

AMENDED IN SENATE JUNE 4, 2012
AMENDED IN SENATE AUGUST 18, 2011
AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 276

Introduced by Assembly Member Alejo

February 7, 2011

An act to ~~amend Section 1164 of, and to repeal Section 1164.11 of, the Labor~~ add Chapter 2.5 (commencing with Section 101655) to Part 4 of Division 101 of the Health and Safety Code, relating to ~~agricultural labor relations~~ public health.

LEGISLATIVE COUNSEL'S DIGEST

AB 276, as amended, Alejo. ~~Local government: financial reports: Central Coast Hospital Authority.~~

Existing law authorizes the board of supervisors of certain counties to establish a hospital authority for the management, administration, and control of certain medical facilities. Existing law authorizes the Board of Supervisors of the County of Monterey to establish a special health care authority with prescribed powers and duties.

This bill would authorize the Board of Supervisors of the County of Monterey to establish, by ordinance, the Central Coast Hospital Authority to manage, administer, and control the Natividad Medical Center and other health care facilities, as defined, in the county, as specified. This bill would prohibit establishing the hospital authority until the medical center affiliates or consolidates with at least one other health care facility, as specified. This bill would grant to the authority the duties, privileges, immunities, rights, liabilities, and limitations of

a local unit of government within the state. This bill would also grant to the authority, among other things, the power to incur debt, borrow money and issue bonds, as specified, and the power to levy taxes and assessments within the county, subject to certain limitations. The bill would specify that the transfer to the authority of the management, administration, and control of the medical center and another health facility shall not affect the eligibility of the county or the governing board of another health care facility for, and shall authorize the authority to participate in and receive, various sources of funding, as specified.

This bill would provide various protections for the benefits of the permanent employees of the medical center and another health facility. The bill would require the bill authority to become a contracting agency of the Public Employees' Retirement System and would require the authority to maintain retirement benefits, as specified.

~~Existing law specifies the time for filing a declaration by an agricultural employer or a certified labor organization representing agricultural employees that the parties have failed to reach a collective bargaining agreement, thus triggering mandatory mediation. Under existing law, the declaration may be filed 90 days after a renewed demand to bargain where the parties have failed to reach agreement for at least one year, the employer committed an unfair labor practice, and the parties have not previously had a binding contract between them or 180 days after an initial request to bargain.~~

~~This bill would repeal the provision specifying the conditions necessary for making a renewed demand to bargain and would instead provide that the declaration may be filed 180 days after any request to bargain.~~

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

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

- 1 *SECTION 1. Chapter 2.5 (commencing with Section 101655)*
- 2 *is added to Part 4 of Division 101 of the Health and Safety Code,*
- 3 *to read:*

1 CHAPTER 2.5. CENTRAL COAST HOSPITAL AUTHORITY

2
3 Article 1. General Provisions

4
5 101655. This chapter shall be known and may be cited as the
6 Central Coast Hospital Authority Act.

7 101656. The Legislature finds and declares the following:

8 (a) Natividad Medical Center, currently a constituent
9 department of the County of Monterey, is a designated public
10 hospital, as defined in subdivision (d) of Section 14166.1 of the
11 Welfare and Institutions Code, and a critical component of the
12 state’s health care safety net.

13 (b) In an era of health care reform and a constantly evolving
14 competitive health care environment, in order to carry out its
15 mission of improving the health status of the people of the county
16 through access to affordable, high-quality health care services, it
17 is necessary that the medical center continues to improve its ability
18 to function with flexibility, responsiveness, and innovation.

19 (c) The Board of Supervisors of the County of Monterey has
20 determined that the needs of the citizens of the county would best
21 be served if the medical center, while continuing as a designated
22 public hospital and maintaining its mission, is affiliated or
23 consolidated with one or more health care facilities in the County
24 of Monterey and operated by a separate and distinct public hospital
25 authority that is separate and apart from the county.

26 (d) The board of supervisors has also determined that the
27 creation of a public hospital authority, to be charged with the
28 management, administration, and control of the medical center
29 and related health care programs, facilities, and delivery systems
30 consistent with the county’s obligations under Section 17000 of
31 the Welfare and Institutions Code, and the affiliation or
32 consolidation of the medical center with one or more health care
33 facilities in the County of Monterey is the best way to fulfill its
34 commitment to the medically indigent, special needs, and general
35 populations of the county.

36 (e) Because there is no general law under which this public
37 hospital authority could be formed for these purposes, the adoption
38 of a special act and formation of a special authority by the
39 Legislature is required, and the Board of Supervisors of the County
40 of Monterey has requested that the Legislature act.

1 101657. For purposes of this chapter, the following definitions
2 shall apply:

3 (a) “Authority” means the Central Coast Hospital Authority
4 established pursuant to this chapter.

5 (b) “Board of supervisors” means the Board of Supervisors of
6 the County of Monterey.

7 (c) “Board of trustees” means the governing body of the
8 authority.

