








# BHCIP Eligible Facilities: DHCS Mental Health Licensing Webinar

# BHCIP Overview

- » In 2021 [legislation](#), the California Department of Health Care Services (DHCS) was authorized to establish BHCIP and award \$2.2 billion to eligible entities to construct, acquire, and expand properties and invest in mobile crisis infrastructure to improve the quality of and access to behavioral health care across the state.
- » In March 2024, California voters passed [Proposition 1](#), a two-bill package including the Behavioral Health Services Act (BHSA) ([Senate Bill 326](#)) and the Behavioral Health Infrastructure Bond Act of 2024 (BHIBA) ([Assembly Bill 531](#)).
  - The BHIBA portion is a \$6.38 billion general obligation bond to develop an array of behavioral health treatment, residential care settings, and supportive housing to help provide appropriate care facilities for Californians experiencing mental health conditions and substance use disorders.
  - DHCS was authorized to award up to \$4.4 billion in BHIBA funds for BHCIP competitive grants for behavioral health treatment.
  - In addition, DHCS will enact changes resulting from Proposition 1 through the Behavioral Health Transformation (BHT) project, which aims to modernize the behavioral health delivery system, improve accountability, increase transparency, and expand capacity of behavioral health care facilities for California residents.

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# Agenda

- » DHCS Mental Health Licensing and Certification Branch Overview
- » Licensing Introduction
- » DHCS Mental Health Facility License Types
- » Application Package Requirements and Forms
- » Facility Plan of Operations
- » Licensing Fees
- » Application Process and Timelines
- » Fire Clearance and Zoning
- » Criminal Background Checks
- » Helpful Resources

# DHCS Mental Health Licensing and Certification Branch Overview

- » The Mental Health Licensing and Certification (MHLC) Branch of the Department of Health Care Services (DHCS) is responsible for implementing and maintaining a system to ensure compliance with state regulations and statutes related to facility licensure and program certification, in a variety of 24-hour psychiatric and rehabilitation care facilities, such as Mental Health Rehabilitation Centers (MHRC), Psychiatric Health Facilities (PHF), Psychiatric Residential Treatment Programs (PRTFs) Special Treatment Programs (STP), Community Residential Treatment Systems, Short-Term Residential Therapeutic Programs (STRTPs) Children's Crisis Residential Programs (CCRPs) and Community Treatment Facilities (CTFs).
- » MHLC Branch is also responsible for the approval of 5150 facilities designated by the counties throughout the State of California for the purpose of 72-hour treatment and evaluation under Welfare and Institutions Code (W&I) Code section 5150 of the Lanterman-Petris-Short (LPS) Act and the Children's Civil Commitment and Mental Health Treatment Act, W&I Code sections 5585.50/5585.55.

# Mental Health Facility Licensing Process



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# Introduction

The process of becoming a licensed facility under the [Department of Health Care Services](#) (DHCS) involves a series of steps designed to ensure that your facility meets the standards required to provide mental health care.

This toolkit is intended to guide you through the life cycle of the application process, from initial planning to the issuance of your Mental Health Rehabilitation Center (MHRC), Psychiatric Health Facility (PHF), or Psychiatric Residential Treatment Facility (PRTF) license.

In the following sections, you will find information on the necessary steps to apply, the requirements you need to fulfill, and the resources available to support you in this journey.



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# BHCIP Eligible Facility Mental Health Licensing

Facility Types	DHCS License	Other Certification	Special Permit for Structured Outpatient Programs (SOPS)	Lanterman-Petris-Short Act Designation (LPS)	Accreditation
Mental Health Rehabilitation Centers (MHRCs)	Mandatory	N/A	N/A	Voluntary	N/A
Psychiatric Health Facility (PHF)	Mandatory	N/A	Voluntary	Voluntary	N/A
Psychiatric Residential Treatment Facility (PRTF)	Mandatory	CMS Certification and Medi-Cal certification for inpatient psychiatric services for individuals under twenty-one (21) years of age.	N/A	Voluntary	<p><b>Interim Regulations Pending Approval</b></p> <p><b>Proposed</b> Mandatory: Accreditation by one of following organizations: (1) Joint Commission on Accreditation of Healthcare Organizations; (2) The Commission on Accreditation of Rehabilitation Facilities; (3) The Council on Accreditation of Services for Families and Children OR any other accrediting organization with comparable standards recognized by the Department.</p>

# Types of DHCS Licensed 24-hour Mental Health Facilities



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# Mental Health Rehabilitation Centers (MHRC)

Mental Health Rehabilitation Centers are 24-hour programs that provide intensive support and rehabilitative services designed to assist persons, 18 years or older, with mental disorders who would have been placed in a state hospital or another mental health facility to develop skills to become self-sufficient and capable of increasing levels of independence and functioning.

