

AMENDED IN ASSEMBLY JUNE 16, 2016

AMENDED IN SENATE MAY 31, 2016

SENATE BILL

No. 1365

Introduced by Senator Hernandez
(Principal coauthor: Assembly Member Bonta)

February 19, 2016

An act to add Section 1323.1 to the Health and Safety Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1365, as amended, Hernandez. Hospitals.

Under existing law, health facilities, including ~~hospitals, as defined,~~ *general acute care hospitals*, are licensed and regulated by the State Department of Public Health. Existing law prohibits a health facility from charging, billing, or otherwise soliciting payment from a patient on behalf of, or referring a patient to, another health facility in which the health facility has a significant beneficial interest, except as provided. A violation of these provisions is a crime.

This bill would require a general acute care hospital ~~that offers a service in a hospital-based outpatient clinic, as defined,~~ to provide a specified notice to each patient *scheduled for a service in a hospital-based outpatient clinic, as defined*, when that service is available in a nonhospital-based location. By expanding the application of an existing crime, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 ~~SECTION 1. Section 1323.1 is added to the Health and Safety~~
 2 ~~Code, to read:~~

3 *SECTION 1. Section 1323.1 is added to the Health and Safety*
 4 *Code, immediately following Section 1323, to read:*

5 1323.1. (a) A general acute care hospital ~~that offers a service~~
 6 ~~in a hospital-based outpatient clinic~~ shall notify each patient
 7 *scheduled for a service in a hospital-based outpatient clinic* when
 8 *that service is available in a nonhospital-based location, as follows:*
 9 *another location that is not hospital-based. The notification shall*
 10 *be in substantially the following form:*

11 “~~The~~
 12 *The location where you are being scheduled to receive services*
 13 *is a hospital-based clinic, and, therefore, may have higher costs.*
 14 *The same service may be available at another location within our*
 15 *health system that is not hospital-based, which may cost less. Check*
 16 *with _____ (Patient Financial Services Office) the [insert name of*
 17 *office] at [insert telephone number] for another location within*
 18 *our health system, or check with your health insurance company,*
 19 *for more information about other locations that may cost less.”*
 20 *less.*

21 (b) For purposes of this section, a “hospital-based outpatient
 22 clinic” means a department of a provider, as defined in Section
 23 413.65(a)(2) of Title 42 of the Code of Federal Regulations, that
 24 is not located on the campus of that provider.

25 SEC. 2. No reimbursement is required by this act pursuant to
 26 Section 6 of Article XIII B of the California Constitution because
 27 the only costs that may be incurred by a local agency or school
 28 district will be incurred because this act creates a new crime or
 29 infraction, eliminates a crime or infraction, or changes the penalty
 30 for a crime or infraction, within the meaning of Section 17556 of
 31 the Government Code, or changes the definition of a crime within

1 the meaning of Section 6 of Article XIII B of the California
2 Constitution.

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