

AMENDED IN ASSEMBLY APRIL 7, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1046

Introduced by Assembly Member Dababneh

February 26, 2015

An act to amend Sections 127340, 127345, ~~127350, and 127355~~ and 127360 of, ~~and~~ to add Section 127365 to, *to repeal Section 127355 of, and to repeal and add Section 127350 of,* the Health and Safety Code, relating to hospitals.

LEGISLATIVE COUNSEL'S DIGEST

AB 1046, as amended, Dababneh. Hospitals: community benefits.

Existing law requires certain private not-for-profit acute hospitals to, every 3 years, complete a community needs assessment, as defined, and to annually adopt and update a community benefits plan, as defined. Existing law exempts certain hospitals from these provisions, including small and rural hospitals. Existing law requires a hospital to file a report on its community benefits plan and the activities undertaken to address community needs with the Statewide Office of Health Planning and Development. Existing law requires the office to make those reports available to the public.

This bill would revise and recast these provisions to, among other things, ~~make changes to specify~~ the elements that are required to be included in a community ~~benefits plan~~ *health needs assessment (CHNA) report, which would replace the community benefits plan,* and delete the exemption from these requirements for small and rural hospitals. The bill would instead require a hospital to adopt ~~a community benefits plan~~ *the CHNA report* every 3 years, and to submit an update of the activities conducted under the ~~plan~~ *report* to the office annually. The

bill would require the office to post on its Internet Web site the updates to community benefits plans received by the office from each hospital. The bill would require a hospital to make updates to its community benefits plan available to the public, upon request, at no charge. *CHNA report to be widely available to the public, as prescribed.*

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

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

1 SECTION 1. Section 127340 of the Health and Safety Code
2 is amended to read:

3 127340. The Legislature finds and declares all of the following:
4 (a) Private not-for-profit hospitals meet certain health needs of
5 their communities through the provision of essential health care
6 and other services. Public recognition of their unique status has
7 led to favorable tax treatment by the government. In exchange,
8 nonprofit hospitals assume a social obligation, *inherent in their*
9 *missions*, to provide community benefits in the public interest.

10 (b) ~~Hospitals and the environment in which they operate have~~
11 ~~undergone dramatic changes. The pace of change will accelerate~~
12 ~~in response to health care reform. In light of this, significant public~~
13 ~~benefit would be derived if private not-for-profit hospitals reviewed~~
14 ~~and reaffirmed periodically their commitment to assist in meeting~~
15 ~~their communities' health needs by identifying and documenting~~
16 ~~benefits provided to the communities which they serve.~~

17 (c) ~~California's private not-for-profit hospitals provide a wide~~
18 ~~range of benefits to their communities in addition to those reflected~~
19 ~~in the financial data reported to the state.~~

20 ~~These benefits include, but are not limited to, all of the following:~~

21 (1) ~~Community health services that may include community~~
22 ~~health education, community-based clinical services, health care~~
23 ~~support services, and social or environmental services.~~

24 (2) ~~Health professions education.~~

25 (3) ~~Subsidized health services, including, but not limited to,~~
26 ~~emergency and trauma, neonatal intensive care, burn and special~~
27 ~~care units, women and children's services, renal services, hospice,~~
28 ~~home care, adult day care, behavioral health care services, and~~
29 ~~palliative care.~~

- 1 ~~(4) Research in clinical care, community health, and general~~
2 ~~studies, including health care delivery.~~
- 3 ~~(5) Financial and in-kind contributions, including grants or other~~
4 ~~funds to not-for-profit health care organizations improving~~
5 ~~community health needs.~~
- 6 ~~(6) Administrative and operational costs associated with~~
7 ~~conducting community health needs assessments and implementing~~
8 ~~and evaluating community benefits plans.~~
- 9 ~~(d) Direct provision of health goods and services or partnerships~~
10 ~~to enhance the provision of health goods and services, as well as~~
11 ~~preventive programs, should be emphasized by hospitals in the~~
12 ~~development of community benefits plans.~~
- 13 *(b) California's private not-for-profit hospitals provide a wide*
14 *range of benefits to their communities, in addition to those reflected*
15 *in the financial data reported to the state in the form of community*
16 *benefits. These contributions seek to achieve a community benefit*
17 *objective, including improving access to health services, enhancing*
18 *public health, advancing increased general knowledge, and relief*
19 *of a government burden to improve health. This includes, but is*
20 *not limited to, programs or activities that meet the following*
21 *requirements:*
- 22 *(1) Are available broadly to the public and serve low-income*
23 *consumers.*
- 24 *(2) Reduce geographic, financial, or cultural barriers to*
25 *accessing health services, which, if they ceased, would result in*
26 *access problems, including, but not limited to, longer wait times*
27 *or increased travel distances.*
- 28 *(3) Address federal, state, or local public health priorities, such*
29 *as eliminating disparities in access to health care services or*
30 *disparities in health status among different populations.*
- 31 *(4) Leverage or enhance public health department activities,*
32 *such as childhood immunization efforts.*
- 33 *(5) Strengthen community health resilience by improving the*
34 *ability of a community to withstand and recover from public health*
35 *emergencies.*
- 36 *(6) Otherwise would become the responsibility of the government*
37 *or another tax-exempt organization.*
- 38 *(7) Advance increased general knowledge through education*
39 *or research that benefits the public.*

