

AMENDED IN SENATE JUNE 10, 2014

AMENDED IN ASSEMBLY MAY 15, 2014

AMENDED IN ASSEMBLY APRIL 29, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2546

Introduced by Assembly Member Salas

February 21, 2014

An act to add Chapter 5.5 (commencing with Section 101852) to Part 4 of Division 101 of the Health and Safety Code, relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

AB 2546, as amended, Salas. Kern County 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.

~~This bill would authorize the board of supervisors of the County of Kern to establish, by ordinance, the Kern County Hospital Authority to manage, administer, and control the Kern Medical Center and other health care facilities, as defined. The bill would prohibit establishing the hospital authority until the medical center affiliates or consolidates with at least one other health care facility, as specified. The bill would grant to the authority the duties, privileges, immunities, rights, liabilities, and limitations of a local unit of government within the state. The bill would specify that the transfer to the authority of the management, administration, and control of the medical center and another health~~

facility does not affect the eligibility of the county or the governing board of another health care facility for, but authorizes the authority to participate in and receive, various sources of funding, as specified, including various Medi-Cal programs.

This bill would provide various protections for the benefits of the permanent employees of the medical center, subject to certain conditions, and would authorize the authority to contract with the Public Employees' Retirement System, as specified.

This bill would authorize the board of supervisors of the County of Kern to establish, by ordinance, the Kern County Health System Authority to manage, administer, and control the Kern Medical Center and for the operation of additional programs, facilities, care organizations, physical practice plans, and delivery systems that may be affiliated or consolidated with the medical center. The bill would also authorize the establishment of the authority to manage, administer, and control the managed care plan established by Kern Health Systems in order to ensure the substantial participation of the disproportionate share hospital in the county and the safety net providers with which it is affiliated and to negotiate and enter into contracts to provide or arrange, or provide directly, health care services to specified individuals.

The bill would require the board of supervisors, in the enabling ordinance, to establish the terms and conditions of the transfers to the authority from the county and Kern Health Systems, which includes, among other things, any transfer of real and personal property. The bill would require the authority to be governed by a board of trustees, and would require the board of supervisors, in the enabling ordinance, to specify, among other things, the membership of the board trustees and the qualifications of members.

The bill would grant to the authority, among other powers, the duties, privileges, immunities, rights, liabilities, and limitations of a local unit of government within the state. The bill would specify that the transfer to the authority of the management, administration, and control of the medical center does not affect the eligibility of the county for, but authorizes the authority to participate in and receive, various sources of funding, as specified, including various Medi-Cal programs. The bill would require the board of supervisors to adopt, and the authority to implement, a personnel transition plan that requires specified actions, including ongoing communication to employees and recognized

employee organizations regarding the impact of the transition on certain existing employees and employee classifications.

The bill would authorize the board of supervisors to find and declare that the authority ceases to exist, and in that event, the bill would require the board of supervisors to provide for the disposition of the authority’s assets, obligations, and liabilities.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

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 5.5 (commencing with Section 101852)
2 is added to Part 4 of Division 101 of the Health and Safety Code,
3 to read:

4
5 CHAPTER 5.5. KERN COUNTY HEALTH SYSTEM AUTHORITY
6 ACT

7
8 Article 1. General Provisions

9
10 101852. (a) This chapter shall be known and may be cited as
11 the Kern County Health System Authority Act.

12 (b) The Legislature finds and declares all of the following:

13 (1) Kern Medical Center, an acute care hospital currently
14 operated as a constituent department of the County of Kern, is a
15 designated public hospital, as defined in subdivision (d) of Section
16 14166.1 of the Welfare and Institutions Code, and a critical
17 component of the state’s health care safety net.

18 (2) Kern Health Systems, a separate public entity from the
19 County of Kern, is a special county health authority formed
20 pursuant to Section 14087.38 of the Welfare and Institutions Code
21 to address problems of delivery of publicly assisted medical care
22 in the County of Kern, and currently operates the local initiative,

1 as defined in subdivision (w) of Section 53810 of Title 22 of the
2 California Code of Regulations, in the county.

3 (3) The ongoing evolution of the healthcare environment is a
4 catalyst for public health care service entities to pursue innovative
5 health care delivery models that proactively improve the quality
6 of patient care services and patient experience, efficiently and
7 effectively increase access to needed health care services across
8 the care continuum, provide services in a patient-centered manner,
9 and moderate the rate of growth of health care expenditures.

10 (4) In order for the County of Kern and Kern Health Systems
11 to further their common mission of improving the health status of
12 the people of the County of Kern through providing access to
13 affordable, high quality health care services, and to help ensure
14 the viability of the health care safety net in the county, it is
15 necessary that they be permitted to combine resources and
16 consolidate efforts towards an integrated delivery system to achieve
17 health plan and provider alignment by enabling the operation of
18 both Kern Medical Center and the local initiative operated by
19 Kern Health Systems under a new special health system authority.

20 (5) Because there is no general law under which this public
21 health system authority could be formed for these purposes, the
22 adoption of this act authorizing formation of a special authority
23 by the Legislature is required.

24 101852.1. For purposes of this chapter, the following
25 definitions shall apply:

26 (a) "Authority" means the Kern County Health System Authority
27 established pursuant to this chapter.

28 (b) "Board of supervisors" means the board of supervisors of
29 the County of Kern.

30 (c) "Board of trustees" means the governing body of the
31 authority.

32 (d) "County" means the County of Kern.

33 (e) "Enabling ordinance" means the county ordinance enacted
34 pursuant to this chapter to establish the authority, as may be
35 amended from time to time.

36 (f) "Kern Health Systems" means the public entity that operates
37 the managed care plan organized by the county pursuant to Section
38 14087.38 of the Welfare and Institutions Code in the County of
39 Kern.

1 (g) “Managed care plan” means the health plan licensed
2 pursuant to the Knox-Keene Health Care Service Plan Act of 1975
3 (Chapter 2.2 (commencing with Section 1340) of Division 2), which
4 was established by Kern Health Systems and serves as the local
5 initiative, as defined in subdivision (w) of Section 53810 of Title
6 22 of the California Code of Regulations, in the County of Kern,
7 and includes all plan assets and operations that exist or are later
8 established.

