longer than 18 months in a group setting to adults recovering from mental illness who temporarily need assistance, guidance, or counseling. Program components shall be subject to program standards pursuant to Article 1 (commencing with Section 5670) of Chapter 2.5 of Part 2 of Division 5 of the Welfare and Institutions Code.

(8) "Community treatment facility" means any residential facility that provides mental health treatment services to children in a group setting and that has the capacity to provide secure containment. Program components shall be subject to program standards developed and enforced by the State Department of Health Care Services pursuant to Section 4094 of the Welfare and Institutions Code.

Nothing in this section shall be construed to prohibit or discourage placement of persons who have mental or physical disabilities into any category of community care facility that meets the needs of the individual placed, if the placement is consistent with the licensing regulations of the department.

(9) "Full-service adoption agency" means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assumes care, custody, and control of a child through relinquishment of the child to the agency or involuntary termination of parental rights to the child.

(B) Assesses the birth parents, prospective adoptive parents, or child.

(C) Places children for adoption.

(D) Supervises adoptive placements.

Private full-service adoption agencies shall be organized and operated on a nonprofit basis. As a condition of licensure to provide intercountry adoption services, a full-service adoption agency shall be accredited and in good standing according to Part 96 ([commencing with Section 96.1](#)) of Title 22 of the Code of Federal Regulations, or supervised by an accredited primary provider, or acting as an exempted provider, in compliance with Subpart F (commencing with Section 96.29) of Part 96 of Title 22 of the Code of Federal Regulations.

(10) "Noncustodial adoption agency" means any licensed entity engaged in the business of providing adoption services, that does all of the following:

(A) Assesses the prospective adoptive parents.

(B) Cooperatively matches children freed for adoption, who are under the care, custody, and control of a licensed adoption agency, for adoption, with assessed and approved adoptive applicants.

(C) Cooperatively supervises adoption placements with a full-service adoptive agency, but does not disrupt a placement or remove a child from a placement.

Private noncustodial adoption agencies shall be organized and operated on a nonprofit basis. As a condition of licensure to provide intercountry adoption services, a noncustodial adoption agency shall be accredited and in good standing according to Part 96 (*commencing with Section 96.1*) of Title 22 of the Code of Federal Regulations, or supervised by an accredited primary provider, or acting as an exempted provider, in compliance with Subpart F (commencing with Section 96.29) of Part 96 of Title 22 of the Code of Federal Regulations.

(11) "Transitional shelter care facility" means any group care facility that provides for 24-hour nonmedical care of persons in need of personal services, supervision, or assistance essential for sustaining the activities of daily living or for the protection of the individual. Program components shall be subject to program standards developed by the State Department of Social Services pursuant to Section 1502.3.

(12) "Transitional housing placement provider" means an organization licensed by the department pursuant to Section 1559.110 and Section 16522.1 of the Welfare and Institutions Code to provide transitional housing to foster children at least 16 years of age and not more than 18 years of age, and nonminor dependents, as defined in subdivision (v) of Section 11400 of the Welfare and Institutions Code, to promote their transition to adulthood. A transitional housing placement provider shall be privately operated and organized on a nonprofit basis.

(13) "Group home" means a residential facility that provides 24-hour care and supervision to children, delivered at least in part by staff employed by the licensee in a structured environment. The care and supervision provided by a group home shall be nonmedical, except as otherwise permitted by law.

(14) "Runaway and homeless youth shelter" means a group home licensed by the department to operate a program pursuant to Section 1502.35 to provide voluntary, short-term, shelter and personal services to runaway youth or homeless youth, as defined in paragraph (2) of subdivision (a) of Section 1502.35.

(15) "Enhanced behavioral supports home" means a facility certified by the State Department of Developmental Services pursuant to Article 3.6 (commencing with Section 4684.80) of Chapter 6 of Division 4.5 of the Welfare and Institutions Code, and licensed by the State Department of Social Services as an adult residential facility or a group home that provides 24-hour nonmedical care to individuals with developmental disabilities who require enhanced behavioral supports, staffing, and supervision in a homelike setting. An enhanced behavioral supports home shall have a maximum capacity of four consumers, shall conform to Section 441.530(a)(1) of Title 42 of the Code of Federal Regulations, and shall be eligible for federal Medicaid home- and community-based services funding.

(16) "Community crisis home" means a facility certified by the State Department of Developmental Services pursuant to Article 8 (commencing with Section 4698) of Chapter 6 of Division 4.5 of the Welfare and Institutions Code, and licensed by the State Department of Social Services pursuant to Article 9.7 (commencing with Section 1567.80), as an adult residential facility, providing 24-hour nonmedical care to individuals with developmental disabilities receiving regional center service, in need of crisis intervention services, and who would otherwise be at risk of admission to the acute crisis center at Fairview Developmental Center, Sonoma Developmental Center, an acute general hospital, acute psychiatric hospital, an institution for mental disease, as described in Part 5 (commencing with Section 5900) of Division 5 of the Welfare and Institutions Code, or an out-of-state placement. A community crisis home shall have a maximum capacity of eight consumers, as defined in subdivision (a) of Section 1567.80, shall conform to Section 441.530(a)(1) of Title 42 of the Code of Federal Regulations, and shall be eligible for federal Medicaid home- and community-based services funding.

(17) "Crisis nursery" means a facility licensed by the department to operate a program pursuant to Section 1516 to provide short-term care and supervision for children under six years of age who are voluntarily placed for temporary care by a parent or legal guardian due to a family crisis or stressful situation.