9 (d) “County” means the County of Monterey.

10 (e) “Governing board” means the governing body of any other
11 health care facility, as defined in subdivision (g).

12 (f) “Medical center” means the Natividad Medical Center and
13 related health care programs, facilities, care organizations, and
14 delivery systems that exist or are established by the board of
15 trustees.

16 (g) “Other health care facility” or “other health care facilities”
17 means one or more health care facilities, districts, or systems in
18 the County of Monterey, including, but not limited to, public or
19 private general acute care hospitals, public hospital districts, and
20 related health care programs, facilities, care organizations, and
21 delivery systems, but does not include the medical center.

22

23 *Article 2. Establishment of the Central Coast Hospital Authority*

24

25 101658. (a) Pursuant to this chapter, the board of supervisors
26 may establish, subject to the limitations of paragraph (1) of
27 subdivision (c), the Central Coast Hospital Authority, which shall,
28 for all purposes, be a public entity separate and apart from the
29 county and any other public entity. The authority established
30 pursuant to this chapter shall file the statement required by Section
31 53051 of the Government Code, and shall be considered a public
32 entity for purposes of Division 3.6 (commencing with Section 810)
33 of Title 1 of the Government Code and a public agency for purposes
34 of Part 3 (commencing with Section 20000) of Division 5 of Title
35 2 of the Government Code.

36 (b) (1) The purpose of the authority shall be to do all of the
37 following:

38 (A) Provide management, administration, and other controls,
39 consistent with this chapter, for the medical center to continue to
40 serve as a designated public hospital and ensure the viability of

1 *the health care safety net in the county in a manner consistent with*
2 *the county's requirements under Section 17000 of the Welfare and*
3 *Institutions Code.*

4 *(B) Provide management, administration, and other controls*
5 *for the continued operation of one or more other health care*
6 *facilities that may be affiliated or consolidated with the medical*
7 *center pursuant to this chapter.*

8 *(2) Subject to the requirements of this chapter, the authority*
9 *shall be charged with the management, administration, and control*
10 *of the medical center, other health care facilities, and related*
11 *services and facilities.*

12 *(c) (1) Except as specifically set forth in this chapter, the*
13 *authority shall not be established, transact business, exercise*
14 *powers, or undertake duties and responsibilities pursuant to this*
15 *chapter until an agreement is reached to affiliate or consolidate*
16 *the medical center with at least one other health care facility as*
17 *set forth in this subdivision. In order for the authority to be*
18 *established, transact any business, exercise its powers, or*
19 *undertake its duties and responsibilities, the board of supervisors*
20 *and at least one governing board shall reach agreement, on terms*
21 *and conditions satisfactory to the parties, regarding the affiliation*
22 *or consolidation. This agreement may include, but is not limited*
23 *to, a transfer of the following:*

24 *(A) Real and personal property, and assets and liabilities from*
25 *the county and the other health care facility to the authority.*

26 *(B) Employees from the county and the other health care facility*
27 *to the authority.*

28 *(C) Maintenance, operation, and management or ownership of*
29 *the medical center, in accordance with Section 14000.2 of the*
30 *Welfare and Institutions Code.*

31 *(D) Maintenance, operation, and management or ownership of*
32 *the other health care facility.*

33 *(E) Other matters that the board of supervisors and the*
34 *governing board deem necessary or appropriate.*

35 *(2) If the board of supervisors and the governing board reach*
36 *agreement on the matters set forth in this subdivision, the terms*
37 *and conditions of the agreement shall be binding upon the*
38 *authority. After the agreement is reached, the board of supervisors*
39 *shall adopt an ordinance to establish the authority and authorize*
40 *the authority to exercise the powers and duties pursuant to this*

1 chapter, and the board of supervisors and the governing board
 2 shall appoint a board of trustees as set forth in Section 101659.
 3 The agreement set forth in this section may be amended from time
 4 to time upon the mutual consent of the authority and the governing
 5 board or the board of supervisors, or both, as appropriate.

6 (d) An agreement concerning the transfer of personnel shall
 7 include a transition plan that requires all the following:

8 (1) Ongoing communication to employees and recognized
 9 employee organizations regarding the impact of the transition on
 10 existing medical center and other health care facility employees
 11 and employee classifications.

12 (2) Meeting and conferring by the county and the other health
 13 care facility with affected employee bargaining units on both of
 14 the following issues:

15 (A) The timeframe for which the transfer of personnel shall
 16 occur.

17 (B) A specified period of time during which employees of the
 18 county and the other health care facility affected by the
 19 establishment of the authority may elect to be considered for
 20 appointment to vacant positions, and exercise reinstatement rights,
 21 within the county or the other health care facility, as appropriate,
 22 for which they are qualified and eligible. An employee who first
 23 elects to remain with the county, but who subsequently seeks
 24 employment with the authority within 30 days of this election, shall
 25 be subject to the requirements of this article.

