



March 4, 2025

The Honorable Mia Bonta  
Chair, Assembly Health Committee  
1020 N Street, Suite 390  
Sacramento, CA 95814

**RE: Informational Hearing Comments: Behavioral Health & Prop 1 Implementation**

Dear Assemblymember Bonta:

On behalf of the Association of California Healthcare Districts (ACHD), I am writing to provide public comment on the informational hearing titled "*The State's Behavioral Health Transformation: Implementation and Planning Updates*" that was held on March 4, 2025. ACHD appreciates the committee's focus on this critical issue and the opportunity to provide input.

ACHD represents the 77 healthcare districts throughout California, in both urban and rural settings. The districts offer a variety of services aimed at improving community health including acute hospital care, public health services, ambulance services, primary care clinics, dental clinics, nutritional counseling, and long-term care/skilled nursing. In many instances, healthcare districts are the sole source of health care in the community, serving as an integral part of the safety net for the state's uninsured and underinsured. As organizations serving diverse communities across California, healthcare districts play a vital role in addressing behavioral health needs at the local level.

We commend the state's efforts to transform the behavioral health system through Proposition 1 and other initiatives. The expansion of substance use disorder treatment, inclusion of housing interventions, and increased accountability measures are positive steps. However, we urge the committee to consider the following as implementation moves forward:

1. **Ensure equitable distribution of resources**, particularly to rural and underserved areas where many healthcare districts operate.
2. **Provide adequate support and flexibility for healthcare districts** to expand behavioral health services, including funding for infrastructure and workforce development.
3. **Streamline coordination between state agencies, counties, and local healthcare providers** to improve service delivery and reduce administrative burdens.
4. **Prioritize prevention and early intervention programs**, especially for youth and other vulnerable populations.
5. **Consider the unique needs of healthcare districts** in implementing new reporting requirements and outcome measures.

Additionally, we would like to highlight a specific concern regarding youth mental health services provided by allcove centers. Two healthcare districts—Beach Cities Health District in Los Angeles County and Peninsula Health Care District in San Mateo County—operate allcove centers, which provide integrated mental health and wellness services for youth ages 12-25. While these centers have been instrumental in addressing youth behavioral health needs, their long-term funding remains uncertain.

Initial funding for these allcove centers came from grants awarded by the Mental Health Services Oversight and Accountability Commission (MHSOAC). Beach Cities Health District recently received a \$1 million expansion grant; however, this is still one-time funding. Healthcare districts and other allcove operators are exploring various funding streams to ensure the centers' continued operation, including leveraging new service coverage models like California Advancing and Innovating Medi-Cal (CalAIM) and the CYBHI Fee Schedule Program. Despite these efforts, developing a sustainable financial model for these innovative youth mental health centers remains an ongoing challenge that will require continued attention and support from the state.

ACHD and its member districts stand ready to collaborate with the state in this important transformation. We look forward to continued engagement as the Behavioral Health Services Act and related initiatives are implemented. Thank you for your consideration and commitment to improving behavioral health services for all Californians. Please don't hesitate to contact me at (530) 717-7154 or [sarah.bridge@achd.org](mailto:sarah.bridge@achd.org) if I can be of additional assistance.

Sincerely,

A handwritten signature in black ink that reads "Sarah Bridge". The signature is written in a cursive, flowing style.

Sarah Bridge  
VP, Advocacy & Strategy

cc: All members, Assembly Health Committee  
Logan Hess, Consultant, Assembly Health Committee