(18) "Short-term residential therapeutic program" means a residential facility operated by a public agency or private organization and licensed by the department pursuant to Section 1562.01 that provides an integrated program of specialized and intensive care and supervision, services and supports, treatment, and short-term, 24-hour care and supervision to children. The care and supervision provided by a short-term residential therapeutic program shall be nonmedical, except as otherwise permitted by law. Private short-term residential therapeutic programs shall be organized and operated on a nonprofit basis. *A short-term residential therapeutic program may be operated as a children's crisis residential program.*

(19) "Private alternative boarding school" means a group home licensed by the department to operate a program pursuant to Section 1502.2 to provide youth with 24-hour residential care and supervision, which, in addition to

providing educational services to youth, provides, or holds itself out as providing, behavioral-based services to youth with social, emotional, or behavioral issues. The care and supervision provided by a private alternative boarding school shall be nonmedical, except as otherwise permitted by law.

(20) "Private alternative outdoor program" means a group home licensed by the department to operate a program pursuant to Section 1502.21 to provide youth with 24-hour residential care and supervision, which provides, or holds itself out as providing, behavioral-based services in an outdoor living setting to youth with social, emotional, or behavioral issues. The care and supervision provided by a private alternative outdoor program shall be nonmedical, except as otherwise permitted by law.

*(21) "Children's crisis residential program" means a facility licensed by the department as a short-term residential therapeutic program pursuant to Section 1562.02 and approved by the State Department of Health Care Services, or a county mental health plan to which the State Department of Health Care Services has delegated approval authority, to operate a children's crisis residential mental health program approval pursuant to Section 11462.011 of the Welfare and Institutions Code, to serve children experiencing mental health crises as an alternative to psychiatric hospitalization.*

(b) "Department" or "state department" means the State Department of Social Services.

(c) "Director" means the Director of Social Services.

**SEC. 3.** *Section 1562.02 is added to the Health and Safety Code, to read:*

**1562.02.** *(a) The department may license a short-term residential therapeutic program operating as a children's crisis residential program pursuant to this chapter. A children's crisis residential program shall meet all of the following requirements:*

*(1) If the program serves children who are not experiencing mental health crises, have an identifiable and physically separate unit for those children who are experiencing mental health crises. The separate unit shall be indicated on the short-term residential therapeutic program's license.*

*(2) Obtain and have in good standing a mental health program approval that includes a Medi-Cal mental health certification, as described in Section 11462.01 of the Welfare and Institutions Code, and a children's crisis residential mental health program approval, as described in Section 11462.011 of the Welfare and Institutions Code, both of which are issued by the State Department of Health Care Services, or a county mental health plan to which the department has delegated approval authority. The short-term residential therapeutic program shall obtain a mental health program approval before operating as a children's crisis residential program. The department may revoke a program's license pursuant to Section 1550 for a program's failure to maintain the mental health program approval.*

*(3) Comply with all applicable licensing standards for a short-term residential therapeutic program, unless otherwise specified by the department in regulations.*

*(b) The State Department of Health Care Services shall, in collaboration with the department, the County Behavioral Health Directors Association of California, provider representatives, and other relevant stakeholders, develop a rate for children who are Medi-Cal beneficiaries and who are admitted to a children's crisis residential program. This subdivision shall be implemented only to the extent that federal financial participation is available and any necessary federal approvals have been obtained.*

*(c) Contingent upon an appropriation in the annual Budget Act for these purposes, the department shall begin implementation of this section no later than July 1, 2018, and shall commence the licensing process for children's crisis residential programs no later than January 1, 2019.*

**SEC. 4.** *Section 1562.03 is added to the Health and Safety Code, to read:*

**1562.03.** *(a) The department shall establish regulations for short-term residential therapeutic programs that are operated as children's crisis residential programs. At a minimum, the regulations shall include all of the following:*

*(1) The children's crisis residential program shall be used only for diversion from admittance to a psychiatric hospital.*

*(2) (A) Length of the initial authorization for admission to a children's crisis residential program shall be limited to 10 consecutive days.*

*(B) If a determination is made by a health care professional that a children's crisis residential program is the*

*appropriate continued level of care, the children's crisis residential program shall obtain prior approval from the county mental health plan authorizing those services before extending the length of stay for a Medi-Cal beneficiary beyond 10 consecutive days. In the case of beneficiaries of private insurance, reauthorizations for admission shall be obtained using the process established by the individual plans.*

*(3) Therapeutic programming shall be provided seven days a week, including weekends and holidays, with sufficient professional and paraprofessional staff to maintain an appropriate treatment setting and services, based on individual children's needs.*

*(4) The program shall be staffed with sufficient personnel to accept children 24 hours per day, seven days a week and to admit children, at a minimum, from 7 a.m. to 11 p.m., seven days a week, 365 days per year. The program shall be sufficiently staffed to discharge children, as appropriate, seven days a week, 365 days per year.*

*(5) Facilities shall be limited to fewer than 16 beds, with at least 50 percent of those beds in single-occupancy rooms.*

*(6) Facilities shall include ample physical space for accommodating individuals who provide daily emotional and physical supports to each child and for integrating family members into the day-to-day care of the youth.*

*(7) The program shall collaborate with each child's existing mental health team, if applicable, child and family team, if applicable, and other formal and natural supports within 24 hours of intake and throughout the course of care and treatment as appropriate.*

*(8) The program shall create and assist with the implementation of a plan for transitioning each admitted child from the program to his or her home and community, including the establishment of a mental health or child and family team if there is not one already.*

*(b) The program shall annually provide the department with all of the following data as it pertains to children in foster care and children not in foster care in conjunction with its application for licensure renewal:*

*(1) Age and gender of clients served.*

*(2) Duration of stay.*

*(3) Professional classification of staff and contracted staff.*

*(4) Type of placement the client was discharged to.*

**SEC. 5.** Section 5848.5 of the Welfare and Institutions Code is amended to read:

**5848.5.** (a) The Legislature finds and declares all of the following:

(1) California has realigned public community mental health services to counties and it is imperative that sufficient community-based resources be available to meet the mental health needs of eligible individuals.

