



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

July 10, 2018

The Honorable Lorena S. Gonzalez Fletcher, Chair  
Assembly Appropriations Committee  
State Capitol, Room 2114  
Sacramento, CA 95814

Dear Assembly Member Gonzalez Fletcher:

SENATE BILL 1004 (AS AMENDED JUNE 13, 2018) – OPPOSE

The Department of Health Care Services (DHCS) must inform you of its opposition to Senate Bill (AB) 1004.

First, the bill will weaken the ability of counties and their local stakeholders to identify local needs by requiring them to address priorities that the Mental Health Services Oversight and Accountability Commission (MHSOAC) establishes, or explain why counties have chosen to address other PEI priorities. Currently, counties are required to follow an extensive local planning process prior to developing any MHSA-funded programs. Counties are also currently required to develop a Three-Year Program and Expenditure Plan and update the plan annually based upon their local planning process. The Three-Year Program and Expenditure Plans and annual update must be posted for stakeholder review and public discussion before submitting the plan to the county Board of Supervisors. The local Board of Supervisors is then responsible for adopting the Three-Year Program and Expenditure Plans and annual updates. The language of SB 1004 would weaken this local stakeholder process of identifying and addressing local needs by requiring counties to address priorities that the MHSOAC specifically establishes, or justify why counties are addressing other PEI priorities.

Second, SB 1004 would conflict with DHCS's existing responsibility to monitor county implementation of all components within the MHSA. Under current law, DHCS is required to monitor county implementation of all components within the MHSA. Welfare and Institutions Code Section 5897 requires DHCS to implement PEI Programs through contracts with county mental health programs and to conduct program reviews at least every three years to ensure compliance. In its September 2016 report, the Little Hoover Commission recommended that the Legislature should further clarify the roles and responsibility of the state agencies administering, overseeing and enforcing the MHSA

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due to conflicting and overlapping responsibilities of different organizations. SB 1004 would exacerbate the problem identified by the Little Hoover Commission by creating further confusion regarding which state entities are responsible for monitoring implementation of the PEI component of the MHSA.

While DHCS supports the intent to provide young adults access to effective, research-based mental health treatment, it must recommend a position of oppose on this bill for the reasons stated above.

If you have any questions, please contact me at 440-7500.

Sincerely,

o/s/by: CG

Carol Gallegos  
Deputy Director

cc: The Honorable Senator Scott Wiener  
State Capitol, Room 5100  
Sacramento, CA 95814

The Honorable Senator John Moorlach  
State Capitol, Room 2048  
Sacramento, CA 95814

Co-Chair and Members, Assembly Appropriations Committee  
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