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

JENNIFER KENT
Director

EDMUND G. BROWN JR.
Governor

June 21, 2018

The Honorable Jim Wood, Chair
Assembly Health Committee
State Capitol, Room 4203
Sacramento, CA 95814

Dear Assemblymember Wood:

SENATE BILL 1495 (AS AMENDED JUNE 14, 2018) – SUPPORT

The Department of Health Care Services (DHCS) is pleased to support Senate Bill (SB) 1495, which is scheduled to be heard by the Assembly Appropriations Committee on June 26, 2018. SB 1495, among other things, would lengthen the term of the Mental Health Services Performance Contract (Performance Contract) from one-year to three-years. In addition, the term of the contract could be extended, at the Department of Health Care Services' (DHCS) discretion, for two one-year periods. This bill would also make several changes to reflect the current development process for the Performance Contract.

Processing the Performance Contract annually is administratively burdensome not only for DHCS, but also for the counties because local resources are used to approve and process the contract. Historically, the content of the Performance Contract does not change significantly from year to year. By lengthening the term of the Performance Contract, SB 1495 would give DHCS and counties a reasonable timeframe to develop, adopt, execute, and return the contract.

SB 1495 would also update existing statute to reflect how the Performance Contract is developed today. Certain provisions of law indicate that counties submit their own Performance Contracts for DHCS approval. Over time, the process has evolved, so that today DHCS, in consultation with stakeholders, is responsible for developing and maintaining a single, uniform, Performance Contract. Updating these statutes to reflect the current process will help to alleviate any confusion among counties, the Legislature, and other stakeholders.

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For these reasons, DHCS supports SB 1495.

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

Sincerely,

o/s/by: CG

Carol Gallegos
Deputy Director

cc: Co-Chair and Members, Assembly Health Committee
Assembly Republican Caucus
Assembly Floor Analysis
CHHS Legislative Unit
Department of Finance
GO Deputy Legislative Secretary