



May 1, 2024

The Honorable Anna Caballero
Chair, Senate Appropriations Committee
1021 O St., Room 412
Sacramento, CA 95814

SUBJECT: SB 1082 (Eggman) — SUPPORT

Dear Senator Caballero:

California psychiatric hospitals face significant difficulty in discharging patients due to a shortage of appropriate post-acute care options. Acute psychiatric hospitals are the appropriate setting for individuals in crisis, but once an individual is stabilized, they must be transferred to a lower level of care if they cannot immediately return home. California has an extensive behavioral health continuum, but investments are needed to expand post-acute care options for those living with serious mental illness.

The California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Senate Bill (SB) 1082 (Eggman, D-Stockton), which would expand home-like care settings for individuals living with a serious mental illness.

SB 1082 would require the Department of Health Care Services (DHCS) and counties to implement a certification program to provide augmented services to individuals living with serious mental illness in home-like, community settings. This new residential model would be known as an “Augmented Residential Care Facility” (ARCF). DHCS would also be required to establish a rate methodology for ARCFs.

California’s mental health crisis demands the development of new facility types that fit the complex and diverse needs of individuals with mental illnesses. According to the California Health and Human Services Agency’s Crisis Care Continuum Plan (2023), “To the extent people in crisis have access to ‘out-of-hospital’ options in the community, reliance on more expensive and acute levels of care, such as emergency departments and inpatient psychiatric beds, is likely to decrease.” Developing “out-of-hospital options” for behavioral health patients means efficient hospital discharge that gets patients to the proper setting of care and creates more bed space in hospitals for others in need.

SB 1082 is aligned with California’s goal to strengthen the continuum of community-based care options for individuals living with the most significant mental health needs. Furthermore, the state’s costs to implement the bill could be in alignment with existing resources allocated to DHCS for purposes of

implementing the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Section 1115 Demonstration Waiver and/or the Behavioral Health Community Infrastructure Program. For example, the 2023 budget includes expenditure authority of \$5.7 million in local, state, and federal funds, growing to \$1.9 billion by 2027-28, for DHCS to support the implementation of BH-CONNECT, which expands access and strengthens the continuum of mental health services for Medi-Cal beneficiaries living with serious mental illness and serious emotional disturbance.

For these reasons, CHA is pleased to support SB 1082.

I can be reached at Leah@LeahBarros.com or (916) 521-6878 with any questions.

Sincerely,



Leah Barros
Contract Lobbyist, California Hospital Association

cc: The Honorable Susan Talamantes Eggman
The Honorable Members of the Senate Appropriations Committee
Theresa Comstock, Executive Director, California Association of Local Behavioral Health Boards & Commissions (Co-Sponsor)
Tara Gamboa-Eastman, Director of Government Affairs, Steinberg Institute (Co-Sponsor)
Agnes Lee, Consultant, Senate Appropriations Committee
Joe Parra, Consultant, Senate Republican Caucus