9 (h) “Medical center” means the assets and liabilities comprising
10 the Kern Medical Center and related public health care programs,
11 facilities, care organizations, physician practice plans and delivery
12 systems, which may be hospital-based or nonhospital-based, that
13 now exist or are established in the future.

14
15 Article 2. Establishment of the Kern County Health System
16 Authority
17

18 101853. (a) Pursuant to this chapter, the board of supervisors
19 may establish by ordinance the Kern County Health System
20 Authority, which shall be a public agency that is a local unit of
21 government separate and apart from the county and any other
22 public entity for all purposes. The authority established pursuant
23 to this chapter shall file the statement required by Section 53051
24 of the Government Code, and is a public entity for purposes of
25 Division 3.6 (commencing with Section 810) of Title 1 of the
26 Government Code.

27 (b) The purpose of the authority shall be to do all of the
28 following:

29 (1) Provide management, administration, and other controls
30 consistent with this chapter for the medical center to continue to
31 operate as a designated public hospital, as defined in subdivision
32 (d) of Section 14166.1 of the Welfare and Institutions Code, and
33 for the operation of additional programs, facilities, care
34 organizations, physician practice plans, and delivery systems that
35 may be affiliated or consolidated with the medical center, to ensure
36 the viability of the health care safety net in the county in a manner
37 consistent with the county’s requirements under Section 17000 of
38 the Welfare and Institutions Code.

39 (2) Provide management, administration, and other controls
40 consistent with this chapter for the managed care plan to continue

1 to operate as a local initiative, as defined in subdivision (w) of
2 Section 53810 of Title 22 of the California Code of Regulations,
3 to ensure the substantial participation of the disproportionate
4 share hospital in the county and the safety net providers with which
5 it is affiliated, and to negotiate and enter into contracts to provide
6 or arrange, or provide directly, health care services to individuals
7 including, but not limited to, those covered under Subchapters
8 XVIII (commencing with Section 1395), XIX (commencing with
9 Section 1396), and XXI (commencing with Section 1397aa) of
10 Chapter 7 of Title 42 of the United States Code, those entitled to
11 coverage under private group coverage, private individual
12 coverage, including without limitation, coverage through Covered
13 California, other publicly supported programs, those employed
14 by public agencies or private businesses, and uninsured or indigent
15 individuals.

16 (c) Subject to the requirements of this chapter, the authority
17 shall be charged with the management, administration, and control
18 of the medical center and the managed care plan. The State
19 Department of Health Care Services and Department of Managed
20 Health Care shall take all necessary steps to ensure all of the
21 following:

22 (1) The authority is permitted to operate the medical center and
23 the managed care plan.

24 (2) The medical center continues its status as a designated public
25 hospital.

26 (3) The managed care plan continues to operate as a local
27 initiative.

28 (4) The authority may participate as a contributing public
29 agency for the purposes of Section 433.51 of Title 42 of the Code
30 of Federal Regulations.

31 (d) The board of supervisors, in the enabling ordinance, shall
32 establish the terms and conditions of the transfers to the authority
33 from the county and Kern Health Systems, including, but not limited
34 to, all of the following:

35 (1) Any transfer of real and personal property, assets and
36 liabilities, including, but not limited to, liabilities of the medical
37 center determined and assigned by the county for county funds
38 previously advanced to fund the operations of the medical center.

39 (2) Transfer of employees, including any necessary personnel
40 transition plan, as specified in Section 101853.1.

1 (3) Maintenance operation and management or ownership of
2 the medical center and managed care plan.

3 (4) Transfer of licenses.

4 (5) Any other matters as the board of supervisors deems
5 necessary, appropriate or convenient for the conduct of the
6 authority's activities

7 (e) (1) Upon establishment of the authority, all assets and
8 liabilities comprising the managed care plan, and all operations
9 and governance of the managed care plan, shall be transferred to
10 the authority pursuant to the terms and conditions specified in the
11 enabling ordinance. The effective date of the transfer shall be as
12 prescribed in the enabling ordinance. The managed care plan
13 shall provide at least 30 days advance notice for change of
14 ownership to the Department of Managed Health Care in the form
15 of a notice of material modification.

16 (2) The notice of material modification shall describe any
17 changes in the governing body or higher management of the
18 managed care plan, and, notwithstanding any other law, shall be
19 deemed approved upon receipt. Any other changes to plan
20 operations, governance, or financial status shall be made after
21 the change of ownership, and shall be subject to the requirements
22 of the Knox-Keene Health Care Service Plan Act of 1975 (Chapter
23 2.2 (commencing with Section 1340) of Division 3).

24 (3) Upon the transfer of the maintenance, operation, and
25 management or ownership of the managed care plan to the
26 authority, the board of supervisors shall terminate Kern Health
27 Systems by ordinance. The board of supervisors shall notify the
28 State Department of Health Care Services 30 days prior to the
29 effective date of the termination.

30 (4) The provisions set forth in paragraph (5) of subdivision (t)
31 of, and subdivisions (v) and (x) of, Section 14087.38 of the Welfare
32 and Institutions Code shall not apply to the termination of Kern
33 Health Systems made pursuant to this chapter.

34 (5) Any liabilities of Kern Health Systems shall not become
35 obligations of the county upon termination of Kern Health Systems.

36 (6) With respect to the maintenance, operation, and management
37 or ownership of the managed care plan, the authority shall comply
38 with the applicable requirements of the Knox-Keene Health Care
39 Service Plan Act of 1975 (Chapter 2.2 (commencing with Section
40 1340) of Division 3).