1 SEC. 2. Section 127345 of the Health and Safety Code is
2 amended to read:

3 127345. As used in this article, the following terms have the
4 following meanings:

5 (a) ~~“Community benefits plan” means a written document that~~
6 ~~shall include, but shall not be limited to, a description of the~~
7 ~~activities that the hospital has undertaken in order to address~~
8 ~~identified community health needs within its mission and financial~~
9 ~~capacity, and the process by which the hospital developed the plan~~
10 ~~in consultation with the community.~~

11 (b) ~~“Community” means the service areas or patient populations~~
12 ~~for which the hospital provides health care services.~~

13 (c) ~~Solely for the planning and reporting purposes of this article,~~
14 ~~“community benefit” means a hospital’s activities that are intended~~
15 ~~to address community health needs and priorities primarily through~~
16 ~~disease prevention and improvement of health status, including,~~
17 ~~but not limited to, any of the following:~~

18 (1) ~~Health care services, rendered to vulnerable populations,~~
19 ~~including, but not limited to, charity care and the unreimbursed~~
20 ~~cost of providing services to the uninsured, underinsured, and those~~
21 ~~eligible for Medi-Cal, Medicare, county indigent programs, or~~
22 ~~other means-tested government programs.~~

23 (2) ~~The unreimbursed cost of services included in subdivision~~
24 ~~(d) of Section 127340.~~

25 (3) ~~Financial or in-kind support of public health programs.~~

26 (4) ~~Donation of funds, property, or other resources that~~
27 ~~contribute to community health improvement.~~

28 (5) ~~Health care cost containment.~~

29 (6) ~~Enhancement of access to health care or related services that~~
30 ~~contribute to community health improvement.~~

31 (7) ~~Services offered without regard to financial return because~~
32 ~~they meet a community health need in the service area of the~~
33 ~~hospital, and other services including health promotion, health~~
34 ~~education, research, prevention, and social services.~~

35 (8) ~~Food, shelter, clothing, education, transportation, and other~~
36 ~~goods or services that help community health improvement.~~

37 (a) *“Authorized body of a hospital facility” means either of the*
38 *following:*

39 (1) *The governing body, including the board of directors, board*
40 *of trustees, or equivalent controlling body, of the hospital*

1 organization that operates the hospital facility, or a committee of,
2 or other party authorized by, that governing body, to the extent
3 that committee or other party is permitted under state law to act
4 on behalf of the governing body.

5 (2) The governing body of an entity that is regarded or treated
6 as a partnership for federal tax purposes that operates the hospital
7 facility or a committee of, or other party authorized by, that
8 governing body, to the extent that committee or other party is
9 permitted under state law to act on behalf of the governing body.

10 (b) “Cash and in-kind contribution” means contributions made
11 by the organization to health care organizations and other
12 community groups for one or more of the community benefit
13 activities.

14 (c) “Charity care” means free or discounted health services
15 provided to persons who meet the organization’s criteria for
16 financial assistance and are unable to pay for all or a portion of
17 the services. Charity care shall be recorded at cost. Charity care
18 does not include bad debt or uncollectible charges that the
19 organization recorded as revenue but wrote off due to a patient’s
20 failure to pay.

21 (d) “Community benefits” includes, but is not limited to, any
22 of the following:

23 (1) The unpaid cost of charity care and other financial
24 assistance.