- » MHRCs only serve adults.
- » Title 9, Chapter 3.5, California Code of Regulations (CCR) govern MHRCs.

# Psychiatric Health Facilities (PHF)

Psychiatric Health Facilities are licensed by the Department of Health Care Services (DHCS) and provide 24-hour inpatient care for mentally disordered, incompetent, or other persons as described in Division 5 (commencing with Section 5000) or Division 6 (commencing with Section 6000) of the Welfare and Institutions Code.

Care includes, but is not limited to, the following basic services: psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and dietetic services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings.

PHFs may serve minors and/or adults.



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# Psychiatric Residential Treatment Facilities (PRTF)

Psychiatric Residential Treatment Facilities are a nonhospital facilities that provide 24-hour inpatient services to Medicaid-eligible individuals under the age of 21 (psych under 21 benefit).

These inpatient services may include assessing the beneficiary's immediate and long-range therapeutic needs, developmental priorities, and personal strengths and liabilities, assessing the potential resources of the beneficiary's family, setting treatment objectives, and prescribing therapeutic modalities to achieve the plan's objectives.



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# Application Package Requirements



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# Application Forms

To begin the licensing process, one of the following applications must be submitted to DHCS along with a *detailed plan of operation* and *applicable licensing fees*:

- » [DHCS 1813: Application for licensure - Mental Health Rehabilitation Center \(MHRC\)](#)
- » [DHCS 1814: Application for licensure - Psychiatric Health Facility \(PHF\)](#) and optional [DHCS 1815: Application for a Special Permit to operate Structured Outpatient Services \(SOPS\)](#).
- » **PENDING Interim Regulations: DHCS XXXX: Application for licensure – Psychiatric Residential Treatment Facility (PRTF)**

Each application form identifies whether the application, along with the *detailed plan of operation*, must be submitted to other entities, such as the County Behavioral Health Services Director or County Board of Supervisors, for approval prior to submission to DHCS.

# Plan of Operation Requirements



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# MHRC Plan of Operation

- » [MHRC regulations](#) require the local behavioral health director to monitor each MHRC based on a plan of operation.
- » Prior to submission to DHCS, the local behavioral health director must approve the application and plan of operations.
- » Plan of operation requirements are in the [California Code of Regulations \(CCR\), Title 9, Division 1, Chapter 3.5, Article 4, §783.13](#).
- » MHRCs must comply with [Health and Safety Code \(HSC\), Division 1.5 Use of Seclusion and Behavioral Restraints in Facilities, §1180-1180.6](#)
- » Aftercare plans: [HSC §1262](#).
- » [BHIN 23-068](#) New Documentation Reform Requirements
- » MHRCs must comply with Brandon's Law ([W&I Code 4097](#)).



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# MHRC Plan of Operation

## **The successful plan of operations includes detailed policies and procedures implementing:**

- » Administrative Policies and Procedures specified in [CCR Title 9, §784.00](#).
- » Basic Services and Staffing.
- » Rehabilitation Program and Staffing.
- » Activity Program and Staffing.
- » Admissions Process and Criteria.
- » Discharge Planning and Transition Process.
- » Health Records and Services Content.
- » Client Records and Content.

- » Client Rights and Empowerment.
- » Pharmaceutical Services and Self-Medication.
- » Program Space Requirements.
- » Restraint and Seclusion Policies and Procedures.
- » Physical Plant or Buildings.
- » Program Supplies.
- » Program Equipment.
- » Clinical Treatment Programs.
- » Interdisciplinary Treatment Teams.
- » Psychiatric and Psychological Services.

## **The plan of operation must also specify the target population(s) including:**

- Age range.
- Gender.
- Ethnicity.
- Degree or level of impairment.
- Diagnosis as listed in the most current edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM).
- Number of clients to be served.
- Identification of the needs of the population.
- The rehabilitation program designed to meet the identified service needs of the population.
- Method and frequency of evaluating client progress.
- A specific description of what makes the program innovative compared to existing licensed or certified mental health programs.

