JARROD'S LAW

Behavioral Health Oversight & Patient Safety Reform

JarrodsLaw Org Inc. • 501(c)(3) Nonprofit • EIN 46-5728954 • jarrodslaw.org • WendyJarrodsLaw@Gmail.com

THE ESCAPE ACT

Ending Systemic Collusion and Accountability Penalties Evasion Act

State Legislative Framework — Revised September 13, 2026

Third Incarnation of Jarrod's Law

EXECUTIVE SUMMARY

The ESCAPE Act is the third legislative attempt to close the regulatory loopholes that allow addiction treatment and sober living operators in California to escape accountability for preventable deaths and systemic insurance fraud. The first attempt, AB 920, was vetoed in 2019. The second, AB 2087, stalled in Appropriations in 2022. This revision incorporates two corrections established since the last draft: first, that California Health and Safety Code § 11834.01 already gives the Department of Health Care Services (DHCS) exclusive licensing authority over every 24-hour residential substance use disorder facility regardless of funding source, and DHCS's failure to enforce that authority — not a gap in the

law — is the core problem; and second, that a specific, documentable mechanism, the mischaracterization of staff-administered medication as "self-administration," is a bright-line enforcement trigger DHCS already has the tools to act on.

Not a day goes by without a phone call, an email, or a story from a family whose loved one has been harmed — or lost — inside this industry. This is not a policy abstraction. At its core, this is fraud, waste, and abuse, carried out against one of the most vulnerable populations in the country, and every section that follows should be read through that lens.

PART I — THE TITLE 9 EXCLUSIVE AUTHORITY FAILURE

Health and Safety Code § 11834.01 gives DHCS exclusive authority to license 24-hour residential SUD treatment facilities. That authority does not vary by funding source — private insurance, self-pay, and government contract facilities are all subject to it. Of the 2,285-plus facilities on DHCS's current combined list, approximately 1,912 operate on unverified "housing only" claims, without Title 9 licensure, while providing coordinated clinical services. DHCS's own Audits & Investigations branch — with authority to issue Immediate Suspension Orders,

seek injunctions, and make criminal referrals — oversees only the 373 unique government-funded facilities. The remaining facilities are handled by the Licensing & Certification Division, whose analysts can request a corrective action plan but hold no equivalent enforcement authority. This is not two regulatory tiers under two different laws. It is one exclusive licensing authority, enforced on one side and abandoned on the other.

PART II — THE MEDICATION ADMINISTRATION LOOPHOLE

The Prescribing Pipeline

Clients entering treatment for a single substance are routinely given a psychiatric evaluation within 72 hours of intake and emerge with as many as sixteen concurrent medications — antipsychotics, mood stabilizers, sleep aids, and controlled substances stacked on top of one another, driven in part by a billing structure that separately reimburses each evaluation and medication-management visit. That regimen follows the resident directly into a sober living home with no medical license, no nursing staff, and no state oversight.

The "Self-Administration" Dodge

Facilities describe what follows as residents "self-administering" from their own bottles. In practice, unlicensed staff pre-sort daily doses into cups or baggies, hold the master supply under lock, distribute on a fixed schedule, and maintain an active Medication Administration Record (MAR) logging each dose given. A MAR is, by definition, a record of administration. Any facility that can produce one is administering medication and should require Title 9 licensure on that basis alone.

Departure From the Oxford House Model

The legal tolerance for unlicensed sober living traces to the 1970s Oxford House model — organic, peer-led housing with no paid staff and no clinical programming. Modern "recovery residences" frequently look nothing like that model: a supervised medication queue each morning, a van to an affiliated day treatment center, a full day of billable clinical activity, and a return trip each evening for the queue to repeat. This is a coordinated outpatient treatment program wearing a housing label.

PART III — THE THREE-MECHANISM DEPLOYMENT CONVERGENCE

Since June 2026, three previously separate developments have converged to allow an unlicensed facility to be sited, funded, and filled with residents in six to nine months, without a single DHCS inspection:

- Federal and state funding opened in June 2026 — HUD's Recovery Housing Program ($250M annually), a SAMHSA package exceeding $700M, and California's BHCIP, Proposition 1, and CalAIM PATH dollars — none of which trigger DHCS licensure review.
- California's ADU statute (Gov. Code § 65852.2) mandates ministerial approval within 30 to 60 days; cities that attempt discretionary delay on a recovery-housing ADU risk Fair Housing Act liability.
- DHCS's own non-enforcement of Title 9 (Part I) means the completed ADU opens as "sober living" with zero clinical inspection.

Consultants are marketing this pathway directly: one operator sells an $8,000-to-$12,000 package walking property owners through securing a government grant, fast-tracking the ADU, staffing it with unlicensed "recovery coaches," and — if investigated — submitting a corrective action plan to the Licensing & Certification

side rather than facing Title 9 enforcement. This model is expanding into Florida, Arizona, and Nevada.

PART IV — WHY PRIOR ATTEMPTS FAILED, AND WHY THIS ONE SUCCEEDS

- AB 920 (2019, vetoed): lacked a specific, documentable enforcement trigger; relied on broad definitional language DHCS could interpret narrowly.
- AB 2087 (2021–2022, stalled in Appropriations): addressed licensure categories generally but did not isolate medication administration as a bright-line test, and underestimated DHCS's fiscal-note objections.
- The ESCAPE Act: anchors enforcement in a single, hard-to-dispute test — the existence of a Medication Administration Record — that does not require DHCS to make a subjective clinical judgment about what "counts" as treatment.