1 (7) *The board of supervisors may contract with the authority*
2 *to provide indigent care services on behalf of the county. The*
3 *contract shall specify that county policies, as may be modified*
4 *from time to time and consistent with the county's obligations*
5 *under Section 17000 of the Welfare and Institutions Code, shall*
6 *be applicable. Notwithstanding any other provision of this chapter,*
7 *the authority shall not undertake any of the county's obligations*
8 *under Section 17000 of the Welfare and Institutions Code, nor*
9 *shall the authority have an entitlement to receive any revenue for*
10 *the discharge of the county's obligations, without a written*
11 *agreement with the county. Any contract executed by and between*
12 *the county and the authority shall provide for the indemnification*
13 *of the county by the authority for liabilities as specifically set forth*
14 *in the contract, except that the contract shall include a provision*
15 *that the county shall remain liable for its own negligent acts.*
16 *Indemnification by the authority shall not be construed as divesting*
17 *the county from its ultimate responsibility for compliance with*
18 *Section 17000 of the Welfare and Institutions Code.*

19 (f) (1) *A transfer of maintenance, operation, and management*
20 *or ownership or lease of the medical center to the authority may*
21 *be made with or without the payment of a purchase price by the*
22 *authority and otherwise upon the terms and conditions as found*
23 *necessary by the board of supervisors and specified in the enabling*
24 *ordinance to ensure that the transfer will constitute an ongoing*
25 *material benefit to the county and its residents.*

26 (2) *A transfer of the maintenance, operation, and management*
27 *of the medical center to the authority shall not be construed as*
28 *empowering the authority to transfer any ownership interest of*
29 *the county in the medical center except as otherwise approved by*
30 *the board of supervisors.*

31 (3) *The authority shall not transfer the maintenance, operation,*
32 *and management or ownership or lease of the medical center to*
33 *any other entity without the prior written approval of the board*
34 *of supervisors.*

35 (4) *With respect to the maintenance, operation, and management*
36 *or ownership of the medical center, the authority shall conform*
37 *to both of the following requirements:*

38 (A) *Comply with Section 14000.2 of the Welfare and Institutions*
39 *Code.*

40 (B) *Comply with any applicable requirements of Section 1442.5.*

1 (5) *The board of supervisors may retain control of the medical*
2 *center physical plant and facilities except as otherwise specifically*
3 *provided for in the enabling ordinance or other lawful agreements*
4 *entered into by the board of supervisors. Any lease agreement or*
5 *other agreement between the county and the authority may provide*
6 *that county premises shall not be sublet without the approval of*
7 *the board of supervisors.*

8 (6) *Notwithstanding any other provision of this chapter, and*
9 *whether or not accompanied by a change in licensing, the*
10 *authority's responsibility for the maintenance, operation, and*
11 *management or ownership of the medical center does not relieve*
12 *the county of the ultimate responsibility for indigent care pursuant*
13 *to Section 17000 of the Welfare and Institutions Code.*

14 (g) *Unless otherwise agreed to by the authority and the board*
15 *of supervisors, an obligation of the authority, statutory,*
16 *contractual, or otherwise, shall be the obligation solely of the*
17 *authority and shall not be the obligation of the county or any other*
18 *entity, and any contract executed by and between the county and*
19 *the authority, or any other entity and the authority, shall contain*
20 *a provision that liabilities or obligations of the authority with*
21 *respect to its activities pursuant to the contract shall be the*
22 *liabilities or obligations of the authority and shall not be or become*
23 *the liabilities or obligations of the county or the other entity,*
24 *respectively. An obligation of the authority, statutory, contractual,*
25 *or otherwise, shall not be the obligation of the state.*

26 (h) *The authority shall not be a "person" subject to suit under*
27 *the Cartwright Act (Chapter 2 (commencing with Section 16700)*
28 *of Part 2 of Division 7 of the Business and Professions Code).*

29 (i) *The authority is not subject to the jurisdiction of a local*
30 *agency formation commission pursuant to the*
31 *Cortese-Knox-Hertzberg Local Government Reorganization Act*
32 *of 2000 (Division 3 (commencing with Section 56000) of Title 5*
33 *of the Government Code), or any successor statute.*

34 101853.1. (a) *In exercising its powers to employ personnel,*
35 *the authority shall implement, and the board of supervisors shall*
36 *adopt, a personnel transition plan. The personnel transition plan*
37 *shall require all of the following:*

38 (1) *Ongoing communication to employees and recognized*
39 *employee organizations regarding the impact of the transition on*

1 existing managed care plan, medical center, county, and other
2 health care facility employees and employee classifications.

3 (2) Meeting and conferring with representatives of affected
4 bargaining unit employees on both of the following issues:

5 (A) A timeframe for which the transfer of personnel shall occur.

6 (B) Specified periods of time during which county or medical
7 center employees affected by the establishment of the authority
8 may elect to be considered for appointment to funded, equivalent,
9 vacant county positions, and exercise reinstatement rights, for
10 which they are qualified and eligible. An employee who first elects
11 to remain with the county, but who subsequently seeks employment
12 with the authority within 30 days of this election, shall be subject
13 to the requirements of this article.

14 (3) Acknowledgment that the authority, to the extent permitted
15 by federal law, shall be bound by the terms of the memoranda of
16 understanding executed between the county and its exclusive
17 employee representatives that are or will be in effect as of the date
18 the county adopts the enabling ordinance pursuant to this article.
19 Subsequent memoranda of understanding shall be subject to
20 approval only by the board of trustees, and not the county.

21 (b) The implementation of this chapter shall not be a cause for
22 the modification of the level of medical center, county, or Kern
23 Health Systems employment benefits. Upon the execution of the
24 enabling ordinance, employees who serve or work for the medical
25 center, county, or Kern Health Systems immediately prior to the
26 implementation of this chapter, and who become authority
27 employees, shall retain their existing or equivalent classifications
28 and job descriptions upon transfer to the authority, comparable
29 pension benefits, and at least their existing salaries and other
30 benefits that include, but are not limited to, accrued and unused
31 vacation, sick leave, personal leave, health care, retiree health
32 benefits, and deferred compensation plans.

33 (c) The authority shall recognize as the exclusive representatives
34 of those authority employees who perform functions transferred
35 from the county or medical center to the authority, pursuant to
36 this chapter, the employee organizations that represented the
37 employees at the county or medical center performing those
38 functions at the time of transfer.