(2) Increasing access to effective outpatient and crisis stabilization services provides an opportunity to reduce costs associated with expensive inpatient and emergency room care and to better meet the needs of individuals with mental health disorders in the least restrictive manner possible.

(3) Almost one-fifth of people with mental health disorders visit a hospital emergency room at least once per year. If an adequate array of crisis services is not available, it leaves an individual with little choice but to access an emergency room for assistance and, potentially, an unnecessary inpatient hospitalization.

(4) Recent reports have called attention to a continuing problem of inappropriate and unnecessary utilization of hospital emergency rooms in California due to limited community-based services for individuals in psychological distress and acute psychiatric crisis. Hospitals report that 70 percent of people taken to emergency rooms for psychiatric evaluation can be stabilized and transferred to a less intensive level of crisis care. Law enforcement personnel report that their personnel need to stay with people in the emergency room waiting area until a placement is found, and that less intensive levels of care tend not to be available.

(5) Comprehensive public and private partnerships at both local and regional levels, including across physical health services, mental health, substance use disorder, law enforcement, social services, and related supports, are necessary to develop and maintain high quality, patient-centered, and cost-effective care for individuals with mental health disorders that facilitates their recovery and leads towards wellness.

(6) The recovery of individuals with mental health disorders is important for all levels of government, business,

and the local community.

(b) This section shall be known, and may be cited, as the Investment in Mental Health Wellness Act of 2013. The objectives of this section are to do all of the following:

(1) Expand access to early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.

(2) Expand the continuum of services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness, resiliency, and recovery oriented.

(3) Add at least 25 mobile crisis support teams and at least 2,000 crisis stabilization and crisis residential treatment beds to bolster capacity at the local level to improve access to mental health crisis services and address unmet mental health care needs.

(4) Add at least 600 triage personnel to provide intensive case management and linkage to services for individuals with mental health care disorders at various points of access, such as at designated community-based service points, homeless shelters, and clinics.

(5) Reduce unnecessary hospitalizations and inpatient days by appropriately utilizing community-based services and improving access to timely assistance.

(6) Reduce recidivism and mitigate unnecessary expenditures of local law enforcement.

(7) Provide local communities with increased financial resources to leverage additional public and private funding sources to achieve improved networks of care for individuals with mental health disorders.

(8) Provide a complete continuum of crisis services for children and youth 21 years of age and under regardless of where they live in the state. The funds included in the 2016 Budget Act for the purpose of developing the continuum of mental health crisis services for children and youth 21 years of age and under shall be for the following objectives:

(A) Provide a continuum of crisis services for children and youth 21 years of age and under regardless of where they live in the state.

(B) Provide for early intervention and treatment services to improve the client experience, achieve recovery and wellness, and reduce costs.

(C) Expand the continuum of community-based services to address crisis intervention, crisis stabilization, and crisis residential treatment needs that are wellness-, resiliency-, and recovery-oriented.

(D) Add at least 200 mobile crisis support teams.

(E) Add at least 120 crisis stabilization services and beds and crisis residential treatment beds to increase capacity at the local level to improve access to mental health crisis services and address unmet mental health care needs.

(F) Add triage personnel to provide intensive case management and linkage to services for individuals with mental health care disorders at various points of access, such as at designated community-based service points, homeless shelters, schools, and clinics.

(G) Expand family respite care to help families and sustain caregiver health and well-being.

(H) Expand family supportive training and related services designed to help families participate in the planning process, access services, and navigate programs.

(I) Reduce unnecessary hospitalizations and inpatient days by appropriately utilizing community-based services.

(J) Reduce recidivism and mitigate unnecessary expenditures of local law enforcement.

(K) Provide local communities with increased financial resources to leverage additional public and private funding sources to achieve improved networks of care for children and youth 21 years of age and under with mental health disorders.

(c) Through appropriations provided in the annual Budget Act for this purpose, it is the intent of the Legislature to authorize the California Health Facilities Financing Authority, hereafter referred to as the authority, and the Mental Health Services Oversight and Accountability Commission, hereafter referred to as the commission, to

administer competitive selection processes as provided in this section for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, and specified personnel resources.

(d) Funds appropriated by the Legislature to the authority for purposes of this section shall be made available to selected counties, or counties acting jointly. The authority may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively supports this designation and collaboration in lieu of a county government directly receiving grant funds.

(1) Grant awards made by the authority shall be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and services in the following areas:

(A) Crisis intervention, as authorized by Sections 14021.4, 14680, and 14684.

(B) Crisis stabilization, as authorized by Sections 14021.4, 14680, and 14684.

(C) Crisis residential treatment, as authorized by Sections 14021.4, 14680, and 14684.

(D) Rehabilitative mental health services, as authorized by Sections 14021.4, 14680, and 14684.

(E) Mobile crisis support teams, including personnel and equipment, such as the purchase of vehicles.

(2) The authority shall develop selection criteria to expand local resources, including those described in paragraph (1), and processes for awarding grants after consulting with representatives and interested stakeholders from the mental health community, including, but not limited to, the County Behavioral Health Directors Association of California, service providers, consumer organizations, and other appropriate interests, such as health care providers and law enforcement, as determined by the authority. The authority shall ensure that grants result in cost-effective expansion of the number of community-based crisis resources in regions and communities selected for funding. The authority shall also take into account at least the following criteria and factors when selecting recipients of grants and determining the amount of grant awards:

(A) Description of need, including, at a minimum, a comprehensive description of the project, community need, population to be served, linkage with other public systems of health and mental health care, linkage with local law enforcement, social services, and related assistance, as applicable, and a description of the request for funding.

