

AMENDED IN ASSEMBLY MARCH 29, 2006

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 2212

Introduced by Assembly Member Torrico
(Principal coauthor: Senator Figueroa)

February 22, 2006

~~An act to amend Section 1255.3 of the Health and Safety Code, relating to health.~~ *An act to add and repeal Section 1252.5 of the Health and Safety Code, relating to health facilities.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2212, as amended, Torrico. ~~Emergency medical service: signage.~~ *Health facilities.*

~~Existing law requires that the State Department of Health Services and the Emergency Medical Services Authority, in consultation with hospitals and other health care providers and local emergency medical service agencies, shall designate signage requirements for a health facility holding a special permit for a standby emergency medical service located in an urban area.~~

~~This bill would include emergency and oncall physicians within the scope of those entities with which the department is required to consult in designating that signage.~~

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

This bill, until no later than December 31, 2010, would prohibit a general acute care hospital that is licensed after January 1, 2007, from being licensed if one of 2 specified conditions will exist with

respect to the nature of the hospital's inpatient discharges, except as specified.

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) *The preservation of California's full-service hospitals is of*
4 *critical importance to the health and welfare of the people of the*
5 *state.*

6 (b) *California hospitals are facing unprecedented financial*
7 *challenges. Many are facing significant budget deficits, impeding*
8 *their ability to continue serving their essential role in the health*
9 *care delivery system, including providing care to Medi-Cal*
10 *beneficiaries and uninsured patients.*

11 (c) *California hospitals that provide multiple services to their*
12 *communities are often only able to do so because other*
13 *departments of the hospital, such as cardiac surgery,*
14 *orthopedics, and other surgery programs, operate at a financial*
15 *gain, offsetting the sometimes significant losses incurred by*
16 *nonsurgical programs.*

17 (d) *The ability of a hospital to continue to provide all services*
18 *to California's insured and uninsured patients is threatened by*
19 *so-called "specialty hospitals." These are hospitals that offer*
20 *only services that are profitable, such as open-heart surgery and*
21 *orthopedic surgery, and do not offer services that operate at a*
22 *loss, such as emergency services or maternity services.*

23 (e) *If full-service hospitals lose a substantial percentage of*
24 *their revenue-generating programs to "specialty hospitals," the*
25 *general medical and emergency services that communities*
26 *depend on will cease to be financially viable, causing the further*
27 *erosion of the health care safety net in California, with*
28 *disastrous results for the public's health.*

29 (f) *It is therefore necessary to enact this act to protect public*
30 *health and ensure that hospitals throughout California can*
31 *continue to provide a full complement of services to our citizens.*

32 SEC. 2. *Section 1252.5 is added to the Health and Safety*
33 *Code, to read:*

1 1252.5. (a) Except as provided in subdivision (b), a general
2 acute care hospital shall not be licensed if either of the following
3 conditions will exist:

4 (1) At least two-thirds of the inpatient discharges are
5 classified in one or two major diagnosis categories.

6 (2) At least two-thirds of inpatient discharges are for surgical
7 diagnosis-related groups as those groups, are defined by the
8 federal Centers for Medicare and Medicaid Services.

9 (b) This section shall not apply to a general acute care
10 hospital that is licensed on or before January 1, 2007, is an
11 eleemosynary institution that does not bill patients for services
12 provided, or specializes in pediatrics or physical rehabilitation.

13 (c) This section shall remain in effect only until the earlier of
14 either of the following dates:

15 (1) December 31st of the calendar year following the year in
16 which a federal study of the hospitals described in subdivision
17 (a) is completed by the Secretary of Health and Human Services
18 and is submitted to the appropriate committees of jurisdiction
19 within the United States Congress, as required by Section 5006
20 of Public Law 109-171 (the Deficit Reduction Omnibus
21 Reconciliation Act of 2005).

22 (2) December 31, 2010.

23 SECTION 1. Section 1255.3 of the Health and Safety Code is
24 amended to read:

25 ~~1255.3. With the department as the lead agency, the~~
26 ~~department and the Emergency Medical Services Authority, in~~
27 ~~consultation with hospitals emergency and oncall physicians, and~~
28 ~~other health care providers and local emergency medical services~~
29 ~~agencies, shall designate signage requirements for a health~~
30 ~~facility holding a special permit for a standby emergency medical~~
31 ~~service located in an urban area. The signage shall not include~~
32 ~~the word "emergency" and shall reflect the type of emergency~~
33 ~~services provided by the facility, and be easily understood by the~~
34 ~~average person. The facility shall not post signs, distribute~~
35 ~~literature, or advertise that emergency services are available at~~
36 ~~the facility. Nothing in this section shall be construed to mean~~
37 ~~that a facility is no longer providing emergency services for~~
38 ~~purposes of billing or reimbursement. A small and rural hospital,~~

- 1 as defined in Section 124840, is not subject to the requirements
- 2 of this section.

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