39 (d) In order to stabilize labor and employment relations and
40 provide continuity of care and services to the people of the county,

1 *and notwithstanding any other law, the authority shall do all of*
2 *the following for a period of 24 months after the effective date of*
3 *the transfer of the medical center to the authority:*

4 *(1) Continue to recognize each exclusive representative of each*
5 *bargaining unit.*

6 *(2) Continue to provide at least the same level of employee*
7 *benefits to authority employees, who were medical center, county,*
8 *or managed care plan employees, that had been provided to these*
9 *employees, whether those benefits arise out of a memorandum of*
10 *understanding, or other agreements or law.*

11 *(3) Roll over and continue to be bound by any existing medical*
12 *center or county memoranda of understanding covering the terms*
13 *and condition, including the level of wages and benefits, of*
14 *transferred employees for 24 months after the term end date of*
15 *any memoranda of agreement, unless modified by mutual*
16 *agreement with each of the employees' exclusive representatives,*
17 *and only to the extent that continuing to provide those pension*
18 *benefits specified in any memoranda of agreement does not conflict*
19 *with any Kern County Employees' Retirement Association*
20 *regulation or federal law. Any conflicts in the existing agreements*
21 *as to wages and other terms and conditions of employment shall*
22 *be resolved only by mutual agreement between the authority and*
23 *each of the exclusive employee representatives.*

24 *(e) Permanent employees of the medical center, county, or Kern*
25 *Health Systems on the effective date of the transfer of the medical*
26 *center and the managed care plan, as applicable, to the authority,*
27 *shall be deemed qualified for employment or retention in equivalent*
28 *positions at the authority, and no other qualifications shall be*
29 *required except as otherwise required by state or federal law.*
30 *Probationary employees on the effective date of , as set forth in*
31 *this paragraph, shall retain their probationary status and rights*
32 *and shall not be deemed to have transferred so as to require*
33 *servng a new probationary period. To the extent possible,*
34 *employees who transfer to equivalent positions at the authority*
35 *shall retain their existing classifications and job descriptions, but*
36 *to the extent there is a dispute on this issue, the authority agrees*
37 *to meet and confer with the transferred employees exclusive*
38 *authorized representative.*

39 *(f) Employees who transfer from the medical center, county, or*
40 *Kern Health Systems to the authority shall retain the seniority they*

1 *earned from their previous employers. The authority shall continue*
2 *to provide for the maintenance of any benefits that accompany*
3 *seniority, if they existed, prior to the transfer. All time served in*
4 *the same, equivalent, or higher classification shall be counted*
5 *toward classification seniority.*

6 *(g) Notwithstanding anything to the contrary contained in this*
7 *chapter, this chapter does not prohibit the authority from*
8 *determining the number of employees, the number of full-time*
9 *equivalent positions, job descriptions, the nature and extent of*
10 *classified employment positions, and salaries of employees.*

11

12 *Article 3. Board of Trustees*

13

14 *101854. (a) The authority established pursuant to this chapter*
15 *shall be governed by a board of trustees that is appointed, both*
16 *initially and continually, by the board of supervisors. The board*
17 *of supervisors, in the enabling ordinance, shall specify the*
18 *membership of the board of trustees, the qualifications for*
19 *individual members, the manner of appointment, selection, or*
20 *removal of board of trustees members, their terms of office, and*
21 *all other matters that the board of supervisors deems necessary*
22 *or convenient for the conduct of the board of trustees.*
23 *Notwithstanding any other law, at the board of supervisors'*
24 *discretion and as specified in the enabling ordinance, the board*
25 *of trustees may consist entirely of members of the board of*
26 *supervisors or may include any number of the members of the*
27 *board of supervisors.*

28 *(b) The board of supervisors, either during or after the formation*
29 *of the authority, may modify the number, length of terms, and*
30 *appointing authority for the board of trustees, and provisions for*
31 *all other matters pertaining to the board of trustees by subsequent*
32 *ordinance.*

33 *(c) The board of supervisors shall adopt bylaws for the authority*
34 *that, among other things, shall specify the officers of the board of*
35 *trustees, the time, place, and conduct of meetings, and other*
36 *matters that the board of supervisors deems necessary or*
37 *appropriate to conduct the authority's activities. The bylaws shall*
38 *be operative upon approval by a majority vote of the board of*
39 *supervisors, but may be amended, from time to time, by a majority*
40 *vote of the board of supervisors.*

1 (d) Notwithstanding any other law, a member of the board of
2 trustees shall not be deemed to be interested in a contract entered
3 into by the authority within the meaning of Article 4 (commencing
4 with Section 1090) of Chapter 1 of Division 4 of Title 1 of the
5 Government Code if either of the following apply:

6 (1) The member is also a member of the board of supervisors,
7 or is a county employee appointed to represent the interests of the
8 board of supervisors.

9 (2) All the following applies to the member:

10 (A) The member was appointed to represent the interests of
11 physicians, health care practitioners, hospitals, pharmacies, or
12 other health care organizations, or beneficiaries.

13 (B) The contract authorizes the member or the organization the
14 member represents to provide services to beneficiaries under the
15 authority's programs.

16 (C) The contract contains substantially the same terms and
17 conditions as contracts entered into with other individuals or
18 organizations that the member was appointed to represent.

19 (D) The member does not influence or attempt to influence the
20 health authority or another member of the authority to enter into
21 the contract in which the member is interested.

22 (E) The member discloses the interest to the authority and
23 abstains from voting on the contract.

24 (F) The board of trustees notes the member's disclosure and
25 abstention in its official records and authorizes the contract in
26 good faith by a vote of its membership sufficient for the purpose
27 without counting the vote of the interested member.

28 (e) Members of the board of trustees shall not be vicariously
29 liable for injuries caused by the act or omission of the authority
30 to the extent that protection applies to members of governing
31 boards of local public entities generally under Section 820.9 of
32 the Government Code.

33 (f) The board of trustees created and appointed pursuant to this
34 chapter is a duly constituted governing body as the term is used
35 in Section 1250 and defined in Section 70035 of Title 22 of the
36 California Code of Regulations.