# PHF Plan of Operation

- » Prior to applying to DHCS, [Welfare & Institutions \(W&I\) Code §4080](#) requires applications submitted by counties, county contract providers, or other organizations to be presented to the local mental health advisory board by local behavioral health director for review with an explanation of the need for the facility and a description of the services to be provided. Then, the local mental health director must submit to the governing body the explanation and description. If approved, the governing body, may submit the application to DHCS for processing.
- » Other organizations that do not intend to use any [Bronzan-McCorquodale funds](#) must submit the application to the local behavioral health director and the governing body in the county in which the facility is to be located with a written and dated proposal of the services to be provided. The local mental health director and governing body shall have 30 days during which to provide any advice and recommendations regarding licensure. At any time after the 30-day period, the organizations may then submit their applications, along with the mental health director's and governing body's advice and recommendations, if any, to DHCS



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# PHF Plan of Operation

- » Plan of Operation requirements are in [W&I Code, §4080\(e\)\(1\)](#).
- » PHFs must comply with [HSC, Division 1.5 Use of Seclusion and Behavioral Restraints in Facilities, §1180-1180.6](#)
- » Aftercare plans: [HSC §1262](#)
- » Patient's rights: W&I Code §[5325](#), and §[5325.1](#). Patients Rights [handbooks and posters](#) are available via download or to order.
- » PHFs must comply with Brandon's Law in [W&I Code 4097](#) regarding misleading information about products, services, website, and contact information.



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# PHF Plan of Operation

## **The successful plan of operations includes detailed policies and procedures implementing:**

- » Activities programs.
- » Administrative policies and procedures.
- » Admissions, including provisions for a mental evaluation.
- » Discharge planning.
- » Health records content.
- » Health records services.
- » Interdisciplinary treatment teams.
- » Nursing services.
- » Patient rights.
- » Pharmaceutical services.
- » Program space requirements.
- » Psychiatrist and clinical psychological services.
- » Rehabilitation services.
- » Use of outside resources, including agreements with general acute care hospitals.
- » Dietetic Services.
- » Linguistic access and cultural competence.
- » Structured outpatient services to be provided under special permit.
- » Restraint and seclusion.
- » Social work services.
- » Space, supplies, and equipment.
- » Staffing standards.
- » Unusual occurrences.



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# Optional Considerations for PHF Plan of Operations

## **Special Permit for Structured Outpatient Services (SOPS)**

- » DHCS may issue a special permit to a licensed psychiatric health facility for it to provide structured outpatient services (commonly referred to as SOPS) consisting of morning, afternoon, or full daytime organized programs, not exceeding 10 hours, for acute daytime care for patients admitted to the facility.
- » SOPS must meet all PHF licensure requirements and SOPS requirements to maintain a permit.

## **Lanterman-Petris-Short (LPS) Designation – County designated, DHCS approved.**

- » County LPS Designated facilities are mental health treatment facilities that are designated by the county for evaluation and treatment, approved by the State Department of Health Care Services, and licensed as a health facility as defined in subdivision (a) or (b) of Section 1250 or 1250.2 of the Health and Safety Code or is certified by the State Department of Health Care Services to provide mental health treatment. A designated facility may include, but is not limited to, a licensed psychiatric hospital, a licensed psychiatric health facility, and certified crisis stabilization units.

# PRTF Plan of Operation

- » Plan of Operation requirements are within the [PRTF Interim Regulations](#). ***PRTF Interim Regulations are pending approval.***
- » PRTFs must comply with Code of Federal Regulations, Title 42, Chapter IV:
  - [Subchapter C, Part 441, Subpart D](#)
  - [Subchapter G, Part 483, Subpart G](#)



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# Licensing Fees



# Licensing Fees

- » **MHRC:** No application fee for MHRCs. The annual licensing fees for MHRCs are \$233.00 per bed
- » **PHF:** The application and annual licensing fees for PHFs and SOPS are as follows:
  - PHF non-refundable application fee: \$1000.00
  - PHF annual licensure fee: \$200.00 per bed
  - SOPS non-refundable permit application fee: \$700.00
  - SOPS annual permit fee: \$140.00 per capacity

# Licensing Fees

- » **PRTF:** The application fee is \$1,000 which is non-refundable. DHCS may waive this fee for a facility that is owned and operated by a California state, city, public agency, or other governmental entity.
  - ***Renewal fees are pending finalization of the interim regulations***



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# Licensing Fee Payment

» All fees may be paid electronically by following the instructions provided within DHCS' [EFT Online Portal](#).

» Application fees may also be sent by mail addressed to:

Department of Health Care Services  
Licensing & Certification Division  
Mental Health Licensing and Certification Branch  
P.O. Box 997413, MS 2800  
Sacramento, CA 95899-7413

» After licensure, the Facility Administrator will be mailed an annual invoice for licensing fees. All facility annual invoices are issued on July 1. Fees must be paid annually 30 days prior to the license date.

# Overview of the Application Process



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# Application Submission

## Within 30-days of receipt of an application:

- » DHCS will provide notice to the applicant, that the application is complete and accepted for filing, or that the application is incomplete and what specific information, documentation, or fee is required to complete the application.
- » If the applicant fails to respond within 30 calendar days to DHCS' notice of incomplete application, the application will be considered to have been withdrawn by the applicant. An applicant may re-apply by submitting a new application.
- » An application is considered complete when all documents, information or fees required to be submitted on or with an application have been received by DHCS.