(B) Ability to serve the target population, which includes individuals eligible for Medi-Cal and individuals eligible for county health and mental health services.

(C) Geographic areas or regions of the state to be eligible for grant awards, which may include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the County Behavioral Health Directors Association of California.

(D) Level of community engagement and commitment to project completion.

(E) Financial support that, in addition to a grant that may be awarded by the authority, will be sufficient to complete and operate the project for which the grant from the authority is awarded.

(F) Ability to provide additional funding support to the project, including public or private funding, federal tax credits and grants, foundation support, and other collaborative efforts.

(G) Memorandum of understanding among project partners, if applicable.

(H) Information regarding the legal status of the collaborating partners, if applicable.

(I) Ability to measure key outcomes, including improved access to services, health and mental health outcomes, and cost benefit of the project.

(3) The authority shall determine maximum grants awards, which shall take into consideration the number of projects awarded to the grantee, as described in paragraph (1), and shall reflect reasonable costs for the project and geographic region. The authority may allocate a grant in increments contingent upon the phases of a project.

(4) Funds awarded by the authority pursuant to this section may be used to supplement, but not to supplant, existing financial and resource commitments of the grantee or any other member of a collaborative effort that has been awarded a grant.

(5) All projects that are awarded grants by the authority shall be completed within a reasonable period of time, to be determined by the authority. Funds shall not be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that a grant recipient has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all or a portion of the grant.

(6) A grantee that receives a grant from the authority under this section shall commit to using that capital capacity and program expansion project, such as the mobile crisis team, crisis stabilization unit, or crisis residential treatment program, for the duration of the expected life of the project.

(7) The authority may consult with a technical assistance entity, as described in paragraph (5) of subdivision (a) of Section 4061, for purposes of implementing this section.

(8) The authority may adopt emergency regulations relating to the grants for the capital capacity and program expansion projects described in this section, including emergency regulations that define eligible costs and determine minimum and maximum grant amounts.

(9) The authority shall provide reports to the fiscal and policy committees of the Legislature on or before May 1, 2014, and on or before May 1, 2015, on the progress of implementation, that include, but are not limited to, the following:

(A) A description of each project awarded funding.

(B) The amount of each grant issued.

(C) A description of other sources of funding for each project.

(D) The total amount of grants issued.

(E) A description of project operation and implementation, including who is being served.

(10) A recipient of a grant provided pursuant to paragraph (1) shall adhere to all applicable laws relating to scope of practice, licensure, certification, staffing, and building codes.

(e) Of the funds specified in paragraph (8) of subdivision (b), it is the intent of the Legislature to authorize the authority and the commission to administer competitive selection processes as provided in this section for capital capacity and program expansion to increase capacity for mobile crisis support, crisis intervention, crisis stabilization services, crisis residential treatment, family respite care, family supportive training and related services, and triage personnel resources for children and youth 21 years of age and under.

(f) Funds appropriated by the Legislature to the authority to address crisis services for children and youth 21 years of age and under for the purposes of this section shall be made available to selected counties or counties acting jointly. The authority may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively support this designation and collaboration in lieu of a county government directly receiving grant funds.

(1) Grant awards made by the authority shall be used to expand local resources for the development, capital, equipment acquisition, and applicable program startup or expansion costs to increase capacity for client assistance and crisis services for children and youth 21 years of age and under in the following areas:

(A) Crisis intervention, as authorized by Sections 14021.4, 14680, and 14684.

(B) Crisis stabilization, as authorized by Sections 14021.4, 14680, and 14684.

(C) Crisis residential treatment, as authorized by Sections 14021.4, 14680, and ~~14684~~ *14684 and as provided at a children's crisis residential program, as defined in Section 1502 of the Health and Safety Code.*

(D) Mobile crisis support teams, including the purchase of equipment and vehicles.

(E) Family respite care.

(2) The authority shall develop selection criteria to expand local resources, including those described in paragraph (1), and processes for awarding grants after consulting with representatives and interested stakeholders from the mental health community, including, but not limited to, county mental health directors, service providers, consumer organizations, and other appropriate interests, such as health care providers and law enforcement, as determined by the authority. The authority shall ensure that grants result in cost-effective expansion of the

number of community-based crisis resources in regions and communities selected for funding. The authority shall also take into account at least the following criteria and factors when selecting recipients of grants and determining the amount of grant awards:

(A) Description of need, including, at a minimum, a comprehensive description of the project, community need, population to be served, linkage with other public systems of health and mental health care, linkage with local law enforcement, social services, and related assistance, as applicable, and a description of the request for funding.

(B) Ability to serve the target population, which includes individuals eligible for Medi-Cal and individuals eligible for county health and mental health services.

(C) Geographic areas or regions of the state to be eligible for grant awards, which may include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the California Behavioral Health Directors Association.

(D) Level of community engagement and commitment to project completion.

(E) Financial support that, in addition to a grant that may be awarded by the authority, will be sufficient to complete and operate the project for which the grant from the authority is awarded.

(F) Ability to provide additional funding support to the project, including public or private funding, federal tax credits and grants, foundation support, and other collaborative efforts.

(G) Memorandum of understanding among project partners, if applicable.

(H) Information regarding the legal status of the collaborating partners, if applicable.

(I) Ability to measure key outcomes, including utilization of services, health and mental health outcomes, and cost benefit of the project.

(3) The authority shall determine maximum grant awards, which shall take into consideration the number of projects awarded to the grantee, as described in paragraph (1), and shall reflect reasonable costs for the project, geographic region, and target ages. The authority may allocate a grant in increments contingent upon the phases of a project.