37 (g) In the event of a change of license ownership, the board of
38 trustees shall comply with the obligations of governing bodies of
39 general acute care hospitals generally as set forth in Section 70701
40 of Title 22 of the California Code of Regulations, as currently

1 written or subsequently amended, as well as the terms and
2 conditions of the license. The authority shall be the responsible
3 party with respect to compliance with these obligations, terms,
4 and conditions.

5

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

7

8 101855. (a) The authority, in addition to any other powers
9 granted pursuant to this chapter, shall have the following powers:

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

12 (2) To have perpetual existence.

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

14 (4) To sue and be sued in the name of the authority in all actions
15 and proceedings in all courts and tribunals of competent
16 jurisdiction.

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

21 (6) To appoint and employ a chief executive officer and other
22 officers and employees that may be necessary or appropriate,
23 including legal counsel, to establish their compensation, provide
24 for their health, retirement, and other employment benefits, and
25 to define the power and duties of officers and employees.

26 (7) (A) To incur indebtedness and to borrow money and issue
27 bonds evidencing the same, including the authority to issue, from
28 time to time, notes and revenue bonds in principal amounts that
29 the authority determines to be necessary to provide sufficient funds
30 for achieving any of its purposes, including, but not limited to,
31 assumption or refinancing of debt service for capital projects
32 eligible for Medi-Cal supplemental payments pursuant to Section
33 14085.5 of the Welfare and Institutions Code, the payment of
34 interest on notes and bonds of the authority, the establishment of
35 reserves to secure these notes and bonds, and all other
36 expenditures of the authority incident to and necessary or
37 convenient to carry out its purposes and powers.

38 (B) Any notes, bonds, or other securities issued, and the income
39 from them, including any profit from the sale thereof, shall at all

1 *times be free from taxation by the state or any agency, political*
2 *subdivision, or instrumentality of the state.*

3 *(C) Notwithstanding the provisions of subparagraph (A), for*
4 *any indebtedness, notes, bonds, or other securities that require*
5 *voter approval pursuant to state law, the prior approval of the*
6 *board of supervisors shall be required. Notwithstanding the*
7 *required prior approval of the board of supervisors, any*
8 *indebtedness incurred, or notes, bonds, or other securities issued*
9 *pursuant to this subparagraph shall be the indebtedness, notes,*
10 *bonds, or securities of the authority and not of the county, and the*
11 *credit of the county shall not be pledged or relied upon in any*
12 *manner in order to incur the indebtedness, or issue the notes,*
13 *bonds, or other securities, unless the board of supervisors explicitly*
14 *authorizes the use of the county's credit. The authority shall*
15 *reimburse the county for all costs associated with the county's*
16 *consideration of the indebtedness, notes, bonds, or securities, and*
17 *the authority shall defend, indemnify, and hold harmless the county*
18 *from any and all liability, costs, or expenses arising from or related*
19 *to the indebtedness, notes, bonds, or securities.*

20 *(D) Nothing herein shall preclude the authority from repayment*
21 *of its debts or other liabilities, using funds that are not otherwise*
22 *encumbered and do not cause the managed care plan's tangible*
23 *net equity to drop below its required level.*

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

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

30 *(10) To purchase supplies, equipment, materials, property, and*
31 *services.*

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

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

1 (13) To participate in, contract for, and to accept, gifts, grants,
2 and loans of funds, property, or other aid or finance opportunity
3 in any form from the federal government, the state, a state agency,
4 or other source, or combination thereof, as otherwise would be
5 available to a public, government, or private entity, and to comply,
6 subject to this chapter, with the terms and conditions thereof.

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

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

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

19 (17) To enter into joint powers agreements pursuant to Chapter
20 5 (commencing with Section 6500) of Division 7 of Title 1 of the
21 Government Code. Notwithstanding any other provision of law,
22 the authority may enter into a joint powers agreement as described
23 in Section 6523.5 of the Government Code as though that section
24 applied to hospitals and other health care facilities in the County
25 of Kern.

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

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

31 (20) To use a computerized management information system,
32 including an electronic health records system, in connection with
33 the administration of its facilities and Medi-Cal managed care
34 plans.

35 (21) To request that the board of supervisors levy a tax on behalf
36 of the authority. If the board of supervisors approves the proposal
37 to levy the tax, it shall call the election to seek voter approval and
38 place the appropriate measure on the ballot for that election. The
39 proceeds of these taxes shall be tax proceeds of the authority and
40 not of the county. The authority shall reimburse the county for all

1 *costs associated with the county's consideration of these taxes,*
2 *and shall defend, indemnify, and hold harmless the county from*
3 *any liability, costs, or expenses arising from or related to the*
4 *imposition of these taxes.*

5 *(22) Notwithstanding the provisions of this chapter relating to*
6 *the obligations and liabilities of the authority, or any other law,*
7 *a transfer of control or ownership of the medical center and the*
8 *managed care plan shall confer onto the authority all the rights*
9 *and duties set forth in state law with respect to hospitals, clinics*
10 *and other health facilities, health programs, care organizations,*
11 *physician practice plans, delivery systems, and health care service*
12 *plans owned or operated by a county.*

13 *(23) To engage in other activities that may be in the best*
14 *interests of the authority and the persons served by the authority,*
15 *as determined by the board of trustees, in order to respond to*
16 *changes in the health care industry.*

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

18 *(1) (A) Be a government agency that is a local unit of*
19 *government separate and apart for all purposes from the county*
20 *and any other public entity, and shall not be considered to be an*
21 *agency, division, or department of the county or any other public*
22 *entity. The authority shall not be governed by or subject to the*
23 *civil service requirements of the county. Except as otherwise*
24 *provided for in the enabling ordinance consistent with this chapter,*
25 *and as set forth in Section 101853.1, the authority shall not be*
26 *governed by, or subject to, other policies or operational rules of*
27 *the county, medical center, or any other public entity, including,*
28 *but not limited to, those relating to personnel and procurement.*

