



ASSEMBLYWOMAN

Cottie Petrie-Norris

DISTRICT 74

Recent Legislation

	SUMMARY	Status
SB 1228 (Lara) 2018	<ul style="list-style-type: none"> Prohibits facilities that are licensed or certified by DHCS from gaining financially for referring a person to treatment 	Signed
AB 919 (Petrie-Norris) 2019	<ul style="list-style-type: none"> Establishes enforcement arm at DHCS Limits facilities offering housing, transport as inducement to treatment 	Signed
SB 406 (Pan) 2019	<ul style="list-style-type: none"> Requires DHCS take action against unlicensed facility disclosed as recovery residence 	Signed
AB 1158 (Petrie-Norris) 2021	<ul style="list-style-type: none"> Require a recovery residence that contracts with a government entity or substance abuse recovery or treatment facility that is licensed by the government to maintain minimum insurance coverage levels. 	Signed
SB 434 (Bates & Petrie-Norris) 2021	<ul style="list-style-type: none"> Prohibits facilities from making false statements or providing false information in advertising or marketing 	Signed
SB 541 (Bates & Petrie-Norris) 2021	<ul style="list-style-type: none"> Requires substance use disorder treatment services to disclose information about its license or certification 	Signed
AB 920 (Petrie-Norris) 2019	<ul style="list-style-type: none"> Establishes licensure program for all recovery treatment programs under DHCS 	Vetoed
AB 77 (Petrie-Norris) 2021	<ul style="list-style-type: none"> Builds on AB 920 Establishes licensure program for all recovery treatment programs under DHCS 	2 Year Bill
SB 349 (Umberg)	<ul style="list-style-type: none"> Establishes a client bill of rights for persons receiving treatment for a SUD and imposes requirements and proscribes unlawful acts relating to marketing and advertising with respect to SUD treatment providers. 	2 Year Bill

Bi-Partisan Working Group on Substance Abuse Treatment

- Stop exploitation in the recovery industry
- Establish standards for treatment programs and providers
- Ensure that taxpayer dollars are being directed to proven programs that work



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AB 1158: Insuring Safety in Recovery Settings for Consumers

Effective January 1, 2022:

- Ensures patients and workers are made whole if harmed by a unscrupulous operator
- Establishes a mechanism for consumer attorneys to go after bad operators
- Allows the California Department of Insurance to do more regulation and investigations in the recovery industry

Contracted Recovery Residences & Licensed Facilities > 6

- Commercial general liability, min \$1M per occurrence
- Workers' compensation and employer's liability, min \$100K
- Commercial or business automobile liability, min \$1M
- Professional liability with contractual liability, min \$1M per occurrence and \$2M aggregate

Smaller Licensed Facilities < 6

- General Liability (Residential)



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Insurance Fraud: Investigations and Prosecution

- **Fraud in the Recovery Industry = Fastest Growing Insurance Fraud in California**
- **CA Department of Insurance Investigations Unit - 300+ including law enforcement personnel**
- **Recent Actions:**
 - January 2020 - Orange County District Attorney's (OCDA) Office and California Department of Insurance (CDI) shut down a \$3.2 million health care fraud ring which preyed on vulnerable substance abuse patients in order to bilk an insurance company out of millions.
 - June 2020 - OCDA and CDI charged five additional defendants in a \$60 million sober living home fraud scheme designed to traffic vulnerable substance abuse patients from outside California into treatment facilities in Orange and Riverside counties and to bilk insurance companies out of millions of dollars



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Next Steps: Oversight and Enforcement

- **Oversight Hearings**
- **Letters to DHCS/DSS/District Attorneys**
- **Legislation**



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AB 2087: Enabling Civil Enforcement Consumers & Neighbors

- Too many vulnerable patients are being recruited into addiction treatment facilities that are not properly staffed to meet patient needs
- Require proper training and licensing for employees of addiction treatment centers for treatment programs **AND** all employees
- Empower patients, family members, and our local communities to hold bad actors accountable through civil action—providing attorney fees to the prevailing party



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Letters

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FAX (916) 319-2174

DISTRICT OFFICE
19712 MACARTHUR BOULEVARD, SUITE 150
IRVINE, CA 92612
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Assemblymember.Petrie-Norris@assembly.ca.gov



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January 25, 2022

Todd Spitzer
Orange County District Attorney
300 N. Flower Street,
Santa Ana, CA 92703

RE: Irresponsible Operators with Pending Licenses for a Social Rehabilitation Facility

Dear Mr. Spitzer,

Thank you for being a partner in patient protection. I am writing to express my concern about an operator in our community, Acera Health, who has applied for licenses at the California Department of Social Services (CDSS) to operate social rehabilitation facilities in Orange County. I appreciate your focus on ensuring that there are patient protections in this industry. We know that an operator's ability to abide by regulations is an important indicator of the quality of care they will offer vulnerable patients. Regulations are established to ensure patient safety and healthy outcomes. However, the residents of the Upper Newport Bay community have brought to my attention that Acera Health has violated several regulations for social rehabilitation operators.

It is my understanding that before a facility is licensed, if they break laws and regulations that you are equipped to stop them from operating and potentially harming a rehab patient, and holding them accountable should the violations prove to be true. In October, I asked CDSS and DHCS to investigate these violations and deny Acera Health's license requests based on what I see as clear violations of current law. If Acera Health is licensed to operate these facilities, they will have the opportunity to fix their past violations and will subsequently fall under the jurisdiction of CDSS.

Some examples of their violations include the following: on or about August 21, 2021 demolition of the interior of the 2555 Vista Baya, Newport Beach property began. The construction activity continued over the next two weeks including late evenings after dark. City

March 11, 2022

Kim Johnson
Director of California Department of Social Services
744 P Street
Sacramento CA 95814
RE: Irresponsible Operators with an unknown Pending License

Dear Kim Johnson,

Thank you for your continued partnership with my office. I am writing to express my concern about an operator in our community, Eden by Enhance, LLC, who has applied for a license at the California Department of Social Services (CDSS) at 35 Mann Street in Irvine. Residents in the surrounding University Park neighborhood brought the matter to my attention and are upset by a lack of transparency in regards to the nature of the license this operator is seeking. They have already raised possible violations of current regulations, such as false advertising and the number of patients and staff that will be residing at the residence.

In order to provide an open and transparent process for the residents in University Park, I would like to know additional information about where this facility is in the license application process. Further it is important to know the number of patients and staffing levels they have for the license they applied for, along with type of license this operator is applying for.

We need your help for public transparency. The neighborhood deserves to know the facts about this proposal. If you would like to discuss this further then please reach out to my Chief of Staff, Claire Conlon, at 949-251-0074.

Kindest Regards,

Cottie Petrie-Norris AD74



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