

## SUMMARY

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AB 2317 is aimed at addressing a critical component missing in the continuum of specialty mental health services for children and youth in California - children's crisis residential services. This legislation seeks to add a new licensing category in state statute, the Psychiatric Residential Treatment Facility (PRTF). This legislation would ensure that counties and their community-based providers have the ability to develop crisis residential programs with an appropriate licensing category, and to ensure children and youth access mental health services that are responsive to their individual needs and strengths in a timely manner. The creation of this licensing category is consistent with Medi-Cal Early Periodic Screening Diagnosis and Treatment (EPSDT) Specialty Mental Health Services (SMHS) program standards.

## BACKGROUND

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Currently, an estimated 3 out of every 4 children in the U.S. who need mental health services do not receive them. Suicide is now the second leading cause of death among adolescents. Compared with 2019, the proportion of mental health-related visits in hospitals for children aged 5–11 and 12–17 years increased approximately 24% and 31%, respectively in 2020. There are currently 42 counties of the 58 in California without *any* child and adolescent psychiatric beds. The COVID-19 Pandemic is only exacerbating a children's mental health crisis in California. Pediatric hospitalizations across the state have doubled. The need for children's mental health crisis residential services could not be more acute.

Guided by the federal Olmstead Act, mental health treatment is to be provided in the least restrictive setting possible. Federal law requires EPSDT services for every individual under 21 years of age who is covered under Medicaid (i.e., Medi-Cal in California). The Medi-Cal program provides EPSDT specialty mental

health services through county Mental Health Plans under contract with the Department of Health Care Services.

Federal law requires that the EPSDT benefit include an array of mental health screening and services whether or not the services are covered under the State Medicaid Plan. Among the benefits already included in the State Mental Health Plan are: EPSDT supplemental Specialty Mental Health Services; crisis intervention; crisis stabilization; and crisis residential treatment services. (CCR, title 9, chapter 11, section 1810.247).

States may utilize a non-hospital facility to provide inpatient services to Medicaid beneficiaries under age 21. These facilities are classified as a PRTF. A PRTF can provide inpatient services, including Substance Use Disorder Treatment, under the direction of a Psychiatrist, Psychologist or Medical Doctor.

## PROBLEM

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Although CMS allows PTRF rates to include "room and board" as a Medicaid reimbursable expense, DHCS has chosen to separate "room and board" from mental health services in constructing a rate for Children's Crisis Residential Programs (CCRP). As a result, there is no federal share of "room and board" costs for children treated in CCRPs and county Mental Health Plans must use state or county general funds to cover the entirety of the "room and board" portion of the costs. *There are no CCRP programs in California as a result.*

## SOLUTION

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AB 2317 clarifies that CCRPs must be approved by DHCS as PRTFs to maximize federal funding and ensure the availability of these critical services for youth. With this appropriate licensing category established, the state and counties would have access to this critical component of the continuum of mental health crisis services under Medi-Cal. There is no question that a full

continuum of mental health care for all children and youth in California is needed, and the lack of an appropriate licensing component for children's crisis residential programming is preventing the development of this much needed program.

## **SUPPORT**

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California Alliance of Child and Family Services  
(Sponsor)

## **STAFF CONTACT**

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Michael Chen  
Office of Assemblymember James Ramos  
[Michael.Chen@asm.ca.gov](mailto:Michael.Chen@asm.ca.gov)  
916-319-2040