

MEMORANDUM



DATE: December 23, 2024

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

FROM: Janelle Ito-Orille
Division Chief
Licensing and Certification Division

SUBJECT: [Implementation of Assembly Bill \(AB\) 2081 – New Disclosure Requirement for Licensed Alcoholism or Drug Abuse Recovery or Treatment Facilities and Certified Alcohol or Drug Programs;](#)

[Implementation of Assembly Bill \(AB\) 2574: Update on Disclosure Requirements for Alcoholism or Drug Abuse Recovery or Treatment Programs and Facilities](#) (An act to amend Health and Safety Code (HSC), section 11833.05).

[Implementation of Assembly Bill \(AB\) 2995: Updated Terms to Remove Stigmatizing Terminology referencing Individuals Seeking Substance Use Disorder Treatment or Services](#) (An act to amend Health and Safety Code, commencing with section 11752.1).

This memorandum provides information on three recently passed legislative bills, AB 2081, AB 2574, and AB 2995. The Department of Health Care Services' (DHCS') Licensing and Certification Division (LCD) oversees licensing and certification functions, monitoring, and complaints for licensed residential alcoholism or drug abuse recovery or treatment facilities and certified alcohol or other drug programs, also known as substance use disorder (SUD) treatment facilities or programs.

ASSEMBLY BILL 2081

AB 2081 (Davies, Chapter 376, Statutes of 2024), signed by Governor Newsom on September 22, 2024, amends the HSC by adding section 11831.5. Beginning January 1, 2025, AB 2081 requires operators of licensed residential alcoholism or drug abuse recovery or treatment facilities and certified alcohol or drug programs to disclose on their websites and admission intake forms that an individual may check the license or certification status on the DHCS website.

The disclosure on both the operator's website and admission intake forms must include a link to [DHCS' website¹](#) identifying facilities and programs that are on probation or had their license or certification revoked, or temporarily suspended. Facilities or programs that fail to comply with this requirement may be subject to penalties in accordance with HSC section 11831.7.

ASSEMBLY BILL 2574

On January 29, 2019, DHCS released [MHSUDS Information Notice 19-003](#) to provide notification and guidance for new requirements based on Senate Bill (SB) 992 (Hernandez, Chapter 784, Statutes of 2018) and AB 3162 (Friedman, Chapter 775, Statutes of 2018).

- SB 992 added HSC section 11833.05 requires licensed facilities and certified programs to disclose the following to DHCS:
 1. Ownership or control of, or financial interest in, a recovery residence as defined in HSC section 11833.05(c).
 2. Any contractual relationship with an entity that provides/provided professional services, addiction treatment, or recovery services to clients of programs licensed or certified by DHCS.
- Disclosures have to be made at the time of: (1) application for initial licensure or certification, (2) application for extension of licensure or certification, and (3) acquiring or starting a relationship described in HSC section 11833.05, subsections (a)(1) or (2).
- DHCS may suspend or revoke the license or certification of a residential treatment facility or an AOD program for failure to disclose the required information.

¹ <https://www.dhcs.ca.gov/provgovpart/SUD-LCR/Pages/SUS-REV-NOV.aspx>

This memorandum describes new requirements based on AB 2574 (Valencia, Chapter 410, Statutes of 2024), signed by Governor Newsom on September 22, 2024, to amend HSC section 11833.05(a), effective January 1, 2025.

- AB 2574 amended HSC section 11833.05 to specify that licensed facilities and certified programs must disclose to DHCS if any of its agents, partners, directors, officers, or owners, including a sole proprietor and member, has either of the following:
 1. Ownership or control of, or financial interest in, a recovery residence as defined in HSC section 11833.05(c).
 2. Any contractual relationship with an entity that provides professional services, or substance use disorder treatment, or recovery services to clients of programs licensed or certified by DHCS.
- Disclosures have to be made at the time of: (1) application for initial licensure or certification, (2) application for extension of licensure or certification, and (3) acquiring or starting a relationship that meets the description in paragraph (1) or (2) of subdivision (a).

ASSEMBLY BILL 2995

AB 2995 (Jackson, Chapter 847, Statutes of 2024), signed by Governor Newsom on September 28, 2024, includes technical and conforming changes to numerous HSC sections beginning with section 11752.1.

AB 2995 amends existing terminology within the HSC used to describe individuals experiencing a substance use disorder to person-first terminology and updated various provisions within the statutes regulating SUD treatment facilities.

EXAMPLES	
Prior and Outdated Stigmatizing Language	Updated More Appropriate Terminology
Alcohol abuser	<u>Individual with an alcohol disorder</u>
Drug abuser	<u>Individual with a substance use disorder</u>
Abuse	<u>Misuse or inappropriate use</u>
Drug/Alcohol Abuse	<u>Drug use or Alcohol use</u>
Alcohol and other drug abuse program	<u>Alcohol and other drug program</u>
	<u>Substance Use Disorder (SUD) program</u>
	<u>Alcohol and other drug service</u>
	<u>SUD service</u>

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The updated terminology aligns with other DHCS areas of oversight, including California Advancing and Innovating Medi-Cal (CalAIM), Drug Medi-Cal (DMC), Medi-Cal, and Drug Medi-Cal Organized Delivery System (DMC-ODS) programs.

RESOURCES

[Chapter 376, Assembly Bill 2081](#)

[Chapter 410, Assembly Bill 2574](#)

[Chapter 847, Assembly Bill 2995](#)

[Licensing and Certification Division](#) information can be found on the [DHCS website](#).

Questions regarding the application process or this memorandum should be directed to the Licensing and Certification Division by email at LCDQuestions@DHCS.ca.gov or by phone at (916) 322-2911.