



# Administrative Report

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H.22., File # 25-1176

Meeting Date: 8/19/2025

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**To:** MAYOR AND CITY COUNCIL  
**From:** JANE CHUNG, ASSISTANT TO THE CITY MANAGER

## **TITLE**

AUTHORIZE THE MAYOR TO SIGN A LETTER OF SUPPORT FOR SENATE BILL 812, WHICH, IF APPROVED BY THE STATE, WOULD EXPAND COVERAGE FOR MENTAL HEALTH AND SUBSTANCE USE SERVICES OFFERED AT QUALIFIED YOUTH DROP-IN CENTERS

## **EXECUTIVE SUMMARY**

Senate Bill (SB) 812 (Allen) proposes to expand coverage for mental health and substance use services offered at qualified youth drop-in centers. These centers provide youth with confidential, stigma-free access to mental health and wellness support. However, these centers currently face significant barriers to fee-for-service reimbursement. SB 812 would allow local education agencies, public institutions of higher education, and designated youth drop-in centers to be able to directly bill health insurers allowing for a new sustainable funding source for these centers that will significantly improve access to services.

## **BACKGROUND**

As part of the Children and Youth Behavioral Health Initiative (CYBHI), the California Department of Health Care Services launched the CYBHI Fee Schedule Program, a first of its kind effort to reduce barriers for students and families seeking outpatient mental health and substance use disorder services. This program enables local educational agencies (LEA) and public institutions of higher education (IHE) to receive reimbursement from health plans and insurers for non-specialty services provided at school or school-linked sites.

Unlike previous cost-based reimbursement models limited to Medi-Cal-covered students, the CYBHI Fee Schedule establishes standardized rates for services provided to youth who are: (1) under the age of 26; (2) enrolled in public TK-12 schools or institutions of higher education; and (3) covered by Medi-Cal managed care, Medi-Cal Fee-for-Service, commercial health plans, or disability insurers.

Currently, only LEAs and IHEs are eligible to bill through the Fee Schedule. Community-based organizations (CBOs) must contract individually with LEAs to become school-linked providers, a process that is administratively complex and often intrusive for sensitive populations. This limits the ability of regional youth drop-in centers to serve broader communities, particularly those not directly affiliated with a school.

In Redondo Beach, the Beach Cities Health District operates the Allcove youth drop-in center, which is one of California's first integrated mental health centers designed specifically for youth ages 12 to

25. Funded through CYBHI and other state and local grants, the center provides confidential, stigma-free services including mental health care, substance use support, peer and family engagement, and linkage to education and employment resources. However, despite its critical role in serving vulnerable youth, the center currently lacks access to the CYBHI Fee Schedule and does not have a sustainable reimbursement pathway comparable to LEA and IHE-operated programs.

SB 812 would authorize youth drop-in centers designated by LEAs and IHEs, such as the Allcove center in Redondo Beach, to directly bill health insurers for services covered under the CYBHI Fee Schedule. This change would create a sustainable reimbursement pathway for youth drop-in centers, expand access to mental health and substance use services for vulnerable youth population, and reduce administrative barriers for community-based providers.

If approved, the attached support letter would be disseminated to locally elected Legislators and uploaded to the State's new electronic portal, which automatically distributes letters to offices of the appropriate elected officials and committee(s) of jurisdiction.

#### **COORDINATION**

The City Manager's Office coordinated the preparation of this item. The Beach Cities Health District requested that the City support SB 812.

#### **FISCAL IMPACT**

Preparation of reports regarding state legislation is part of the City Manager's Office's regular work plan. There is no fiscal impact to the City associated with SB 812.

#### **APPROVED BY:**

*Mike Witzansky, City Manager*

#### **ATTACHMENTS**

- Letter of Support for Senate Bill 812
- Senate Bill 812, amended as of July 17, 2025