(4) Funds awarded by the authority pursuant to this section may be used to supplement, but not to supplant, existing financial and resource commitments of the grantee or any other member of a collaborative effort that has been awarded a grant.

(5) All projects that are awarded grants by the authority shall be completed within a reasonable period of time, to be determined by the authority. Funds shall not be released by the authority until the applicant demonstrates project readiness to the authority's satisfaction. If the authority determines that a grant recipient has failed to complete the project under the terms specified in awarding the grant, the authority may require remedies, including the return of all, or a portion, of the grant.

(6) A grantee that receives a grant from the authority under this section shall commit to using that capital capacity and program expansion project, such as the mobile crisis team, crisis stabilization unit, family respite care, or crisis residential treatment program, for the duration of the expected life of the project.

(7) The authority may consult with a technical assistance entity, as described in paragraph (5) of subdivision (a) of Section 4061, for the purposes of implementing this section.

(8) The authority may adopt emergency regulations relating to the grants for the capital capacity and program expansion projects described in this section, including emergency regulations that define eligible costs and determine minimum and maximum grant amounts.

(9) The authority shall provide reports to the fiscal and policy committees of the Legislature on or before January 10, 2018, and annually thereafter, on the progress of implementation, that include, but are not limited to, the following:

(A) A description of each project awarded funding.

(B) The amount of each grant issued.

(C) A description of other sources of funding for each project.

(D) The total amount of grants issued.

(E) A description of project operation and implementation, including who is being served.

(10) A recipient of a grant provided pursuant to paragraph (1) shall adhere to all applicable laws relating to scope of practice, licensure, certification, staffing, and building codes.

(g) Funds appropriated by the Legislature to the commission for purposes of this section shall be allocated for triage personnel to provide intensive case management and linkage to services for individuals with mental health disorders at various points of access. These funds shall be made available to selected counties, counties acting jointly, or city mental health departments, as determined by the commission through a selection process. It is the intent of the Legislature for these funds to be allocated in an efficient manner to encourage early intervention and receipt of needed services for individuals with mental health disorders, and to assist in navigating the local service sector to improve efficiencies and the delivery of services.

(1) Triage personnel may provide targeted case management services face to face, by telephone, or by telehealth with the individual in need of assistance or his or her significant support person, and may be provided anywhere in the community. These service activities may include, but are not limited to, the following:

(A) Communication, coordination, and referral.

(B) Monitoring service delivery to ensure the individual accesses and receives services.

(C) Monitoring the individual's progress.

(D) Providing placement service assistance and service plan development.

(2) The commission shall take into account at least the following criteria and factors when selecting recipients and determining the amount of grant awards for triage personnel as follows:

(A) Description of need, including potential gaps in local service connections.

(B) Description of funding request, including personnel and use of peer support.

(C) Description of how triage personnel will be used to facilitate linkage and access to services, including objectives and anticipated outcomes.

(D) Ability to obtain federal Medicaid reimbursement, when applicable.

(E) Ability to administer an effective service program and the degree to which local agencies and service providers will support and collaborate with the triage personnel effort.

(F) Geographic areas or regions of the state to be eligible for grant awards, which shall include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the County Behavioral Health Directors Association of California.

(3) The commission shall determine maximum grant awards, and shall take into consideration the level of need, population to be served, and related criteria, as described in paragraph (2), and shall reflect reasonable costs.

(4) Funds awarded by the commission for purposes of this section may be used to supplement, but not supplant, existing financial and resource commitments of the county, counties acting jointly, or city mental health department that received the grant.

(5) Notwithstanding any other law, a county, counties acting jointly, or city mental health department that receives an award of funds for the purpose of supporting triage personnel pursuant to this subdivision is not required to provide a matching contribution of local funds.

(6) Notwithstanding any other law, the commission, without taking any further regulatory action, may implement, interpret, or make specific this section by means of informational letters, bulletins, or similar instructions.

(7) The commission shall provide a status report to the fiscal and policy committees of the Legislature on the progress of implementation no later than March 1, 2014.

(h) Funds appropriated by the Legislature to the commission pursuant to paragraph (8) of subdivision (b) for the purposes of addressing children's crisis services shall be allocated to support triage personnel and family supportive training and related services. These funds shall be made available to selected counties, counties acting jointly, or city mental health departments, as determined by the commission through a selection process. The commission may, at its discretion, also give consideration to private nonprofit corporations and public agencies in an area or region of the state if a county, or counties acting jointly, affirmatively supports this designation and

collaboration in lieu of a county government directly receiving grant funds.

(1) These funds may provide for a range of crisis-related services for a child in need of assistance, or his or her parent, guardian, or caregiver. These service activities may include, but are not limited to, the following:

- (A) Intensive coordination of care and services.
- (B) Communication, coordination, and referral.
- (C) Monitoring service delivery to the child or youth.
- (D) Monitoring the child's progress.
- (E) Providing placement service assistance and service plan development.
- (F) Crisis or safety planning.

(2) The commission shall take into account at least the following criteria and factors when selecting recipients and determining the amount of grant awards for these funds, as follows:

- (A) Description of need, including potential gaps in local service connections.
- (B) Description of funding request, including personnel.
- (C) Description of how personnel and other services will be used to facilitate linkage and access to services, including objectives and anticipated outcomes.
- (D) Ability to obtain federal Medicaid reimbursement, when applicable.
- (E) Ability to provide a matching contribution of local funds.
- (F) Ability to administer an effective service program and the degree to which local agencies and service providers will support and collaborate with the triage personnel effort.
- (G) Geographic areas or regions of the state to be eligible for grant awards, which shall include rural, suburban, and urban areas, and may include use of the five regional designations utilized by the County Behavioral Health Directors Association of California.