25 (2) The unpaid cost of government-sponsored health care
26 programs, including, but not limited to all of the following:

27 (A) Medicare.

28 (B) Medicaid, including the Medi-Cal program.

29 (C) State Children’s Insurance Program.

30 (D) State or local medically indigent programs.

31 (E) Other means-tested government programs.

32 (3) The cost of community benefit programs and activities,
33 including, but not limited to, the following:

34 (A) Community health improvement services.

35 (B) Health professions education.

36 (C) Subsidized health services.

37 (D) Research.

38 (E) Cash and in-kind contributions.

39 (F) Community building activities.

40 (G) Community benefit operations.

- 1 (e) “Community benefit operations” means activities associated
2 with conducting community health needs assessments, community
3 benefit program administration, and the organization’s activities
4 associated with fundraising or grant-writing for community benefit
5 programs. Activities or programs cannot be reported if they are
6 provided primarily for marketing purposes or if they are more
7 beneficial to the organization than to the community.
- 8 (f) “Community building activities” includes, but is not limited
9 to, all of the following:
- 10 (1) Physical improvements and housing, which may include the
11 provision or rehabilitation of housing for vulnerable populations.
- 12 (2) Economic development, which may include assisting small
13 business development in neighborhoods with vulnerable
14 populations and creating new employment opportunities in areas
15 with high rates of joblessness.
- 16 (3) Community support, which may include child care and
17 mentoring programs for vulnerable populations or neighborhoods,
18 neighborhood support groups, violence prevention programs, and
19 disaster readiness and public health emergency activities.
- 20 (4) Environmental improvements, which may include activities
21 to address environmental hazards that affect community health,
22 such as alleviation of water or air pollution, safe removal or
23 treatment of garbage or other waste products, and other activities
24 to protect the community from environmental hazards.
- 25 (5) Leadership development and training for community
26 members, which may include training in conflict resolution, civic,
27 cultural, or language skills, and medical interpreter skills for
28 community residents.
- 29 (6) Coalition building, which may include participation in
30 community coalitions and other collaborative efforts with the
31 community to address health and safety issues.
- 32 (7) Community health improvement advocacy, which may
33 include efforts to support policies and programs to safeguard or
34 improve public health, access to health care services, housing, the
35 environment, and transportation.
- 36 (8) Workforce development, which may include recruitment of
37 physicians and other health professionals to medical shortage
38 areas or other areas designated as underserved, and collaboration
39 with educational institutions to train and recruit health
40 professionals needed in the community.

1 (9) *Other community building activities that protect or improve*
2 *the community's health or safety that are not described in the*
3 *categories listed in paragraphs (1) to (8), inclusive.*

4 (g) *"Community health improvement services" means activities*
5 *or programs, subsidized by the hospital, that are carried out or*
6 *supported for the express purpose of improving community health.*

7 ~~(d)~~

8 (h) *"Community health needs assessment" means the process*
9 *by which the hospital identifies, identifies unmet community health*
10 *needs for its primary service area, as determined by the hospital,*
11 *unmet community health needs hospital.*

12 ~~(e)~~

13 (i) *"Community health needs" means those requisites for*
14 *improvement or maintenance of health status in the community.*

15 (j) *"Community health needs assessment report" means the*
16 *written report adopted for the hospital facility by an authorized*
17 *body of the hospital facility.*

18 (k) *"Health professions education" means educational programs*
19 *that result in a degree, certificate, or training necessary to be*
20 *licensed to practice as a health professional, as required by state*
21 *law, or continuing education necessary to retain state license or*
22 *certification by a board in the individual's health profession*
23 *specialty.*

24 ~~(f)~~

25 (l) (1) *"Hospital" means a private not-for-profit acute hospital*
26 *licensed under subdivision (a), (b), or (f) of Section 1250 and is*
27 *owned by a corporation that has been determined to be exempt*
28 *from taxation under the United States Internal Revenue Code.*
29 ~~"Hospital"~~

30 (2) *"Hospital" does not include a hospital that is dedicated to*
31 *servicing children and that does not receive direct payment for*
32 *services to any patient.*

33 ~~(g) "Mission statement" means a hospital's primary objectives~~
34 ~~for operation as adopted by its governing body.~~

35 (m) *"Implementation Strategy" means the written document*
36 *prepared for annual submission to the Office of Statewide Health*
37 *Planning and Development that describes the hospital facility's*
38 *strategy to meet the community health needs identified through*
39 *the hospital facility's community health needs assessment.*

1 (n) “Other means-tested government programs” means
2 government-sponsored health programs where eligibility for
3 benefits or coverage is determined by income or assets, including,
4 but not limited to, the State Children’s Health Insurance Program
5 (SCHIP) and the California Children’s Services (CCS) Program.