26 (3) Acknowledgment that the authority shall be bound by the
 27 terms of the memoranda of understanding executed between the
 28 county and its respective employee organizations and between the
 29 other health care facility and its respective employee organizations
 30 that are or will be in effect as of the date the county adopts the
 31 ordinance pursuant to subdivision (c). Subsequent memoranda of
 32 understanding shall be subject to approval only by the authority.

33 (e) (1) Notwithstanding any other provision of this chapter,
 34 and whether or not accompanied by a change in licensing, an
 35 agreement for the maintenance, operation, and management or
 36 ownership of the medical center shall not relieve the county of the
 37 ultimate responsibility for indigent care pursuant to Section
 38 14000.2 of the Welfare and Institutions Code.

1 (2) An agreement for the maintenance, operation, and
2 management or ownership shall conform to the following
3 requirements:

4 (A) Shall comply with Section 14000.2 of the Welfare and
5 Institutions Code.

6 (B) May be made upon the terms and conditions that the board
7 of supervisors and governing board may mutually agree, including
8 those terms and conditions found necessary by the board of
9 supervisors to ensure that the transfer of the medical center shall
10 constitute an ongoing benefit to the county and its residents.

11 (C) Shall provide that the county shall ensure that any
12 applicable requirements of Section 1442.5 are met.

13 (3) An agreement for the maintenance, operation, and
14 management or ownership of the other health care facility may be
15 made upon the terms and conditions that the board of supervisors
16 and the governing board may mutually agree, including those
17 terms and conditions found necessary by the governing board to
18 ensure that the transfer shall constitute an ongoing benefit to the
19 other health care facility and its constituents.

20 (f) The board of trustees may find and declare that the authority
21 shall cease to exist. In that event, the board of trustees shall request
22 that the board of supervisors and the governing board, should it
23 still exist, negotiate with the authority for a disposition of the
24 authority's assets and liabilities, and for a transfer of the
25 authority's duties, responsibilities, and obligations under law or
26 contract. The board of supervisors and the governing board shall
27 be under no obligation to reach agreement on these issues. If the
28 board of trustees, the board of supervisors, and the governing
29 board reach agreement, the board of supervisors shall rescind the
30 ordinance that established the authority, and the authority shall
31 cease to exist upon the date set forth in the rescinding ordinance.
32 If the governing board no longer exists, only the agreement of the
33 board of supervisors and the board of trustees shall be necessary
34 to terminate the authority.

35 (g) The authority shall not be subject to the jurisdiction of a
36 local agency formation commission pursuant to the
37 Cortese-Knox-Hertzberg Local Government Reorganization Act
38 of 2000 (Division 3 (commencing with Section 56000) of Title 5
39 of the Government Code), or any successor statute.

1 101659. (a) *Permanent employees of the medical center or*
2 *other health care facility on the effective date of affiliation shall*
3 *be deemed qualified for employment or retention and no other*
4 *qualifications shall be required. Probationary employees on the*
5 *effective date of affiliation shall retain their probationary status*
6 *and rights and shall not be deemed to have transferred so as to*
7 *require serving a new probationary period.*

8 (b) *Employment seniority of an employee of the medical center*
9 *or other health care facility on the effective date of affiliation shall*
10 *be counted toward seniority in the authority, and shall provide for*
11 *the maintenance of benefits that accompany seniority including,*
12 *but not limited to, preference in vacations and scheduling. All time*
13 *spent in the same, equivalent, or higher classification shall be*
14 *counted toward classification seniority.*

15 (c) *The implementation of this chapter shall not be a cause for*
16 *the modification of the level of medical center or other health care*
17 *facility employment benefits. Upon consolidation or affiliation of*
18 *the medical center with at least one other health care facility,*
19 *officers, employees, and other personnel who serve or work for*
20 *the medical center or other health care facility immediately prior*
21 *to the implementation of this chapter shall retain their existing or*
22 *equivalent classifications and job descriptions upon transfer to*
23 *the authority, and at least their existing salaries and benefits that*
24 *include, but are not limited to, accrued and unused vacation, sick*
25 *leave, personal leave, health and pension plans, retiree group*
26 *insurance benefits, and deferred compensation plans.*

27 (d) *The authority shall become a contracting agency of the*
28 *Public Employees' Retirement System consistent with the*
29 *requirements of Section 20508 and other applicable law, the*
30 *authority shall provide for the continued membership of medical*
31 *center employees in the Public Employees' Retirement System.*

32 (e) *Any transfer of functions from county employee*
33 *classifications to authority employees established pursuant to this*
34 *article shall result in the recognition by the hospital authority of*
35 *the employee organization that represented the classifications*
36 *performing those functions at the time of transfer.*

37 (f) *In order to stabilize labor and employment relations and*
38 *provide continuity of care and services to the people of the county,*
39 *and notwithstanding any other provisions of law, whether or not*
40 *there is more than one employee organization that has been*