29 *(B) The board of trustees shall adopt written rules, regulations,*
30 *and procedures with regard to basic human resource functions*
31 *not inconsistent with employees' memoranda of understanding or*
32 *the provisions of this chapter. Until the time that the board of*
33 *trustees adopts its own rules, regulations, or procedures with*
34 *regard to these functions, the existing rules, regulations, and*
35 *procedures set forth in any memoranda of understanding described*
36 *in Section 101853.1 and the enabling ordinance shall apply.*

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

39 *(3) Except as otherwise specifically provided in this chapter,*
40 *comply with the Meyers-Milias-Brown Act (Chapter 10*

1 (commencing with Section 3500) of Division 4 of Title 1 of the
2 Government Code), the Public Records Act (Chapter 3.5
3 (commencing with Section 6250) of Division 7 of Title 1 of the
4 Government Code), and the Ralph M. Brown Act (Chapter 10
5 (commencing with Section 3500) of Division 4 of Title 1 of the
6 Government Code).

7 (4) Be subject to the jurisdiction of the Public Employment
8 Relations Board. Until the authority adopts local rules pursuant
9 to subdivision (a) of Section 3507 of the Government Code, the
10 Public Employment Relations Board's regulations apply.

11 (5) Carry professional and general liability insurance or
12 programs to the extent sufficient to cover its activities.

13 (6) Comply with the requirements of Sections 53260 and 53261
14 of the Government Code.

15 (7) Meet all local, state, and federal data reporting
16 requirements.

17 (c) The authority may borrow from the county, repay debt and
18 otherwise provide and arrange for medical services. The county
19 may lend the authority funds or issue revenue anticipation notes
20 to obtain those funds necessary to operate the medical center and
21 managed care plan.

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

27 (e) (1) Notwithstanding any other law, the board of trustees
28 may order that a meeting held solely for the purpose of discussion
29 or taking action on authority trade secrets, as defined in
30 subdivision (d) of Section 3426.1 of the Civil Code, shall be held
31 in closed session. Trade secrets for purposes of this chapter shall
32 also include information for which the secrecy of the information
33 is necessary for the authority to initiate a new service, program,
34 marketing strategy, business plan, or technology, or to add a
35 benefit or product, and premature disclosure of the trade secret
36 would create a substantial probability of depriving the authority
37 of a substantial economic benefit or opportunity.

38 (2) The requirements of making a public report of actions taken
39 in closed session and the vote or abstention of every member

1 *present may be limited to a brief general description devoid of the*
2 *information constituting the trade secret.*

3 *(3) Those records of the authority that reveal the authority's*
4 *trade secrets are exempt from disclosure pursuant to the California*
5 *Public Records Act (Chapter 3.5 (commencing with Section 6250)*
6 *of Division 7 of Title 1 of the Government Code), or any similar*
7 *local law requiring the disclosure of public records. This exemption*
8 *shall apply for a period of two years after the service, program,*
9 *marketing strategy, business plan, technology, benefit, or product*
10 *that is the subject of the trade secret is formally adopted by the*
11 *governing body of the health authority, provided that the service,*
12 *program, marketing strategy, business plan, technology, benefit,*
13 *or product continues to be a trade secret. The board of trustees*
14 *may delete the portion or portions containing trade secrets from*
15 *any documents that were finally approved in the closed session*
16 *that are provided to persons who have made the timely or standing*
17 *request.*

18 *(4) This section shall not prevent the board of trustees from*
19 *meeting in closed session as otherwise provided by law.*

20 *(f) Notwithstanding any other law, those records of the authority*
21 *and of the county that reveal the authority's rates of payment for*
22 *health care services for the managed care plan, the rates of*
23 *payment for health care services provided by the medical center,*
24 *or the authority's deliberative processes, discussions,*
25 *communications, or any other portion of the negotiations with*
26 *providers of health care services or Medi-Cal, health care plans*
27 *or other payors for rates of payment, shall not be required to be*
28 *disclosed pursuant to the California Public Records Act (Chapter*
29 *3.5 (commencing with Section 6250) of Division 7 of Title 1 of the*
30 *Government Code), or any similar local law requiring the*
31 *disclosure of public records. However, three years after a contract*
32 *or amendment to a contract is fully executed, the portion of the*
33 *contract or amendment containing the rates of payment shall be*
34 *open to inspection.*

35 *(g) The authority shall be a public agency that is a local unit*
36 *of government for purposes of eligibility with respect to grants*
37 *and other funding and loan guarantee programs. Contributions*
38 *to the authority shall be tax deductible to the extent permitted by*
39 *state and federal law. Nonproprietary income of the authority shall*
40 *be exempt from state income taxation.*

1 (h) *Unless otherwise provided by the board of supervisors by*
2 *way of resolution, the authority is empowered, or the board of*
3 *supervisors is empowered on behalf of the authority, to apply as*
4 *a public agency for one or more licenses for the provision of health*
5 *care or the operation of a health care services plan pursuant to*
6 *statutes and regulations governing licensing as currently written*
7 *or subsequently amended.*

8 (i) *The statutory authority of a board of supervisors to prescribe*
9 *rules that authorize a county hospital to integrate its services with*
10 *those of other providers into a system of community service that*
11 *offers free choice of hospitals to those requiring hospital care, as*
12 *set forth in Section 14000.2 of the Welfare and Institutions Code,*
13 *shall apply to the authority and the board of trustees.*

14 (j) (1) *Except as otherwise provided in this chapter, provisions*
15 *of the Evidence Code, the Government Code, including the Public*
16 *Records Act (Chapter 3.5 (commencing with Section 6250) of*
17 *Division 7 of Title 1 of the Government Code), the Civil Code, the*
18 *Business and Professions Code, and other applicable law*
19 *pertaining to the confidentiality of peer review activities of peer*
20 *review bodies shall apply to the peer review activities of the*
21 *authority, or any peer review body, as defined in paragraph (1)*
22 *of subdivision (a) of Section 805 of the Business and Professions*
23 *Code, formed pursuant to the powers granted to the authority. The*
24 *laws pertaining to the confidentiality of peer review activities shall*
25 *be together construed as extending, to the extent permitted by law,*
26 *the maximum degree of protection of confidentiality.*