6 (o) “Research” may include, but is not limited to, clinical
7 research, community health research, and generalizable studies
8 on health care delivery.

9 (p) “Subsidized health services” means clinical services
10 provided despite a financial loss to the organization.

11 (h)

12 (q) “Vulnerable—populations” population” means—any a
13 population that is exposed to medical or financial risk by virtue of
14 being uninsured, underinsured, or eligible for Medi-Cal, Medicare,
15 county indigent programs, or other means-tested programs.

16 SEC. 3. Section 127350 of the Health and Safety Code is
17 amended to read:

18 127350. Each hospital shall do all of the following:

19 (a) Every three years, complete, either alone, in conjunction
20 with other health care providers, or through other organizational
21 arrangements, a community health needs assessment evaluating
22 the health needs of the community serviced by the hospital, that
23 includes, but is not limited to, a process for consulting with
24 community groups and local government officials in the
25 identification and prioritization of community health needs that
26 the hospital can address directly, in collaboration with others, or
27 through other organizational arrangement.

28 (b) Following completion of the community health needs
29 assessment every three years, adopt a community benefits plan for
30 providing community benefits either alone, in conjunction with
31 other health care providers, or through other organizational
32 arrangements.

33 (c) Annually submit an update of the activities conducted
34 pursuant to the community benefits plan, including, but not limited
35 to, the activities that the hospital has undertaken in order to address
36 community health needs within its mission and financial capacity,
37 to the Office of Statewide Health Planning and Development. The
38 hospital shall, to the extent practicable, assign and report the
39 economic value of community benefits provided in furtherance of

1 its plan. Each hospital shall file a copy of the update with the office
2 not later than 150 days after the hospital's fiscal year ends.

3 ~~(d) The updates filed by the hospitals with the office shall be~~
4 ~~made available to the public by the office, and, upon request, by~~
5 ~~the hospital, at no charge. Hospitals under the common control of~~
6 ~~a single corporation or another entity may file a consolidated update~~
7 ~~of its community benefits plan.~~

8 ~~SEC. 4. Section 127355 of the Health and Safety Code is~~
9 ~~amended to read:~~

10 ~~127355. The hospital shall include all of the following elements~~
11 ~~in its community benefits plan:~~

12 ~~(a) Mechanisms to evaluate the plan's effectiveness including,~~
13 ~~but not limited to, a method for soliciting the views of the~~
14 ~~community served by the hospital and identification of community~~
15 ~~groups and local government officials consulted during the~~
16 ~~development of the plan.~~

17 ~~(b) Measurable objectives to be achieved within specified~~
18 ~~timeframes.~~

19 ~~(c) Community benefits categorized into the following~~
20 ~~framework:~~

21 ~~(1) Charity care at cost.~~

22 ~~(2) Unreimbursed cost of Medi-Cal, Medicare, county indigent~~
23 ~~programs, or other means-tested government programs.~~

24 ~~(3) Community health improvement services.~~

25 ~~(4) Health research, health professions education, and training~~
26 ~~programs.~~

27 ~~(5) Subsidized health services, cash, and in-kind contributions~~
28 ~~and other benefits.~~

29 ~~(6) Nonquantifiable benefits.~~

30 ~~SEC. 3. Section 127350 of the Health and Safety Code is~~
31 ~~repealed.~~

32 ~~127350. Each hospital shall do all of the following:~~

33 ~~(a) By July 1, 1995, reaffirm its mission statement that requires~~
34 ~~its policies integrate and reflect the public interest in meeting its~~
35 ~~responsibilities as a not-for-profit organization.~~

36 ~~(b) By January 1, 1996, complete, either alone, in conjunction~~
37 ~~with other health care providers, or through other organizational~~
38 ~~arrangements, a community needs assessment evaluating the health~~
39 ~~needs of the community serviced by the hospital, that includes,~~
40 ~~but is not limited to, a process for consulting with community~~