1 *previously recognized as the exclusive representative of employees*
2 *of a medical center or other health care facility, the authority shall*
3 *continue to recognize each exclusive representative of each*
4 *bargaining unit, shall continue to provide at least the same level*
5 *of employee benefits, and shall continue to be bound by any existing*
6 *memorandum of understanding or agreement covering the terms*
7 *and conditions, including the level of wages and benefits, of those*
8 *employees for a period not to exceed 24 months after the expiration*
9 *of any memorandum of agreement, unless modified by mutual*
10 *agreement with each of the exclusive representatives. Any conflicts*
11 *in the existing agreements as to wages and other terms and*
12 *conditions of employment shall be resolved only by mutual*
13 *agreement between the authority and each of the exclusive*
14 *representatives.*

15
16 *Article 3. Board of Trustees*

17
18 *101660. (a) The authority shall be governed by a board of*
19 *trustees. The trustees shall reflect both the expertise necessary to*
20 *maximize the quality and scope of care at the medical center and*
21 *the other health care facility in a fiscally responsible manner and*
22 *the communities of interest that the medical center and the other*
23 *health care facility serve. The board of trustees shall have the*
24 *responsibility to operate the medical center and the other health*
25 *care facility in a manner that ensures the provision of appropriate,*
26 *quality, and cost-effective medical care through the development*
27 *of innovative delivery systems, care arrangements, and contractual*
28 *agreements that provide access to affordable, high-quality health*
29 *care services.*

30 *(b) (1) The board of trustees shall consist of the following nine*
31 *members:*

32 *(A) Three trustees appointed for two-year terms, of which the*
33 *governing board shall appoint two and the board of supervisors*
34 *shall appoint one.*

35 *(B) Three trustees appointed for three-year terms, of which the*
36 *governing board shall appoint one and the board of supervisors*
37 *shall appoint two.*

38 *(C) Three trustees appointed for four-year terms, of which the*
39 *governing board shall appoint one and the board of supervisors*
40 *shall appoint two.*

1 (2) After the board of trustees is appointed, the governing board
 2 and board of directors shall continue to make appointments to
 3 those trustee positions for which they each made initial
 4 appointments. The board of supervisors and the governing board
 5 may each remove their respective appointees, upon a majority
 6 vote, only for cause. If the governing board ceases to exist at any
 7 time, the appointing authority set forth in this subdivision shall be
 8 exercised solely by the board of supervisors. If a vacancy exists
 9 for any reason on the board of trustees, the appointing authority
 10 for that trustee shall make an appointment to fill out the remainder
 11 of the term of the vacant trustee position.

12 (c) The board of trustees shall adopt bylaws for the authority
 13 that, among other things, shall specify the officers of the board of
 14 trustees, the time, place, and conduct of meetings, and other
 15 matters that the board of trustees deems necessary or appropriate
 16 to conduct the authority’s activities. The bylaws shall be operative
 17 upon approval by a majority vote of the board of trustees, but may
 18 be amended, from time to time, by a majority vote of the board of
 19 trustees.

20 (d) The board of trustees created and appointed pursuant to
 21 this chapter is a duly constituted governing body as used in Section
 22 1250 and Section 70035 of Title 22 of the California Code of
 23 Regulations.

24

25 *Article 4. Powers and Duties of the Authority*

26

27 101661. (a) The authority, in addition to any other powers
 28 granted to the authority pursuant to this chapter, shall have the
 29 following powers:

30 (1) To have the duties, privileges, immunities, rights, liabilities,
 31 and limitations of a local unit of government within the state.

32 (2) To have perpetual existence.

33 (3) To adopt, have, and use a seal, and to alter it at its pleasure.

34 (4) To sue and be sued in the name of the authority in all actions
 35 and proceedings in all courts and tribunals of competent
 36 jurisdiction.

37 (5) To purchase, lease, trade, exchange, or otherwise acquire,
 38 maintain, hold, improve, mortgage, lease, sell, and dispose of real
 39 and personal property of any kind necessary or convenient to
 40 perform its functions and fully exercise its powers.

1 (6) *To appoint and employ a chief executive officer and other*
2 *officers and employees that may be necessary or appropriate,*
3 *including legal counsel, to establish their compensation, provide*
4 *for their health, retirement, and other employment benefits, and*
5 *to define the power and duties of officers and employees.*

6 (7) (A) *To incur indebtedness and to borrow money and issue*
7 *bonds evidencing the same, including the authority to issue, from*
8 *time to time, notes and revenue bonds in principal amounts that*
9 *the authority determines to be necessary to provide sufficient funds*
10 *for achieving any of its purposes, including, but not limited to,*
11 *assumption or refinancing of debt service for capital projects*
12 *eligible for Medi-Cal supplemental payments pursuant to Section*
13 *14085.5 of the Welfare and Institutions Code, the payment of*
14 *interest on notes and bonds of the authority, the establishment of*
15 *reserves to secure these notes and bonds, and all other*
16 *expenditures of the authority incident to and necessary or*
17 *convenient to carry out its purposes and powers.*

