

**Introduced by Senator Cox**  
(Coauthor: Assembly Member La Malfa)

February 20, 2008

---

An act to amend Section 5600.8 of the Welfare and Institutions Code, relating to mental health.

LEGISLATIVE COUNSEL'S DIGEST

SB 1349, as introduced, Cox. Public social services: local reimbursement for mental health services.

Existing law creates the State Department of Mental Health to oversee provision of mental health services throughout the state. The department contracts with cities and counties to provide these services.

This bill would require that claims for reimbursement by cities and counties for delivery of mental health services be paid within 90 days of submission. If the claim is not paid within the 90-day period, and the funds were available to pay the claim, interest will accrue. This interest will be paid from the department's budget.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 5600.8 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 5600.8. (a) The department may allocate the funds appropriated
- 4 in Schedule (2) of Item 4440-101-0001 of the annual Budget Act,
- 5 to county mental health programs that meet programmatic goals
- 6 and model adult system of care programs to the satisfaction of the
- 7 department. The department shall audit and monitor the use of

1 these funds to ensure they are used solely in support of Adult  
 2 System of Care programming. If county programs receiving adult  
 3 system of care funding do not comply with program and audit  
 4 requirements determined by the department, funding shall be  
 5 redistributed to other counties to implement, expand, or model  
 6 adult systems of care.

7 (b) The department may allocate the funds appropriated in  
 8 Schedule (3) of Item 4440-101-0001 of the annual Budget Act, to  
 9 county mental health programs for Children’s System of Care  
 10 programming. These funds shall be utilized by counties only in  
 11 support of a mental health system serving seriously emotionally  
 12 disturbed children, in accordance with the principles and program  
 13 requirements associated with the system of care model, as set forth  
 14 in Part 4 (commencing with Section 5850). The department shall  
 15 audit and monitor the use of these funds to ensure they are used  
 16 solely in support of the Children’s System of Care program. If  
 17 county programs receiving children’s system of care funding do  
 18 not comply with program and audit requirements determined by  
 19 the department, funds shall be redistributed to other counties to  
 20 implement, expand, or model children’s system of care  
 21 programming.

22 (c) (1) *The Controller shall reimburse any city, county, or city*  
 23 *and county within 90 days after the receipt of a reimbursement*  
 24 *claim by the department.*

25 (2) *Beginning on the 91st day after receipt of the reimbursement*  
 26 *request, interest shall accrue at the Pooled Money Investment*  
 27 *Account rate. The interest shall be paid from the department’s*  
 28 *budget.*

29 (3) *If sufficient funds are unavailable, the Controller shall*  
 30 *request the Director of Finance to include any amounts necessary*  
 31 *to satisfy the claims in a request for a deficiency appropriation.*

32 (4) *Interest charges shall not accrue against the department’s*  
 33 *budget for periods where the funding to the department is*  
 34 *insufficient to pay the claim.*

35 (5) *If funding appropriated by the Legislature for*  
 36 *reimbursements pursuant to subdivision (a) is deficient, the interest*  
 37 *charges shall not accrue against the department’s budget during*  
 38 *the time that the funding is deficient.*

O