1 ~~groups and local government officials in the identification and~~
 2 ~~prioritization of community needs that the hospital can address~~
 3 ~~directly, in collaboration with others, or through other~~
 4 ~~organizational arrangement. The community needs assessment~~
 5 ~~shall be updated at least once every three years.~~

6 ~~(e) By April 1, 1996, and annually thereafter adopt and update~~
 7 ~~a community benefits plan for providing community benefits either~~
 8 ~~alone, in conjunction with other health care providers, or through~~
 9 ~~other organizational arrangements.~~

10 ~~(d) Annually submit its community benefits plan, including,~~
 11 ~~but not limited to, the activities that the hospital has undertaken~~
 12 ~~in order to address community needs within its mission and~~
 13 ~~financial capacity to the Office of Statewide Health Planning and~~
 14 ~~Development. The hospital shall, to the extent practicable, assign~~
 15 ~~and report the economic value of community benefits provided in~~
 16 ~~furtherance of its plan. Effective with hospital fiscal years,~~
 17 ~~beginning on or after January 1, 1996, each hospital shall file a~~
 18 ~~copy of the plan with the office not later than 150 days after the~~
 19 ~~hospital's fiscal year ends. The reports filed by the hospitals shall~~
 20 ~~be made available to the public by the office. Hospitals under the~~
 21 ~~common control of a single corporation or another entity may file~~
 22 ~~a consolidated report.~~

23 *SEC. 4. Section 127350 is added to the Health and Safety Code,*
 24 *to read:*

25 *127350. (a) Each hospital shall assess the health needs of its*
 26 *community.*

27 *(b) Each hospital shall conduct a community health needs*
 28 *assessment (CHNA) every three years, as described in this*
 29 *subdivision.*

30 *(1) A hospital facility shall complete all of the following steps:*

31 *(A) Define the community it serves.*

32 *(B) Assess the health needs of that community.*

33 *(C) In assessing the health needs of the community, solicit and*
 34 *take into account input received from persons who represent the*
 35 *broad interests of that community, including those with special*
 36 *knowledge of or expertise in public health.*

37 *(D) Document the CHNA in a written report that is adopted for*
 38 *the hospital facility by an authorized body of the hospital facility.*

39 *(E) Make the CHNA report widely available to the public.*

1 (2) A hospital facility shall be considered to have conducted a
2 CHNA on the date it has completed all of the steps described in
3 this subdivision.

4 (3) In defining the community it serves for purposes of this
5 subdivision, a hospital facility may take into account all relevant
6 facts and circumstances, including the geographic area served by
7 the hospital facility, target population served, and principal
8 functions. A hospital facility may not define its community to
9 exclude medically underserved, low-income, or minority
10 populations who live in the geographic areas from which the
11 hospital facility draws its patients, unless those populations are
12 not part of the hospital facility's target patient population or
13 affected by its principal functions, or otherwise should be included
14 based on the method the hospital facility uses to define its
15 community. A hospital facility shall take into account all patients,
16 without regard to whether or how much they or their insurers pay
17 for the care provided, or whether they are eligible for assistance
18 under the hospital facility's charity care, discount, or other
19 financial assistance policies.

20 (4) A hospital facility shall identify significant health needs of
21 the community, prioritize those health needs, and identify resources
22 potentially available to address those health needs, such as
23 organizations, facilities, and programs in the community, including
24 those of the hospital facility. A hospital facility may determine
25 whether a health need is significant based on all of the facts and
26 circumstances present in the community it serves. In addition, a
27 hospital facility may use any criteria to prioritize the significant
28 health needs it identifies, including, but not limited to, the burden,
29 scope, severity, or urgency of the health need; the estimated
30 feasibility and effectiveness of possible interventions; the health
31 disparities associated with the need; or the importance the
32 community places on addressing the need.

33 (5) A hospital facility shall solicit and take into account input
34 received from all of the following sources in identifying and
35 prioritizing significant health needs and in identifying resources
36 potentially available to address those health needs:

37 (A) At least one state, local, tribal, or regional governmental
38 public health department or equivalent department or agency, or
39 a State Office of Rural Health described in Section 338J of the
40 Public Health Service Act (42 U.S.C. Sec. 254r), with knowledge,

1 information, or expertise relevant to the health needs of that
2 community.