18 (B) *Any notes, bonds, or other securities issued, and the income*
19 *from them, including any profit from the sale thereof, shall at all*
20 *times be free from taxation by the state or any agency, political*
21 *subdivision, or instrumentality of the state.*

22 (8) *To pursue its own credit rating.*

23 (9) *To enter into any contract or agreement consistent with this*
24 *chapter or the laws of this state, and to authorize the chief*
25 *executive officer to enter into contracts, execute all instruments,*
26 *and do all things necessary or convenient in the exercise of the*
27 *powers granted in this chapter, and to secure the payment of bonds.*

28 (10) *To purchase supplies, equipment, materials, property, and*
29 *services.*

30 (11) *To establish policies relating to its purposes.*

31 (12) *To acquire or contract to acquire, rights-of-way, easements,*
32 *privileges, and property, and to construct, equip, maintain, and*
33 *operate any and all works or improvements wherever located that*
34 *are necessary, convenient, or proper to carry out any of the*
35 *provisions, objects, or purpose of this chapter, and to complete,*
36 *extend, add to, repair, or otherwise improve any works or*
37 *improvements acquired by it.*

38 (13) *To contract for and to accept gifts, grants, and loans of*
39 *funds, property, or other aid in any form from the federal*
40 *government, the state, a state agency, or other source, or*

1 combination thereof, and to comply, subject to the provisions of
2 this chapter, with the terms and conditions thereof.

3 (14) To invest surplus money in its own treasury, manage
4 investments, and engage third-party investment managers, in
5 accordance with state law.

6 (15) To arrange for guarantees or insurance of its bonds, notes,
7 or other obligations by the federal or state government or by a
8 private insurer, and to pay the premiums thereof.

9 (16) To engage in managed care contracting, joint ventures,
10 affiliations with other health care facilities, other health care
11 providers and payers, management agreements, or to participate
12 in alliances, purchasing consortia, health insurance pools,
13 accountable care organizations, alternative delivery systems, or
14 other cooperative arrangements, with any public or private entity.

15 (17) To enter into joint powers agreements pursuant to Chapter
16 5 (commencing with Section 6500) of Division 7 of Title 1 of the
17 Government Code.

18 (18) To establish nonprofit, for profit, or other entities necessary
19 to carry out the duties of the authority.

20 (19) To elect to transfer funds to the state and incur certified
21 public expenditures in support of the Medi-Cal program and other
22 programs for which federal financial participation is available.

23 (20) To use a computerized management information system,
24 including an electronic health records system, in connection with
25 the administration of its facilities.

26 (21) Subject to compliance with the applicable provisions of
27 the California Constitution, to levy taxes and assessments within
28 the incorporated and unincorporated areas of the county.

29 (22) To contract with the county for the provision of indigent
30 care services on behalf of the county. The contract shall specify
31 that county policies consistent with the county's obligations under
32 Section 17000 of the Welfare and Institutions Code shall be
33 applicable.

34 (23) To engage in other activities that may be in the best
35 interests of the authority and the persons served by the authority,
36 as determined by the board of trustees, in order to respond to
37 changes in the health care industry.

38 (b) The authority shall conform to the following requirements:

39 (1) Be a government entity separate and apart for all purposes
40 from the county and any other public entity, and shall not be

1 *considered to be an agency, division, or department of the county*
2 *or any other public entity. The authority shall not be governed by,*
3 *or subject to, the policies or operational rules of the county or any*
4 *other public entity.*

5 *(2) Be subject to state and federal taxation laws that are*
6 *applicable to public entities generally.*

7 *(3) Comply with the Myers-Milias-Brown Act (Chapter 10*
8 *(commencing with Section 3500) of Division 4 of Title 1 of the*
9 *Government Code).*

10 *(4) Assume the liabilities for California Public Employees’*
11 *Retirement System benefits, workers’ compensation, and other*
12 *employee benefits and liabilities with respect to employees of the*
13 *authority, unless otherwise agreed to by the authority, the county,*
14 *and the governing board.*

15 *(5) Carry professional and general liability insurance or*
16 *programs to the extent sufficient to cover its activities.*

17 *(6) Comply with the requirements of Sections 53260 and 53261*
18 *of the Government Code.*

19 *(7) Meet all local, state, and federal data reporting*
20 *requirements.*

21 *(8) Be subject to the jurisdiction of the Public Employment*
22 *Relations Board.*

23 *(c) Open sessions of the authority shall constitute official*
24 *proceedings authorized by law within the meaning of Section 47*
25 *of the Civil Code. The privileges set forth in that section with*
26 *respect to official proceedings shall apply to open sessions of the*
27 *authority.*

28 *(d) The authority shall be a public agency for purposes of*
29 *eligibility with respect to grants and other funding and loan*
30 *guarantee programs. Contributions to the authority shall be tax*
31 *deductible to the extent permitted by state and federal law.*
32 *Nonproprietary income of the authority shall be exempt from state*
33 *income taxation.*