(3) The commission shall determine maximum grant awards, and shall take into consideration the level of need, population to be served, and related criteria, as described in paragraph (2), and shall reflect reasonable costs.

(4) Funds awarded by the commission for purposes of this section may be used to supplement, but not supplant, existing financial and resource commitments of the county, counties acting jointly, or a city mental health department that received the grant.

(5) Notwithstanding any other law, a county, counties acting jointly, or a city mental health department that receives an award of funds for the purpose of this section is not required to provide a matching contribution of local funds.

(6) Notwithstanding any other law, the commission, without taking any further regulatory action, may implement, interpret, or make specific this section by means of informational letters, bulletins, or similar instructions.

(7) The commission may waive requirements in this section for counties with a population of 100,000 or less, if the commission determines it is in the best interest of the state and meets the intent of the law.

(8) The commission shall provide a status report to the fiscal and policy committees of the Legislature on the progress of implementation no later than January 10, 2018, and annually thereafter.

**SEC. 6.** Section 11462.01 of the Welfare and Institutions Code, as added by Section 75 of Chapter 773 of the Statutes of 2015, is amended to read:

**11462.01.** (a) (1) ~~No~~ *If a program is not intended for the exclusive use of private insurance plans, no* later than 12 months following the date of initial licensure, a short-term residential therapeutic program, as defined in subdivision (ad) of Section 11400 of this code and paragraph (18) of subdivision (a) of Section 1502 of the Health and Safety Code, shall obtain a contract, subject to an agreement on rates and terms and conditions, with a county mental health plan to provide specialty mental health services and demonstrate the ability to meet the therapeutic needs of each child, as identified in any of the following:

(A) A mental health assessment.

(B) The child's case plan.

(C) The child's needs and services plan.

(D) Other documentation demonstrating the child has a mental health need.

(2) A short-term residential therapeutic program shall comply with any other mental health program approvals required by the State Department of Health Care Services or by a county mental health plan to which mental health program approval authority has been delegated.

(b) A short-term residential therapeutic ~~program~~ *program, except as specified in subdivision (c)*, may accept for placement a child who meets both of the criteria in paragraphs (1) and (2) and at least one of the conditions in paragraph (3).

(1) The child does not require inpatient care in a licensed health facility.

(2) The child has been assessed as requiring the level of services provided in a short-term residential therapeutic program in order to maintain the safety and well-being of the child or others due to behaviors, including those resulting from traumas, that render the child or those around the child unsafe or at risk of harm, or that prevent the effective delivery of needed services and supports provided in the child's own home or in other family settings, such as with a relative, guardian, foster family, resource family, or adoptive family. The assessment shall ensure the child has needs in common with other children or youth in the care of the facility, consistent with subdivision (c) of Section 16514.

(3) The child meets at least one of the following conditions:

(A) The child has been assessed, pursuant to Section 4096, as meeting the medical necessity criteria for Medi-Cal specialty mental health services, as provided for in Section 1830.205 or 1830.210 of Title 9 of the California Code of Regulations.

(B) The child has been assessed, pursuant to Section 4096, as seriously emotionally disturbed, as defined in subdivision (a) of Section 5600.3.

(C) The child requires emergency placement pursuant to paragraph (3) of subdivision ~~(h)~~ *(i)*.

(D) The child has been assessed, pursuant to Section 4096, as requiring the level of services provided by the short-term residential therapeutic program in order to meet his or her behavioral or therapeutic needs.

(4) Subject to the requirements of this subdivision, a short-term residential therapeutic program may have a specialized program to serve a child, including, but not limited to, the following:

(A) A commercially sexually exploited child.

(B) A private voluntary placement, if the youth exhibits status offender behavior, the parents or other relatives feel they cannot control the child's behavior, and short-term intervention is needed to transition the child back into the home.

(C) A juvenile sex offender.

(D) A child who is affiliated with, or impacted by, a gang.

*(c) (1) A short-term residential therapeutic program that is operating as a children's crisis residential program, as defined in Section 1502 of the Health and Safety Code, may accept for admission any child who meets all of the following requirements:*

*(A) The child is referred by a parent or guardian, or by the representative of a public or private entity, including, but not limited to, the county probation agency or child welfare services agency with responsibility for the placement of a child in foster care, that has the right to make these decisions on behalf of a child who is in mental health crisis.*

*(B) The child is under 19, 20, or 21 years of age, depending on a program's licensing requirements.*

*(C) The child has a serious behavioral health disorder.*

*(D) The child requires a 24-hour-a-day, seven-day-a-week, staff-secured, unlocked treatment setting.*

*(2) The primary function of a children's crisis residential program is to provide short-term crisis stabilization, therapeutic intervention, and specialized programming in an unlocked, staff-secured setting with a high degree of supervision and structure and the goal of supporting the rapid and successful transition of the child back to the community.*

~~(e)~~ *(d)* A foster family agency that is certified as a Medi-Cal specialty mental health provider pursuant to Section 1810.435 of Title 9 of the California Code of Regulations by the State Department of Health Care Services, or by a county mental health plan to which the department has delegated certification authority, and which has entered into a contract with a county mental health plan pursuant to Section 1810.436 of Title 9 of the California Code of Regulations, shall provide, or provide access to, specialty mental health services to children under its care who do not require inpatient care in a licensed health facility and who meet the medical necessity criteria for Medi-Cal specialty mental health services provided for in Section 1830.205 or 1830.210 of Title 9 of the California Code of Regulations.