27 (2) *Notwithstanding Article 9 (commencing with Section 11120)*
28 *of Chapter 1 of Part 1 of Division 3 of Title 2 of, and Chapter 9*
29 *(commencing with Section 54950) of Part 1 of Division 2 of Title*
30 *5 of, the Government Code, or any other provision of law, any*
31 *peer review body formed pursuant to the powers granted to the*
32 *authority, may, at its discretion and without notice to the public,*
33 *meet in closed session, so long as the purpose of the meeting is*
34 *the peer review body's discharge of its responsibility to evaluate*
35 *and improve the quality of care rendered by health facilities and*
36 *health practitioners. The peer review body and its members shall*
37 *receive, to the fullest extent, all immunities, privileges, and*
38 *protections available to those peer review bodies, their individual*
39 *members, and persons or entities assisting in the peer review*
40 *process, including those afforded by Section 1157 of the Evidence*

1 *Code and Section 1370. Peer review proceedings shall constitute*
2 *an official proceeding authorized by law within the meaning of*
3 *Section 47 of the Civil Code and those privileges set forth in that*
4 *section with respect to official proceedings shall apply to peer*
5 *review proceedings of the authority.*

6 (3) *Notwithstanding the California Public Records Act (Chapter*
7 *3.5 (commencing with Section 6250) of Division 7 of Title 1 of the*
8 *Government Code), or Article 9 (commencing with Section 11120)*
9 *of Chapter 1 of Part 1 of Division 3 of Title 2 of, and Chapter 9*
10 *(commencing with Section 54950) of Part 1 of Division 2 of Title*
11 *5 of, the Government Code, or any other provision of state or local*
12 *law requiring disclosure of public records, those records of a peer*
13 *review body formed pursuant to the powers granted to the*
14 *authority, shall not be required to be disclosed. The records and*
15 *proceedings of the peer review body and its individual members*
16 *shall receive, to the fullest extent, all immunities, privileges, and*
17 *protections available to those records and proceedings, including*
18 *those afforded by Section 1157 of the Evidence Code and Section*
19 *1370 of the Health and Safety Code.*

20 (4) *If the authority is required by law or contractual obligation*
21 *to submit to the state or federal government peer review*
22 *information or information relevant to the credentialing of a*
23 *participating provider, that submission shall not constitute a waiver*
24 *of confidentiality.*

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

28 (k) *Except as expressly provided by other provisions of this*
29 *section, all exemptions and exclusions from disclosure as public*
30 *records pursuant to this chapter and the California Public Records*
31 *Act, including, but not limited to, those pertaining to trade secrets*
32 *and information withheld in the public interest, shall be fully*
33 *applicable for the board of supervisors, and all state and local*
34 *agencies with respect to all writings that the authority is required*
35 *to prepare, produce, or submit, and which shall not constitute a*
36 *waiver of exemption from disclosure.*

37 (l) *The authority and the county, or any combination thereof*
38 *may engage in marketing, advertising, and promotion of the*
39 *medical and health care services made available to the community*
40 *by the authority.*

1 (m) *The board of trustees shall have authority over procurement*
 2 *and contracts for the authority. The board of trustees shall adopt*
 3 *written rules, regulations, and procedures with regard to these*
 4 *functions. Contracts by and between the authority and a public*
 5 *agency, and contracts by and between the authority and providers*
 6 *of health care, goods, or services, may be let on a nonbid basis*
 7 *and shall be exempt from Chapter 2 (commencing with Section*
 8 *10290) of Part 2 of Division 2 of the Public Contract Code.*

9 (n) *The authority may contract with the county for services and*
 10 *personnel upon mutually agreeable terms.*

11 (o) *Notwithstanding Article 4.7 (commencing with Section 1125)*
 12 *of Chapter 1 of Division 4 of Title 1 of the Government Code,*
 13 *related to incompatible activities, a member of the authority's*
 14 *administrative staff shall not be considered to be engaged in*
 15 *activities inconsistent and incompatible with his or her duties as*
 16 *a result of prior employment or affiliation with the county or Kern*
 17 *Health Systems.*

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

27 101855.1. (a) *Transfer by the county to the authority of the*
 28 *maintenance, operation, and management or ownership of the*
 29 *medical center, whether or not the transfer includes the*
 30 *surrendering by the county of the existing general acute care*
 31 *hospital license and corresponding application for a change of*
 32 *ownership of the license, shall not affect the eligibility of the county*
 33 *to undertake, and shall authorize the authority, subject to*
 34 *applicable requirements, to do any of the following:*

35 (1) *With the written consent of the county, participate in and*
 36 *receive allocations pursuant to the California Health Care for*
 37 *Indigents Program pursuant to Chapter 5 (commencing with*
 38 *Section 16940) of Part 4.7 of Division 9 of the Welfare and*
 39 *Institutions Code, or similar programs, as may be identified or*

1 *earmarked by the county for indigent health care services of the*
2 *type provided by the medical center.*

3 (2) *With the written consent of the county, participate in and*
4 *receive allocations of local revenue fund amounts provided*
5 *pursuant to Chapter 6 (commencing with Section 17600) of Part*
6 *5 of Division 9 of the Welfare and Institutions Code as may be*
7 *identified or earmarked by the county for indigent health care*
8 *services of the type provided by the medical center.*

9 (3) *Participate in the financing of and receive, Medicaid*
10 *disproportionate share hospital payments available to a county*
11 *hospital or designated public hospital, or any other successor or*
12 *modified payment or funding that is intended to assist hospitals*
13 *that serve a disproportionate share of low-income patients with*
14 *special needs. The allocation of Medicaid disproportionate share*
15 *hospital payments shall be made in consultation with the State*
16 *Department of Health Care Services and other designated safety*
17 *net hospitals.*