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# Fire Clearance and Zoning

- » Prior to licensure, all DHCS licensed facilities are required to conform to the State Fire Marshall requirements for fire and life safety, the state requirements for environmental impact, and to **local fire safety, zoning, and building ordinances**.
- » During the licensure process, the applicant must provide written evidence that they comply with local zoning and building ordinances.
- » DHCS will work with the applicant to provide the local fire authority with a Fire Safety Inspection Request (std. 850) to initiate a fire inspection.
- » The applicant must work with the local fire authority to ensure the fire clearance is consistent with the type of facility being operated.
- » If restraint and seclusion will be utilized, the fire clearance (std. 850) must contain approval of restraints from the local fire authority.

# Site Review

- » Prior to licensure, DHCS will coordinate with an applicant to schedule an on-site visit to complete the application process.
- » During the site visit, DHCS licensing staff will:
  - Conduct a tour of the physical plant to ensure the health and safety of the residents including dietary, housekeeping, and maintenance.
  - Review all policies and procedures necessary to provide care to residents.
  - Review the health record system, program structure and schedules.
  - Review staffing schedules, personnel files, and criminal background checks.
  - Review all contracts with outside sources.



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# Criminal Background Checks (CBC)



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# Criminal Background Checks

- » DHCS is authorized to conduct Criminal Background Checks (CBC) pursuant to [Welfare and Institutions \(W&I\) Code, Division 5, Part 1, Chapter 4, Section 5405](#)
- » Following the submission of an application, CBC staff will contact the applicant and provide all the necessary materials the applicant will need to create a policy and procedure to address criminal background checks.
- » Prior to licensure, a facility must have enough staff with approved criminal background clearances to meet regulatory staffing requirements.
- » Criminal background checks are at the expense of the direct care staff person or the applicant/licensee. The California Department of Justice (DOJ) maintains a list of [Live Scan Locations](#).



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# Criminal Background Checks

- » The following individuals are required to complete a criminal background check:
- Applicant/Licensee
  - Administrator/Director
  - Clinical Director
  - Program Director
  - Fiscal Officer
  - All direct care staff (have direct contact with residents)
  - All outside resources contracted to provide direct care services to residents
  - All students/interns/volunteers

# Criminal Background Checks

- » DHCS will analyze the criminal backgrounds of these individual and notify both the individual and the applicant/licensee of whether the individual is cleared to work.
- » Individuals who already maintain a criminal background clearance through DHCS may transfer that clearance to another DHCS licensed facility by completing a Criminal Record Approval Transfer Notification, [DHCS 1818](#). Once approved, the individual would be cleared for both facilities without incurring further expense.



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# License



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# Completed Application

**Within 60-days of submission of a completed application:**

DHCS will notify the applicant in writing, of the agency's decision regarding the application.



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# Resources

- » [BHIN 22-030 Plastic Bag Use in MHRCs and PHFs](#)
- » [CCR, Title 9, Division 1, Chapter 3.5, Mental Health Rehabilitation Centers](#)
- » [CCR, Title 22, Division 5, Chapter 9, Psychiatric Health Facilities](#)
- » [Licensing Fees](#) and [EFT Online Portal](#)
- » [DHCS 1813: Application for licensure - Mental Health Rehabilitation Center \(MHRC\)](#)
- » [DHCS 1814: Application for licensure - Psychiatric Health Facility \(PHF\)](#)
- » [DHCS 1816: Affidavit Regarding Client Money \(MHRC\)](#)
- » [DHCS 1817: Affidavit Regarding Client Money \(PHF\)](#)
- » [HSC, Division 1.5 Use of Seclusion and Behavioral Restraints in Facilities, Sections 1180-1180.6](#)
- » [Criminal Background Checks: Welfare and Institutions \(W&I\) Code, Division 5, Part 1, Chapter 4, Section 5405](#)
- » [DHCS Mental Health Licensing Branch \(MHLB\) Website](#)
- » [Mental Health & Substance Use Disorder Services and Behavioral Health Information Notices \(BHIN\)](#)
- » Aftercare plans: [HSC §1262](#)
- » Patient's rights [handbooks and posters](#) and [W&I Code 5325.4](#).
- » Brandon's Law in [W&I Code 4097](#).

# For more information, please contact MHLCB at:

Department of Health Care Services  
Licensing & Certification Division  
Mental Health Licensing and Certification Branch  
P.O. Box 997413, MS 2800  
Sacramento, CA 95899-7413  
Phone (916) 323-1864  
Email [MHLC@dhcs.ca.gov](mailto:MHLC@dhcs.ca.gov)



# Questions?