34 *(e) The authority shall not be a “person” subject to suit under*
35 *the Cartwright Act (Chapter 2 (commencing with Section 16700)*
36 *of Part 2 of Division 7 of the Business and Professions Code).*

37 *(f) The statutory authority of a board of supervisors to prescribe*
38 *rules that authorize a county hospital to integrate its services with*
39 *those of other providers into a system of community service that*
40 *offers free choice of hospitals to those requiring hospital care, as*

1 *set forth in Section 14000.2 of the Welfare and Institutions Code,*
2 *shall apply to the authority and the board of trustees.*

3 *(g) Unless otherwise agreed to by the authority and the board*
4 *of supervisors, or the authority and a governing board, an*
5 *obligation of the authority, statutory, contractual or otherwise,*
6 *shall be the obligation solely of the authority and shall not be the*
7 *obligation of the county or any other entity, and any contract*
8 *executed by and between the county and the authority, or any other*
9 *entity and the authority, shall contain a provision that liabilities*
10 *or obligations of the authority with respect to its activities pursuant*
11 *to the contract shall be the liabilities or obligations of the authority*
12 *and shall not be or become the liabilities or obligations of the*
13 *county or the other entity, respectively.*

14 *(h) An obligation of the authority, statutory, contractual or*
15 *otherwise, shall be the obligation solely of the authority and shall*
16 *not be the obligation of the state.*

17 *(i) In the event of a change of license ownership, the board of*
18 *trustees shall comply with the obligations of governing bodies of*
19 *general acute care hospitals generally as set forth in Section 70701*
20 *of Title 22 of the California Code of Regulations, as currently*
21 *written or subsequently amended, as well as the terms and*
22 *conditions of the license. The authority shall be the responsible*
23 *party with respect to compliance with these obligations, terms,*
24 *and conditions.*

25 *(j) (1) Provisions of the Evidence Code, the Government Code,*
26 *including the Public Records Act (Chapter 3.5 (commencing with*
27 *Section 6250) of Division 7 of Title 1 of the Government Code),*
28 *the Civil Code, the Business and Professions Code, and other*
29 *applicable law pertaining to the confidentiality of peer review*
30 *activities of peer review bodies shall apply to the peer review*
31 *activities of the authority. Peer review proceedings shall constitute*
32 *an official proceeding authorized by law within the meaning of*
33 *Section 47 of the Civil Code and those privileges set forth in that*
34 *section with respect to official proceedings shall apply to peer*
35 *review proceedings of the authority. If the authority is required*
36 *by law or contractual obligation to submit to the state or federal*
37 *government peer review information or information relevant to*
38 *the credentialing of a participating provider, that submission shall*
39 *not constitute a waiver of confidentiality. The laws pertaining to*
40 *the confidentiality of peer review activities shall be together*

1 *construed as extending, to the extent permitted by law, the*
2 *maximum degree of protection of confidentiality.*

3 *(2) Notwithstanding any other law, Section 1461 shall apply to*
4 *hearings on reports of hospital medical audit or quality assurance*
5 *committees.*

6 *(k) (1) Any transfer by the county to the authority, or by the*
7 *governing board to the authority, of the maintenance, operation*
8 *and management or ownership of the medical center or the other*
9 *health care facility, respectively, whether or not the transfer*
10 *includes the surrendering by the county or the governing board*
11 *of any existing general acute care hospital license and*
12 *corresponding application for a change of ownership of the license,*
13 *shall not affect the eligibility of the county or the governing board*
14 *to undertake, and shall authorize the authority, subject to*
15 *applicable requirements, to do, any of the following:*

16 *(A) Participate in and receive allocations pursuant to the*
17 *California Healthcare for the Indigent Program pursuant to*
18 *Chapter 5 (commencing with Section 16940) of Part 4.7 of Division*
19 *9 of the Welfare and Institutions Code, or similar programs, as*
20 *may be identified or earmarked by the county for indigent health*
21 *care services of the type provided by the medical center.*

22 *(B) Participate in and receive allocations of local revenue fund*
23 *amounts provided pursuant to Chapter 6 (commencing with Section*
24 *17600) of Part 5 of Division 9 of the Welfare and Institutions Code*
25 *as may be identified or earmarked by the county for indigent health*
26 *care services of the type provided by the medical center.*

27 *(C) Participate in the financing of, and receive, Medicaid*
28 *disproportionate share hospital payments available to a county*
29 *hospital or designated public hospital, or any other successor or*
30 *modified payment or funding that is intended to assist hospitals*
31 *that serve a disproportionate share of low-income patients with*
32 *special needs.*

33 *(D) Participate in the financing of, and receive, Medi-Cal*
34 *supplemental reimbursements, including, but not limited to,*
35 *payments made pursuant to Sections 14105.96, 14105.965,*
36 *14166.4, and 14182.15 of the Welfare and Institutions Code,*
37 *payments described in paragraph (4) of subdivision (b) of Section*
38 *14301.4 of the Welfare and Institutions Code, and payments made*
39 *available to a county provider or designated public hospital, or*

1 governmental entity with which it is affiliated, under any other
2 successor or modified Medicaid payment systems.