18 (4) *Participate in the financing of and receive, Medi-Cal*
19 *supplemental reimbursements, including, but not limited to,*
20 *payments made pursuant to Sections 14105.96, 14105.965,*
21 *14166.4, and 14182.15 of the Welfare and Institutions Code,*
22 *payments described in paragraph (4) of subdivision (b) of Section*
23 *14301.4 of, and Section 14301.5 of, the Welfare and Institutions*
24 *Code, and payments made available to a county provider or*
25 *designated public hospital, or governmental entity with which it*
26 *is affiliated, under any other successor or modified Medicaid*
27 *payment system.*

28 (5) *Participate in the financing of, and receive, safety net care*
29 *pool funding, stabilization funding, delivery system reform*
30 *incentive pool payments, and any other funding available to a*
31 *county provider or designated public hospital, or governmental*
32 *entities with which it is affiliated under the Medicaid demonstration*
33 *project authorized pursuant to Article 5.2 (commencing with*
34 *Section 14166) and Article 5.4 (commencing with Section 14180)*
35 *of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions*
36 *Code, or under any other successor or modified Medicaid*
37 *demonstration project or Medicaid payment system. The allocation*
38 *of safety net care pool funds shall be made in consultation with*
39 *the State Department of Health Care Services and other designated*
40 *safety net hospitals.*

1 (6) Participate in the financing, administration, and provision
2 of services under the Low Income Health Program authorized
3 pursuant to Part 3.6 (commencing with Section 15909) of Division
4 9 of the Welfare and Institutions Code, or under any other
5 successor or modified Medicaid demonstration project or Medicaid
6 payment system if the authority enters into an agreement with the
7 county concerning the provision of services by, and payment for
8 these services to, the county.

9 (7) Participate in and receive direct grant and payment
10 allocations pursuant to Article 5.230 (commencing with Section
11 14169.50) of Chapter 7 of Part 3 of Division 9 of the Welfare and
12 Institutions Code, or under any other successor or modified direct
13 grant and payment systems funded by hospital or other provider
14 fee assessments.

15 (8) Receive Medi-Cal capital supplements pursuant to Section
16 14085.5 of the Welfare and Institutions Code. Notwithstanding
17 any other law, supplemental payments shall be made to the medical
18 center under Section 14085.5 of the Welfare and Institutions Code
19 for the debt service costs incurred by the county, and, if applicable,
20 by the authority to the extent that debt service responsibility is
21 refinanced, transferred to, or otherwise assumed by, directly or
22 indirectly, the authority.

23 (9) Receive any other funds that would otherwise be available
24 to a county provider or designated public hospital, or governmental
25 entity with which it is affiliated.

26 (b) A transfer described in subdivision (a) shall not otherwise
27 disqualify the county or the board of trustees, or in the case of a
28 change in license ownership, the authority, from participating in
29 any of the following:

30 (1) Local, state, and federal funding sources either specific to
31 county or other publicly owned or operated health care service
32 plans, hospitals, or other health care providers including, but not
33 limited to, ambulatory care clinics, health systems, practices,
34 designated public hospitals, or government entities with which
35 they are affiliated, for which there are special provisions specific
36 to those hospitals, ambulatory care clinics, health systems,
37 practices, other health care providers or government entities with
38 which they are affiliated.

39 (2) Funding programs in which the county, by itself or on behalf
40 of the medical center, or in which Kern Health Systems had

1 participated prior to the creation of the authority, or would
2 otherwise be qualified to participate in had the authority not been
3 created, and the maintenance, operation, and management or
4 ownership of the medical center or managed care plan not been
5 transferred to the authority pursuant to this chapter.

6
7 Article 5. Termination of the Authority
8

9 101856. The board of supervisors may find and declare that
10 the authority shall cease to exist. In that event, the board of
11 supervisors shall provide for the disposition of the authority's
12 assets, obligations, and liabilities. Absent written agreement, the
13 county shall not be obligated under any law to assume the
14 authority's obligations or liabilities, or take title to, or custody or
15 control of the authority's assets. Upon notification by the authority
16 of the disposition of the authority's assets and liabilities, the board
17 of supervisors shall rescind the ordinance that established the
18 authority, and the authority shall cease to exist on the date set
19 forth in the rescinding ordinance. The board of supervisors shall
20 notify the State Department of Health Care Services 30 days prior
21 to the effective date of the termination. The notice may also include
22 a statement of the board of supervisors' intent to have the medical
23 center and the managed care plan transferred to the county upon
24 the effective date of termination of the authority.

25 101856.1. In the event that the authority votes to file a petition
26 of bankruptcy, or the board of supervisors notifies the State
27 Department of Health Care Services of its intent to terminate the
28 authority, the provisions set forth in paragraphs (5) and (6) of
29 subdivision (t) of Section 14087.38 of the Welfare and Institutions
30 Code shall apply unless the board of supervisors has notified the
31 State Department of Health Care Services of its intent to have the
32 medical center and the managed care plan transferred to the
33 county.

34 SEC. 2. The Legislature finds and declares that Section 1 of
35 this act, which adds Chapter 5.5 (commencing with Section
36 101852) to Part 4 of Division 101 of the Health and Safety Code,
37 imposes a limitation on the public's right of access to the meetings
38 of public bodies or the writings of public officials and agencies
39 within the meaning of Section 3 of Article I of the California
40 Constitution. Pursuant to that constitutional provision, the

1 *Legislature makes the following findings to demonstrate the interest*
2 *protected by this limitation and the need for protecting that*
3 *interest:*

4 *In order to enable the Kern County Health System Authority to*
5 *successfully operate both the Kern Medical Center and managed*
6 *care plan as an integrated delivery system that increases access*
7 *to health care in the community and proactively improves the*
8 *quality of patient care services and patient experience, it is*
9 *imperative that the authority’s discussions, deliberative processes,*
10 *writings, and other communications pertaining to trade secrets or*
11 *other strategic planning actions, its rates of payments for providing*
12 *or arranging for health care services, and its peer review functions*
13 *by which it discharges its responsibility to evaluate and improve*
14 *the quality of care be protected as confidential information.*

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**All matter omitted in this version of the bill
appears in the bill as amended in the
Assembly May 15, 2014. (JR11)**