3 (B) Members of medically underserved, low-income, and
4 minority populations in the community served by the hospital
5 facility, or individuals or organizations serving or representing
6 the interests of those populations. For purposes of this paragraph,
7 medically underserved populations include populations
8 experiencing health disparities or at risk of not receiving adequate
9 medical care, as a result of being uninsured or underinsured or
10 due to geographic, language, financial, or other barriers.

11 (C) Written comments received on the hospital facility's most
12 recently conducted CHNA and most recently adopted
13 implementation strategy.

14 (6) A hospital facility may solicit and take into account input
15 received from a broad range of persons located in or serving its
16 community, including, but not limited to, health care consumers
17 and consumer advocates, nonprofit and community-based
18 organizations, academic experts, local government officials, local
19 school districts, health care providers and community health
20 centers, health insurance and managed care organizations, private
21 businesses, and labor and workforce representatives.

22 (7) The CHNA report adopted pursuant to subdivision (c) shall
23 include all of the following:

24 (A) A definition of the community served by the hospital facility
25 and a description of how the community was determined.

26 (B) A description of the process and methods used to conduct
27 the CHNA, that describes the data and other information used in
28 the assessment, as well as the methods of collecting and analyzing
29 this data and information, and identifies any parties with whom
30 the hospital facility collaborated, or with whom it contracted for
31 assistance, in conducting the CHNA.

32 (C) A description of how the hospital facility solicited and took
33 into account input received from persons who represent the broad
34 interests of the community it serves. This requirement shall be
35 fulfilled if the report summarizes, in general terms, any input
36 provided by persons who represent the broad interests of the
37 community it serves and how and over what time period that input
38 was provided; provides the names of any organizations providing
39 input and summarizes the nature and extent of the organization's
40 input; and describes the medically underserved, low-income, or

1 *minority populations being represented by organizations or*
2 *individuals that provided input. A CHNA report does not need to*
3 *name or otherwise identify specific individual providing input. In*
4 *the event a hospital facility solicits, but cannot obtain, input from*
5 *a source described in this section, the CHNA report shall describe*
6 *the hospital facility's efforts to solicit input from that source.*

7 *(D) A prioritized description of the significant health needs of*
8 *the community identified through the CHNA, along with a*
9 *description of the process and criteria used in identifying certain*
10 *health needs as significant and prioritizing those significant health*
11 *needs.*

12 *(E) A description of the resources potentially available to*
13 *address the significant health needs identified through the CHNA.*

14 *(F) An evaluation of the impact of any actions that were taken*
15 *since the hospital facility finished conducting its immediately*
16 *preceding CHNA, to address the significant health needs identified*
17 *in the hospital facility's prior CHNA.*

18 *(8) While a hospital facility may conduct its CHNA in*
19 *collaboration with other organizations and facilities, including,*
20 *but not limited to, related and unrelated hospital organizations*
21 *and facilities, for-profit and government hospitals, governmental*
22 *departments, and nonprofit organizations, every hospital facility*
23 *shall document the information described in this paragraph in a*
24 *separate CHNA report unless it adopts a joint CHNA report as*
25 *described in subdivision (b). If a hospital facility is collaborating*
26 *with other facilities and organizations in conducting its CHNA,*
27 *or if another organization has conducted a CHNA for all or part*
28 *of the hospital facility's community, portions of the hospital*
29 *facility's CHNA report may be substantively identical to portions*
30 *of a CHNA report of a collaborating hospital facility or other*
31 *organization conducting a CHNA, if appropriate under the facts*
32 *and circumstances.*

33 *(c) An authorized body of the hospital facility shall adopt the*
34 *implementation strategy to meet the community health needs*
35 *identified through the CHNA.*

36 *(d) A hospital facility that collaborates with other hospital*
37 *facilities or other organizations in conducting its CHNA shall*
38 *satisfy this section if an authorized body of the hospital facility*
39 *adopts for the hospital facility a joint CHNA report produced for*

1 *the hospital facility and one or more of the collaborating facilities*
2 *and organizations, provided that the following conditions are met:*

3 *(1) The joint CHNA report meets the requirements of this*
4 *section.*

5 *(2) The joint CHNA report is clearly identified as applying to*
6 *the hospital facility.*

7 *(3) All of the collaborating hospital facilities and organizations*
8 *included in the joint CHNA report define their community to be*
9 *the same.*

10 *(e) A hospital facility's CHNA report is made widely available*
11 *to the public only if the hospital facility does both of the following:*

