



August 2, 2024

Dr. Mark Ghaly, MD  
Secretary, California Health and Human Services Agency  
1215 O Street  
Sacramento, CA 95814

**Re: SB 43 (Chapter 637, Statutes of 2023) Implementation**

Dear Secretary Ghaly:

On behalf of the Urban Counties of California (UCC), a coalition of 14 of the most populous counties, and the Rural County Representatives of California (RCRC), which represents 40 rural counties, we write in response to Governor Newsom's outreach on implementation of Senator Eggman's SB 43 (Chapter 637, Statutes of 2023). UCC and RCRC members have been actively implementing SB 43, including working with the Administration and the Legislature on several issues necessary to do so successfully.

Locally, successful implementation requires many steps, including evaluating the current capacity for LPS-designated locked substance use disorder (SUD) treatment, extensive training, support for the County Office of the Public Conservator, additional development of connections to voluntary harm reduction and SUD treatment services, and data preparation. For example, counties are conducting a comprehensive mapping and capacity analysis of the SUD system and contracts with hospitals and crisis stabilization units (CSUs) are being evaluated and negotiated to address this new need. In addition, urban and rural counties are moving forward with training various law enforcement agencies, psychiatric emergency response teams, LPS-designated facilities, as well as other agencies and community partners on SB 43. Thousands of individuals across the state will need to be trained in order to implement SB 43.

Despite this work, the following implementation issues remain:

- **Lack of Locked SUD Inpatient Treatment Beds.** Adequate capacity for treating conserved SUD-only individuals, does not yet exist, with limited exceptions. This is an issue that counties raised many times as SB 43 moved through the legislative process. Senator Eggman has introduced SB 1238 to permit certain existing facilities, mental health rehabilitation centers and psychiatric health facilities to treat these individuals. However, the Administration issued guidance requiring hospitals to have a distinct part

unit with a chemical dependency service for this treatment, which will require most hospitals to go through an additional licensing step. Pending legislation – AB 2376 (Bains) – would allow a general acute care hospital to provide chemical dependency recovery services within the same building. However, until these bills are signed into law there are very limited options for placement today. To fully implement SB 43, counties need legal placement options with state-approved reimbursement mechanisms.

- **Lack of Medi-Cal reimbursement.** The Administration has not established Medi-Cal reimbursement rates for locked primary or stand-alone SUD treatment. SB 43 directs DHCS to do so and counties have asked the Administration to establish reimbursement rates as quickly as possible, but this remains an outstanding issue.
- **Lack of Crisis Residential Treatment Options.** For the same reasons (lack of licensing and Medi-Cal reimbursement), crisis residential units also cannot provide diversion or step-down care for conservatees without cooccurring mental health condition. Urban and rural counties have asked the Administration to share its thinking about new crisis residential treatment for primary and stand-alone SUD in the context of BH-CONNECT and Proposition 1.

Urban and rural counties are not only working locally to implement SB 43, we are also engaging with the Administration on the issues above to implement the new policy. Many of the issues outlined above need further clarification in state law and guidance. Without these changes, counties are unable to meaningfully implement the provisions of SB 43. We urge your partnership in good faith in the coming weeks and months as we all work to implement this significant behavioral health system transformation and positively impact the lives of as many Californians as possible.

Sincerely,



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