PART V — STATUTORY FRAMEWORK (SUMMARY)

1. Affirms DHCS's existing exclusive licensing authority under § 11834.01 applies uniformly regardless of funding source, closing any ambiguity that has allowed "housing only" claims to go unverified.

2. Defines any facility maintaining a Medication Administration Record, or otherwise pre-sorting or timing residents' medication doses, as providing a licensable clinical service, regardless of housing classification.

3. Creates an affirmative duty for DHCS to classify facilities rather than accept operator self-declaration, with a rebuttable presumption of licensure requirement where government or insurance billing for coordinated services is present.

4. Establishes a mandatory enforcement timeline for suspected unlicensed operation: 10 days to initial site inquiry, 15 days to formal notice, 20 days to Immediate Suspension Order where warranted, 25 days to injunctive referral, 30 days to criminal referral where fraud indicators are present.

5. Requires facility closure during any period a license is void, suspended, or under active investigation — closing the "remain open during investigation" loophole.

6. Mandates that any government or insurance funding stream reaching a residential SUD facility be conditioned on current Title 9 licensure status, verified rather than self-declared.

PART VI — TRANSPARENCY AND THE OUTDATED STATE RECORD

On August 18, 2026, Jarrod's Law submitted a legislative subpoena (#L120514-081726) to DHCS requesting all pertinent unredacted regulatory records. The purpose is not public exposure for its own sake — it is independent study and analysis by renowned California universities and by the Substance Use Task Force that Assemblywoman Cottie Petrie-Norris established in 2019, when Wendy McEntyre first joined forces with her office. Knowledge is power. We cannot solve what we are not permitted to examine.

California's last comprehensive investigative report on rogue rehab facilities was conducted in 2012 — fourteen years ago, before nearly all of the growth, consolidation, and deployment mechanisms described in this document existed. It must be updated now. Continuing to withhold unredacted records after fourteen years is not simply an oversight failure. It is evidence that there is something to hide.

PART VII — A TWO-DECADE RECORD, BUILT IN PARTNERSHIP

- Co-created Overdose Awareness Week in California (Assembly House Resolution 121, 2022) with Assemblywoman Cottie Petrie-Norris, a partnership dating to 2019 through her Substance Use Task Force.
- Authored John's Law (AB 1356, signed into law 2025) with Assemblywoman Diane Dixon.
- Authored AB 919 (signed into law, effective January 1, 2020), the first Jarrod's Law patient-protection legislation.
- Work has been featured in Shoshana Walter's Rehab: An American Scandal, HBO's Last Week Tonight with John Oliver, and The Business of Recovery documentary.

Director Ben Flaherty's forthcoming documentary The Shuffle follows this world in detail and is currently earning national festival recognition, with screenings scheduled this October. We are prepared to arrange a private, on-demand screening for any government entity — HHS, CMS, DHCS, or legislative staff — genuinely committed to being part of the solution.

PART VIII — ON THE RECORD SINCE 2021

None of this is new. On December 13, 2021, the Assembly's Committee on Accountability and Administrative Review, chaired by Assemblywoman Cottie Petrie-Norris, held an oversight hearing on this exact industry. Wendy McEntyre testified in person that day, describing DHCS as split between investigators with real enforcement authority on one side and analysts limited to corrective action plans on the other — five years before that same split is documented in Part I of this framework as the Title 9 enforcement failure. She described residents arriving on one medication and being placed on sixteen more — the same prescribing pattern documented in Part II. At that same hearing, DHCS's own Licensing & Certification Chief testified the department had not sought a single injunction against a rogue facility in the preceding year. A healthcare fraud investigator testified that DHCS notifies operators before site visits, giving them time to hide violations and restore them afterward. DHCS's own December 2017 death investigation into the Above It All facility in Lake Arrowhead had already found falsified records and a forged prescription in the death of 20-year-old Matthew Menier — reportedly the seventh death at that facility — with no enforcement action strong enough to close it. Multiple residents that day described the same overconcentration, unlicensed

"integral facility" fronts, and out-of-state patient recruitment described in Part III. This framework does not allege a new problem. It documents a problem the state's own committee record has held since 2021.

PART IX — RELATED PENDING LEGISLATION

Two complementary bills currently sit on the Governor's desk (deadline September 30, 2026) and would strengthen the enforcement environment this framework depends on: SB 329 (Blakespear), setting DHCS investigation timelines and mandating annual public reporting; and SB 490 (Umberg), strengthening enforcement against unlicensed sober living homes through mandatory investigation timelines, follow-up site visits, and county-DHCS collaboration — though SB 490 faces veto risk given DHCS's own objections to it. Jarrod's Law has submitted signature letters supporting both, consistent with our two-decade record documenting hundreds of preventable deaths and thousands of investigations into facility violations across California.

Respectfully,

Wendy McEntyre

Wendy McEntyre

Founder & Public Safety Advocate

Jarrod's Law Organization Inc.

PO Box 354, Rimforest, CA 92378

805-300-4727 • wendyjarrodslaw@gmail.com • JarrodsLaw.org