

AMENDED IN ASSEMBLY AUGUST 23, 2002

AMENDED IN ASSEMBLY JULY 25, 2002

AMENDED IN ASSEMBLY JUNE 27, 2002

AMENDED IN ASSEMBLY JUNE 18, 2002

AMENDED IN SENATE MAY 7, 2002

SENATE BILL

No. 2027

Introduced by Senator Figueroa
(Coauthor: Assembly Member Dutra)

February 22, 2002

An act to add and repeal Section 1255.4 of the Health and Safety Code, relating to hospitals.

LEGISLATIVE COUNSEL'S DIGEST

SB 2027, as amended, Figueroa. Hospital licensing.

Existing law provides for local health care districts that govern certain health facilities. Each health care district has specific duties and powers respecting the creation, administration, and maintenance of the district.

Existing law provides for the licensure and regulation of health facilities, including hospitals, by the State Department of Health Services.

This bill would, until January 1, ~~2006~~ 2005, prohibit the department from issuing a license for a new general acute care hospital that would be located within the boundaries of a local health care district, as defined for purposes of the bill, unless the applicant agrees that the hospital will meet specified conditions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) Washington Hospital in Fremont, California is a hospital
4 owned and operated by a local health care district. Washington
5 Hospital has provided emergency medical services since the
6 hospital opened in 1958. As a district owned and operated hospital,
7 Washington Hospital provides many services to residents within
8 the district that result in significant financial losses, such as
9 providing emergency medical services to the insured and
10 uninsured.

11 (b) Washington Hospital must subsidize its emergency medical
12 services with revenue obtained from providing services with
13 higher reimbursement rates, such as heart surgery.

14 (c) The ability of Washington Hospital to continue to provide
15 emergency medical services to a significant segment of
16 California’s insured and uninsured patients is threatened by the
17 planned creation of a “boutique” hospital that would provide
18 higher reimbursed services, such as open heart surgery, but not
19 offer lower reimbursed services, such as emergency services.

20 (d) If Washington Hospital is unable to continue to provide
21 emergency medical services, patients living in the surrounding
22 community would have to travel great distances to obtain
23 emergency care, threatening not only the lives of those patients,
24 but, in times of disaster, the public’s health.

25 (e) It is, therefore, necessary to enact this act to protect public
26 health by ensuring that Washington Hospital can continue to
27 provide basic emergency medical services to injured and ill
28 patients.

29 SEC. 2. Section 1255.4 is added to the Health and Safety
30 Code, to read:

31 1255.4. (a) This section shall apply to a local health care
32 district that owns and operates a hospital that meets all of the
33 following conditions:

34 (1) Is currently operating in a health care district in existence
35 since 1948 and that was established by a vote of the people.



1 (2) Had a licensed bed capacity on January 1, 2002, equal to or
2 exceeding 300 beds.

3 (3) Has had an open-heart surgery program in continued
4 existence since 1986.

5 (4) Has performed at least 200 open-heart surgeries during the
6 2001 calendar year.

7 (5) Operates a full-service, basic emergency department, and
8 has continuously operated an emergency department since the
9 hospital opened.

10 (b) The department may not issue a license for a new general
11 acute care hospital to be located within the boundaries of a local
12 health care district to which this section applies unless the
13 applicant's hospital agrees to all of the following:

14 (1) The hospital will continuously maintain and operate an
15 emergency department that is classified as basic or
16 comprehensive.

17 (2) The hospital will not limit its inpatient hospital services to
18 surgical services or invasive diagnostic and treatment procedures,
19 including, but not limited to, cardiac services, orthopedics, or
20 gastroenterology.

21 (c) This section shall remain in effect only until January 1, ~~2006~~
22 2005, and as of that date is repealed, unless a later enacted statute,
23 that is enacted before January 1, ~~2006~~ 2005, deletes or extends that
24 date.