~~(e)~~ *(e)* A foster family agency that is not certified as a Medi-Cal specialty mental health provider shall provide access to specialty and non-specialty mental health services in that program for children who do not require inpatient care in a licensed health facility and who meet any of the conditions in paragraph (3) of subdivision (b). In this situation the foster family agency shall do the following:

(1) In the case of a child who is a Medi-Cal beneficiary, arrange for specialty mental health services from the county mental health plan.

(2) In all other cases, arrange for the child to receive mental health services.

~~(e)~~ *(f)* All short-term residential therapeutic programs shall maintain the level of care and services necessary to meet the needs of the children and youth in their care and shall maintain and have in good standing the appropriate mental health program ~~approval that includes approval. If a program will admit Medi-Cal beneficiaries, the mental health program approval shall include~~ a certification to provide Medi-Cal specialty mental health services issued by the State Department of Health Care Services or a county mental health plan to which the department has delegated mental health program approval authority, pursuant to Section 4096.5 of this code or Section 1810.435 or 1810.436 of Title 9 of the California Code of Regulations. All foster family agencies that are certified as a Medi-Cal specialty mental health provider pursuant to Section 1810.435 of Title 9 of the California Code of Regulations shall maintain the level of care and services necessary to meet the needs of children and youth in their care and shall maintain and have in good standing the Medi-Cal specialty mental health provider certification issued by the State Department of Health Care Services or a county mental health plan to which the department has delegated certification authority.

~~(f)~~ *(g)* The assessments described in subparagraphs (A), (B), (C), and (D) of paragraph (3) of subdivision (b) shall ensure the child's individual behavioral or treatment needs are consistent with, and can be met by, the facility and shall be made by one of the following, as applicable:

(1) An interagency placement committee, as described in Section 4096, considering the recommendations from the child and family team, if any are available. If the short-term residential therapeutic program serves children who are placed by county child welfare agencies and children who are placed by probation departments, the interagency placement committee shall also ensure the requirements of subdivision (c) of Section 16514 have been met with respect to commonality of need.

(2) A licensed mental health professional as defined in subdivision (g) of Section 4096.

(3) For the purposes of this section, an AFDC-FC funded child with an individualized education program developed pursuant to Article 2 (commencing with Section 56320) of Chapter 4 of Part 30 of Division 4 of Title 2 of the Education Code that assesses the child as seriously emotionally disturbed, as defined in, and subject to, this section and recommends out-of-home placement at the level of care provided by the provider, shall be deemed to have met the assessment requirement.

~~(g)~~ *(h)* The evaluation described in subparagraph (A) of paragraph (3) of subdivision ~~(h)~~ *(i)* shall be made pursuant to subdivision (b) of Section 706.6 or paragraph (2) of subdivision (c) of Section 16501.1.

~~(h)~~ *(i)* (1) The provider shall ensure that AFDC-FC funded children, assessed pursuant to subparagraphs (A) and (B) of paragraph (3) of subdivision (b), who are accepted for placement have been approved for placement by an interagency placement committee, as described in Section 4096, except as provided for in paragraphs (3) and (4) of subdivision ~~(f)~~ *(g)*.

(2) The approval shall be in writing and shall indicate that the interagency placement committee has determined

one of the following:

(A) The child meets the medical necessity criteria for Medi-Cal specialty mental health services, as provided for in Section 1830.205 or 1830.210 of Title 9 of the California Code of Regulations.

(B) The child is seriously emotionally disturbed, as described in subdivision (a) of Section 5600.3.

(3) (A) Nothing in subdivisions (a) to (h), inclusive, or this subdivision shall prevent an emergency placement of a child or youth into a certified short-term residential therapeutic program *or children's crisis residential program* prior to the determination by the interagency placement committee, but only if a licensed mental health professional, as defined in subdivision (g) of Section 4096, has made a written determination within 72 hours of the child's or youth's placement, that the child or youth requires the level of services and supervision provided by the short-term residential therapeutic program in order to meet his or her behavioral or therapeutic ~~needs.~~ *needs, or has made a written determination within 24 hours of the child's or youth's placement in a children's crisis residential program that the child or youth is experiencing a mental health crisis as defined in subdivision (c) and is in need of the care and services provided by the children's crisis residential program.* If the short-term residential therapeutic program serves children placed by county child welfare agencies and children placed by probation departments, the interagency placement committee shall also ensure the requirements of subdivision (c) of Section 16514 have been met with respect to commonality of need.

(i) The interagency placement committee, as appropriate, shall, within 30 days of placement, make the determinations, with recommendations from the child and family team, required by this subdivision.

(ii) If it determines the placement is appropriate, the interagency placement committee, with recommendations from the child and family team, shall transmit the approval, in writing, to the county placing agency and the short-term residential therapeutic program.

(iii) If it determines the placement is not appropriate, the interagency placement committee shall respond pursuant to subparagraph (B).

(B) (i) If the interagency placement committee determines at any time that the placement is not appropriate, it shall, with recommendations from the child and family team, transmit the disapproval, in writing, to the county placing agency and the short-term residential therapeutic program and shall include a recommendation as to the child's appropriate level of care and placement to meet his or her service needs. The necessary interagency placement committee representative or representatives shall participate in any child and family team meetings to refer the child or youth to an appropriate placement, as specified in this section.

(ii) The child may remain in the placement for the amount of time necessary to identify and transition the child to an alternative, suitable placement.

(iii) Notwithstanding clause (ii), if the interagency placement committee determined the placement was not appropriate due to a health and safety concern, immediate arrangements for the child to transition to an appropriate placement shall occur.

~~(j)~~ (j) Commencing January 1, 2017, for AFDC-FC funded children or youth, only those children or youth who are approved for placement, as set forth in this section, may be accepted by a short-term residential therapeutic program.