3 (E) Participate in the financing of, and receive, safety net care
4 pool funding, stabilization funding, delivery system reform
5 incentive pool payments, and any other funding available to a
6 county provider or designated public hospital, or governmental
7 entities with which it is affiliated under the Medicaid demonstration
8 project authorized pursuant to Article 5.2 (commencing with
9 Section 14166) and Article 5.4 (commencing with Section 14180)
10 of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions
11 Code, or under any other successor or modified Medicaid
12 demonstration project or Medicaid payment system.

13 (F) Participate in the financing, administration, and provision
14 of services under the Low Income Health Program authorized
15 pursuant to Part 3.6 (commencing with Section 15909) of Division
16 9 of the Welfare and Institutions Code, or under any other
17 successor or modified Medicaid demonstration project or Medicaid
18 payment system.

19 (G) Participate in and receive direct grant and payment
20 allocations pursuant to Article 5.228 (commencing with Section
21 14169.1) of Chapter 7 of Part 3 of Division 9 of the Welfare and
22 Institutions Code, or under any other successor or modified direct
23 grant and payment systems funded by hospital or other provider
24 fee assessments.

25 (H) Receive Medi-Cal capital supplements pursuant to Section
26 14085.5 of the Welfare and Institutions Code. Notwithstanding
27 any other provision of law, supplemental payments shall be made
28 to the medical center under Section 14085.5 of the Welfare and
29 Institutions Code for the debt service costs incurred by the county,
30 and, if applicable, by the authority to the extent that debt service
31 responsibility is refinanced, transferred to, or otherwise assumed
32 by, directly or indirectly, the authority.

33 (I) Receive any other funds that would otherwise be available
34 to a county provider or designated public hospital, or governmental
35 entity with which it is affiliated.

36 (2) A transfer described in paragraph (1) shall not otherwise
37 disqualify the county or the governing board, or in the case of a
38 change in license ownership, the authority, from participating in
39 any of the following:

1 (A) *Local, state, and federal funding sources either specific to*
2 *county or district hospitals, county or district ambulatory care*
3 *clinics, designated public hospitals, or government entities with*
4 *which they are affiliated, for which there are special provisions*
5 *specific to those hospitals, ambulatory care clinics, or government*
6 *entities.*

7 (B) *Funding programs in which the county or the governing*
8 *board, by themselves or on behalf of the medical center or the*
9 *other health care facility, respectively, had participated prior to*
10 *the creation of the authority, or would otherwise be qualified to*
11 *participate in had the authority not been created, and the*
12 *maintenance, operation, and management or ownership of the*
13 *medical center and the other health care facility not been*
14 *transferred by the county and the governing board to the authority*
15 *pursuant to this chapter.*

16 (l) *The authority, the county, and the governing board, or any*
17 *combination thereof, may engage in marketing, advertising, and*
18 *promotion of the medical and health care services made available*
19 *to the community by the authority.*

20 (m) *The board of trustees shall have authority over procurement*
21 *and contracts for the authority. The board of trustees shall adopt*
22 *written rules, regulations, and procedures with regard to these*
23 *functions. Contracts by and between the authority and any public*
24 *agency, and contracts by and between the authority and providers*
25 *of health care, goods, or services, may be let on a nonbid basis*
26 *and shall be exempt from Chapter 2 (commencing with Section*
27 *10290) of Part 2 of Division 2 of the Public Contract Code.*
28 *Notwithstanding any other provision of this section, the authority*
29 *shall not subcontract work performed by classifications represented*
30 *by employee organizations without mutual agreement between the*
31 *authority and the organization representing the employees.*

32 (n) *The authority shall be responsible for human resource*
33 *functions, including, but not limited to, position classification,*
34 *compensation, recruitment, selection, hiring, discipline,*
35 *termination, grievance, equal opportunity, performance*
36 *management, probationary periods, training, promotion, and*
37 *maintenance of records. The board of trustees shall adopt written*
38 *rules, regulations, and procedures with regard to these functions.*
39 *Until the time that the board of trustees adopts its own rules,*
40 *regulations, or procedures with regard to these functions, the*

1 existing rules, regulations, and procedures set forth in any
 2 memorandum of understanding described in subparagraph (D) of
 3 paragraph (1) of subdivision (d) of Section 101658 shall apply. If
 4 the memoranda do not provide for the exercise of these functions,
 5 the rules, regulations, and procedures of the county shall apply.

6 (o) The authority may contract with the county or the governing
 7 board for services and personnel upon mutually agreeable terms.

8 (p) Notwithstanding Article 4.7 (commencing with Section 1125)
 9 of Chapter 1 of Division 4 of Title 1 of the Government Code,
 10 related to incompatible activities, a member of the authority's
 11 administrative staff shall not be considered to be engaged in
 12 activities inconsistent and incompatible with his or her duties as
 13 a result of prior employment or affiliation with the county or the
 14 governing board.

