



May 2, 2024

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

**SUBJECT: SB 1238 (Eggman) – SUPPORT**

Dear Senator Caballero:

California hospitals are committed to delivering the right care, at the right time, in the right setting. Over the past several years, California has invested heavily in behavioral health treatment capacity and to create alternative care settings for people in crisis.

**The California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Senate Bill (SB) 1238 (Eggman, D-Stockton), which would expand the types of facilities counties could designate to perform evaluations and treat individuals on involuntary holds.**

Specifically, counties could designate several new types of facilities for individuals on involuntary holds to be evaluated and treated if they have appropriate services, personnel, and security to provide safe care. These include skilled nursing facilities and mental health rehabilitation centers, as well as facilities capable of providing medically monitored or managed intensive inpatient treatment for substance use disorders (SUDs). Giving counties the authority to designate new facility types for involuntary care is critical to successful implementation of recent changes to California law, **without creating new cost pressures because the bill simply gives counties more flexibility.**

Additionally, SB 1238 requires the state Department of Health Care Services (DHCS) to ensure that designated facilities are reimbursed for evaluation and treatment of standalone severe SUDs at reimbursement rates equivalent to those provided for evaluation and treatment of mental health disorders. **The fiscal impact of this provision of the bill is difficult to ascertain because oftentimes, the services received by individuals on involuntary holds are already covered by Medi-Cal or their commercial insurance. This happens because it is medically necessary to treat an emergency medical condition.**

Finally, SB 1238 would give DHCS explicit authority to interpret and issue guidance on the areas of law that are addressed by this bill. Since current law at Welfare and Institutions Code Section 5400(a) already requires DHCS to administer and adopt necessary rules, regulations, and standards for California's involuntary treatment laws found in the Lanterman-Petris-Short (LPS) Act, **there should be minimal cost impacts to the Department if it chooses to issue necessary guidance.**

**For these reasons, CHA is pleased to support SB 1238.**

We look forward to further collaboration with the author to ensure all suitable behavioral health treatment facilities qualify for involuntary evaluation and treatment designation.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Leah', with a long horizontal flourish extending to the right.

Leah Barros  
Contract Lobbyist, California Hospital Association

cc: The Honorable Susan Talamantes Eggman  
Honorable Members of the Senate Appropriations Committee  
Agnes Lee, Consultant, Senate Appropriations Committee  
Joe Parra, Consultant, Senate Republican Caucus