~~(k)~~ (k) The department shall, through regulation, establish consequences for the failure of a short-term residential therapeutic program to obtain written approval for placement of an AFDC-FC funded child or youth pursuant to this section.

~~(l)~~ (l) The department shall not establish a rate for a short-term residential therapeutic program unless the provider submits a recommendation from the host county or the primary placing county that the program is needed and that the provider is willing and capable of operating the program at the level sought. For purposes of this subdivision, "host county," and "primary placing county," mean the same as defined in the department's AFDC-FC ratesetting regulations.

~~(m)~~ (m) Any certified short-term residential therapeutic program shall be reclassified and paid at the appropriate program rate for which it is qualified if either of the following occurs:

(1) (A) It fails to maintain the level of care and services necessary to meet the needs of the children and youth in care, as required by subdivision (a). The determination shall be made consistent with the department's AFDC-FC ratesetting regulations developed pursuant to Section 11462 and shall take into consideration the highest level of care and associated rates for which the program may be eligible if granted an extension pursuant to Section

11462.04 or any reduction in rate associated with a provisional or probationary rate granted or imposed under Section 11466.01.

(B) In the event of a determination under this paragraph, the short-term residential therapeutic program may appeal the finding or submit a corrective action plan. The appeal process specified in Section 11466.6 shall be available to a short-term residential therapeutic program that provides intensive and therapeutic treatment. During any appeal, the short-term residential therapeutic program that provides intensive and therapeutic treatment shall maintain the appropriate level of care.

(2) It fails to maintain a certified mental health treatment program as required by subdivision ~~(e)~~ *(f)*.

~~(m)~~ *(n)* In addition to any other review required by law, the child and family team as defined in paragraph (4) of subdivision (a) of Section 16501 may periodically review the placement of the child or youth. If the child and family team make a recommendation that the child or youth no longer needs, or is not benefiting from, placement in a short-term residential therapeutic program, the team shall transmit the disapproval, in writing, to the county placing agency to consider a more appropriate placement.

~~(n)~~ *(o)* The department shall develop a process to address placements when, subsequent to the child's or youth's placement, a determination is made by the interagency placement team and shall consider the recommendations of the child and family team, either that the child or youth is not in need of the care and services provided by the certified program. The process shall include, but not be limited to:

(1) Notice of the determination in writing to both the county placing agency and the short-term residential therapeutic program or foster family agency that provides intensive and therapeutic treatment.

(2) Notice of the county's plan, and a ~~time frame~~, *timeframe*, for removal of the child or youth in writing to the short-term residential therapeutic program that provides intensive and therapeutic treatment.

(3) Referral to an appropriate placement.

(4) Actions to be taken if a child or youth is not timely removed from the short-term residential therapeutic program that provides intensive and therapeutic treatment or placed in an appropriate placement.

~~(e)~~ *(p)* (1) Nothing in this section shall prohibit a short-term residential therapeutic program from accepting private ~~placements~~ *admissions* of children or youth.

(2) When a referral is not from a public agency and no public funding is involved, there is no requirement for public agency review or determination of need.

(3) Children and youth subject to paragraphs (1) and (2) shall have been determined to be seriously emotionally disturbed, as described in subdivision (a) of Section 5600.3, and subject to Section 1502.4 of the Health and Safety Code, by a licensed mental health professional, as defined in subdivision (g) of Section 4096.

**SEC. 7.** *Section 11462.011 is added to the Welfare and Institutions Code, to read:*

**11462.011.** *(a) The State Department of Health Care Services shall, in consultation with the Department of Managed Health Care, the State Department of Social Services, the County Behavioral Health Directors Association of California, the County Welfare Directors Association of California, the Chief Probation Officers of California, provider representatives, and other relevant stakeholders, establish program standards and procedures for oversight, enforcement, and issuance of children's crisis residential mental health program approvals, including provisional approvals that are effective for a period of less than one year. The State Department of Health Care Services shall also establish due process protections related to the children's crisis residential mental health program approval process.*

*(b) A children's crisis residential mental health program approval issued by the State Department of Health Care Services, or a county mental health plan to which the department has delegated approval authority, shall be a condition of continued licensure for a short-term residential therapeutic program operating as a children's crisis residential program.*

*(c) The State Department of Health Care Services, or a county mental health plan to which the department has delegated approval authority, may enforce the children's crisis residential mental health program approval standards by taking any of the following actions against a noncompliant children's crisis residential program:*

*(1) Suspend or revoke a children's crisis residential mental health program approval.*

*(2) Impose monetary penalties.*

*(3) Place a children's crisis residential mental health program on probation.*

*(4) Require a children's crisis residential mental health program to prepare and comply with a corrective action plan.*

*(d) The State Department of Health Care Services, or a county mental health plan to which the department has delegated approval authority, shall provide a children's crisis residential mental health program with due process protections when taking any of the actions described in subdivision (c).*

*(e) Contingent upon an appropriation in the annual Budget Act for these purposes, the department shall begin implementation of this section no later than July 1, 2018, and shall commence the operation of the approval process for children's crisis residential mental health program approvals no later than January 1, 2019.*

**SEC. 8.** *(a) Contingent upon an appropriation from the annual Budget Act for these purposes, the State Department of Social Services and the State Department of Health Care Services shall adopt regulations to implement this act on or before July 1, 2018.*

*(b) Notwithstanding the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), the State Department of Social Services and the State Department of Health Care Services may implement and administer the changes made by this act through information notices, all-county letters, or similar written instructions until regulations are adopted.*

*(c) This section shall become effective upon appropriation of funds by the Legislature for the purposes described in this section.*

**SEC. 9.** *No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.*