12 *(1) Makes the current and prior CHNA reports widely available*
13 *on an Internet Web site.*

14 *(2) Makes a paper copy of the current and prior CHNA report*
15 *available for public inspection upon request and without charge.*

16 *(f) (1) A hospital's implementation strategy shall do either of*
17 *the following:*

18 *(A) Describe how the hospital facility plans to address the health*
19 *need by describing the actions the hospital facility intends to take*
20 *to address the health need and the anticipated impact of these*
21 *actions; identifying the resources the hospital facility plans to*
22 *commit to address the health need, reported in the categories*
23 *outlined in subdivision (d) of Section 127345; and describing*
24 *planned collaboration between the hospital facility and other*
25 *facilities or organizations in addressing the health need.*

26 *(B) Identify the health need as one the hospital facility does not*
27 *intend to address, and explain why the hospital facility does not*
28 *intend to address the health need. In explaining why it does not*
29 *intend to address a significant health need, a brief explanation of*
30 *the hospital facility's reason for not addressing the health need is*
31 *sufficient.*

32 *(2) A hospital facility may develop an implementation strategy*
33 *in collaboration with other hospital facilities or other*
34 *organizations, including, but not limited to, related and unrelated*
35 *hospital organizations and facilities, for-profit and government*
36 *hospitals, governmental entities, and nonprofit organizations.*
37 *Unless otherwise authorized by law, a hospital facility that*
38 *collaborates with other facilities or organizations in developing*
39 *its implementation strategy shall still document its implementation*

1 *strategy in a separate written plan that is tailored to the particular*
2 *hospital facility, taking into account its specific resources.*

3 (3) *An authorized body of the hospital facility shall adopt the*
4 *implementation strategy on or before the 15th day of the fifth month*
5 *after the end of the taxable year in which the hospital facility*
6 *completes the final step for the CHNA.*

7 (4) *A hospital facility shall annually submit an update on*
8 *activities related to the implementation strategy to the office, not*
9 *later than 150 days after the hospital's fiscal year ends. Hospitals*
10 *under the common control of a single corporation or another entity*
11 *may file a consolidated report.*

12 *SEC. 5. Section 127355 of the Health and Safety Code is*
13 *repealed.*

14 ~~127355. The hospital shall include all of the following elements~~
15 ~~in its community benefits plan:~~

16 ~~(a) Mechanisms to evaluate the plan's effectiveness including,~~
17 ~~but not limited to, a method for soliciting the views of the~~
18 ~~community served by the hospital and identification of community~~
19 ~~groups and local government officials consulted during the~~
20 ~~development of the plan:~~

21 ~~(b) Measurable objectives to be achieved within specified~~
22 ~~timeframes:~~

23 ~~(c) Community benefits categorized into the following~~
24 ~~framework:~~

25 ~~(1) Medical care services.~~

26 ~~(2) Other benefits for vulnerable populations.~~

27 ~~(3) Other benefits for the broader community.~~

28 ~~(4) Health research, education, and training programs.~~

29 ~~(5) Nonquantifiable benefits.~~

30 *SEC. 6. Section 127360 of the Health and Safety Code is*
31 *amended to read:*

32 ~~127360. Nothing in this article shall be construed to authorize~~
33 ~~or require specific formats for hospital needs assessments,~~
34 ~~community benefit plans, or reports until recommendations~~
35 ~~pursuant to former Section 127365, as added by Chapter 1023 of~~
36 ~~the Statutes of 1996, are considered and enacted by the Legislature.~~

37 ~~Nothing in this article shall~~

38 ~~127360. This article shall not be used to justify the tax-exempt~~
39 ~~status of a hospital under state law. Nothing in this article shall~~

1 *This article shall not* preclude the office from requiring hospitals
2 to directly report their charity activities.

3 ~~SEC. 5.~~

4 *SEC. 7.* Section 127365 is added to the Health and Safety Code,
5 to read:

6 127365. The Office of Statewide Health Planning and
7 Development shall do all of the following:

8 (a) Post on its Internet Web site the ~~community benefits plans~~
9 ~~and implementation strategy~~ updates that are submitted to the
10 office pursuant to subdivision ~~(b) or (e)~~ (f) of Section 127350
11 within 120 days of receipt of those plans or updates.

12 (b) Identify on its Internet Web site any hospital that did not
13 file an update of its ~~community benefits plan implementation~~
14 *strategy* on a timely basis.