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COMMITTEES  
VICE CHAIR: ACCOUNTABILITY AND  
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JOINT FAIRS ALLOCATION AND  
CLASSIFICATION

May 1, 2023

Assemblymember David Alvarez  
Chair  
Joint Legislative Audit Committee  
1020 N Street, Room 107  
Sacramento, CA 95814

Senator Catherine Blakespear  
Vice Chair  
Joint Legislative Audit Committee  
1021 O Street, Room 8720  
Sacramento, CA 95814

Dear Chair Alvarez and Vice Chair Blakespear:

I respectfully request your approval for an audit of the California Department of Health Care Services (DHCS). Our intent is to ensure that DHCS is properly licensing/regulating facilities and complying with the law so that residents of these facilities and their neighbors are protected.

On August 26, 2021, at around 4 a.m., a resident left a state licensed residential facility in the City of Newport Beach, broke down the door of a nearby home and entered the home without consent. The resident living in the home, who was not associated with the facility in any way, shot and killed this person. This home is located in a residential neighborhood that includes two state licensed facilities and two other sober living homes. The incident brought to light the need to ensure that proper care is being administered to individuals facing a crisis and that they and their neighbors, remain safe.

The City of Newport Beach has 2.63 licensed recovery beds per thousand residents, which is the highest ratio of any city in Orange County. The City contains about 2.8% of the total population of Orange County, but is host to approximately 14.6% of all licensed residential beds in the County. The City has at least 26 licensed residential alcohol and drug treatment facilities that provide a total of 213 licensed residential beds.

State law requires any person or entity that operates, establishes, manages, conducts, or maintains a facility that provides 24-hour nonmedical, residential, alcoholism or drug abuse recovery or treatment services to adults to first obtain a valid license from the DHCS; however, facilities routinely open for business without obtaining a proper license. (California Code of Regulations (CCR), Title 9, Chapter 5, Section 10505(a).) Allowing these facilities to operate prior to obtaining a license or while a license is pending defeats the purpose of the law.

Furthermore, DHCS has a practice of licensing two facilities (or more), which work together as a single operation, under separate licenses rather than one single license.

Separately licensing two facilities (or more) that work in conjunction with each other to serve more than six persons is done to avoid local regulations and usurp the intent of Health and Safety Code Section 11834.23.

I ask that the audit consider, but not necessarily be limited to, the following questions with respect to residential facilities that provide nonmedical recovery, treatment, and detoxification service:

1. How often does DHCS license and/or certify adult residential non-medical alcoholism or drug recovery or treatment facilities (for six or fewer persons) under a separate license, rather than as components of a single integrated facility under a single operating license, when:
  - a. The separate licensed facilities are under the control and management of the same owner, operator, management company or licensee or any affiliate of any of them and the facilities are on contiguous lots; or
  - b. The separate licensed facilities are an integral component of one operation; or
  - c. The client/residents of the separate licensed facilities: (i) receive services together, (ii) eat or prepare meals together; (iii) receive services from the same staff or consultants, or (iv) participate in any activity together?
2. How often is an enforcement action taken against a person or entity that operates an adult residential non-medical alcoholism or drug recovery or treatment facilities (for six or fewer persons) without a license and what penalties were imposed?
3. How often does DHCS deny a license for an adult residential non-medical alcoholism or drug recovery or treatment facilities (for six or fewer persons) and what is the basis for the denial?
4. How often does DHCS suspend or revoke a license for an adult residential non-medical alcoholism or drug recovery or treatment facilities (for six or fewer persons) and what is the basis for the suspension or revocation?
5. How often does DHCS license and/or certify adult residential non-medical alcoholism or drug recovery or treatment facilities (for six or fewer persons) on a lot not zoned for a residential use?
6. How does DHCS evaluate the overconcentration of licensed facilities within a residential neighborhood, the change in setting that overconcentration creates from residential to institutional, and the ability for clients or residents to recover in these overconcentrated institutional settings?
7. What is DHCS' process and average timeline for investigating and resolving complaints?

8. How often does DHCS inspect each licensed facility and is that inspection accomplished in person?
9. How does DHCS evaluate the effectiveness of treatment / patient care?

I very much appreciate your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "Diane B. Dixon". The signature is written in a cursive style with a large initial "D" and a distinct "B" and "D".

Diane Dixon

cc: Assemblymember David Alvarez, Chair  
Senator Catherine Blakespear, Vice Chair  
Wesley Opp, Chief Consultant  
Tram Truong, Principal Consultant