15 (q) The board of trustees and the officers and employees of the
 16 authority are public employees for purposes of Division 3.6
 17 (commencing with Section 810) of Title 1 of the Government Code,
 18 relating to claims and actions against public entities and public
 19 employees, and shall be protected by the immunities applicable to
 20 public entities and public employees governed by Part 2
 21 (commencing with Section 814) of Division 3.6 of Title 1 of the
 22 Government Code, except as provided by other statutes or
 23 regulations that apply expressly to the authority.

24 (r) This chapter shall prevail over any inconsistent statutes
 25 governing employees of the authority, including, but not limited
 26 to, the Meyers-Milias-Brown Act (Chapter 10 (commencing with
 27 Section 3500) of Division 1 of Title 1 of the Government Code).

28 SECTION 1. ~~Section 1164 of the Labor Code is amended to~~
 29 ~~read:~~

30 ~~1164. (a) An agricultural employer or a labor organization~~
 31 ~~certified as the exclusive bargaining agent of a bargaining unit of~~
 32 ~~agricultural employees may file with the board, at any time~~
 33 ~~following 180 days after any request to bargain by an agricultural~~
 34 ~~employer or a certified labor organization, a declaration that the~~
 35 ~~parties have failed to reach a collective bargaining agreement and~~
 36 ~~a request that the board issue an order directing the parties to~~
 37 ~~mandatory mediation and conciliation of their issues. "Agricultural~~
 38 ~~employer," for purposes of this chapter, means an agricultural~~
 39 ~~employer, as defined in subdivision (c) of Section 1140.4, who~~
 40 ~~has employed or engaged 25 or more agricultural employees during~~

1 any calendar week in the year preceding the filing of a declaration
2 pursuant to this subdivision.

3 ~~(b) Upon receipt of a declaration pursuant to subdivision (a),
4 the board shall immediately issue an order directing the parties to
5 mandatory mediation and conciliation of their issues. The board
6 shall request from the California State Mediation and Conciliation
7 Service a list of nine mediators who have experience in labor
8 mediation. The California State Mediation and Conciliation Service
9 may include names chosen from its own mediators, or from a list
10 of names supplied by the American Arbitration Association or the
11 Federal Mediation Service. The parties shall select a mediator from
12 the list within seven days of receipt of the list. If the parties cannot
13 agree on a mediator, they shall strike names from the list until a
14 mediator is chosen by process of elimination. If a party refuses to
15 participate in selecting a mediator, the other party may choose a
16 mediator from the list. The costs of mediation and conciliation
17 shall be borne equally by the parties.~~

18 ~~(c) Upon appointment, the mediator shall immediately schedule
19 meetings at a time and location reasonably accessible to the parties.
20 Mediation shall proceed for a period of 30 days. Upon expiration
21 of the 30-day period, if the parties do not resolve the issues to their
22 mutual satisfaction, the mediator shall certify that the mediation
23 process has been exhausted. Upon mutual agreement of the parties,
24 the mediator may extend the mediation period for an additional
25 30 days.~~

26 ~~(d) Within 21 days, the mediator shall file a report with the
27 board that resolves all of the issues between the parties and
28 establishes the final terms of a collective bargaining agreement,
29 including all issues subject to mediation and all issues resolved by
30 the parties prior to the certification of the exhaustion of the
31 mediation process. With respect to any issues in dispute between
32 the parties, the report shall include the basis for the mediator's
33 determination. The mediator's determination shall be supported
34 by the record.~~

35 ~~(e) In resolving the issues in dispute, the mediator may consider
36 those factors commonly considered in similar proceedings,
37 including:~~

38 ~~(1) The stipulations of the parties.~~

1 ~~(2) The financial condition of the employer and its ability to~~
2 ~~meet the costs of the contract in those instances where the employer~~
3 ~~claims an inability to meet the union’s wage and benefit demands.~~

4 ~~(3) The corresponding wages, benefits, and terms and conditions~~
5 ~~of employment in other collective bargaining agreements covering~~
6 ~~similar agricultural operations with similar labor requirements.~~

7 ~~(4) The corresponding wages, benefits, and terms and conditions~~
8 ~~of employment prevailing in comparable firms or industries in~~
9 ~~geographical areas with similar economic conditions, taking into~~
10 ~~account the size of the employer, the skills, experience, and training~~
11 ~~required of the employees, and the difficulty and nature of the~~
12 ~~work performed.~~

13 ~~(5) The average consumer prices for goods and services~~
14 ~~according to the California Consumer Price Index, and the overall~~
15 ~~cost of living, in the area where the work is performed.~~

16 ~~SEC. 2. Section 1164.11 of the Labor Code is repealed.~~

17

18

19 **CORRECTIONS:**

20 **Digest—Page 2.**

21 **Text—Pages 6, 8, 9, and 16.**

22