

AMENDED IN ASSEMBLY MAY 7, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1337

Introduced by Assembly Member Shelley

February 28, 1997

An act to amend Section 23004.5 of the Government Code, and to add Section 14087.326 to the Welfare and Institution Code, relating to ~~county~~ health facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1337, as amended, Shelley. County health care facilities: operations.

Under existing law, health care facilities that are owned or operated by counties may establish, maintain, and carry out their activities through one or more corporations, joint ventures, or partnerships, for the direct benefit of those facilities and the health services that they provide.

This bill would add health authorities to the list of entities authorized to establish, maintain, and carry out the activities of county owned or operated health care facilities.

This bill would also permit the State Department of Health Services to establish a pilot program for reimbursement methodologies for federally qualified health centers.

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

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

1 SECTION 1. Section 23004.5 of the Government
2 Code is amended to read:

3 23004.5. Health care facilities, including, but not
4 limited to, hospitals and clinics licensed under Division 2
5 (commencing with Section 1200) of the Health and
6 Safety Code, that are owned or operated by counties may
7 establish, maintain, and carry on their activities through
8 one or more corporations, joint ventures, partnerships, or
9 health authorities, for the direct benefit of those health
10 care facilities and the health services that they provide.
11 Nothing in this section shall be construed to exempt
12 facilities conducting their activities in accordance with
13 this section from the licensure requirements set forth in
14 Division 2 (commencing with Section 1200) of the Health
15 and Safety Code, when those requirements are
16 applicable. Nothing in this section shall be construed to
17 eliminate the necessity of prior approval by the county's
18 board of supervisors, at a noticed public hearing, of any
19 transfer of the assets of a county health system and the
20 consideration therefor.

21 *SEC. 2. Section 14087.326 is added to the Welfare and*
22 *Institutions Code, to read:*

23 *14087.326. The State Department of Health Services*
24 *may establish, for local initiative and for commercial*
25 *health plans, as defined in Section 53810 of Title 22 of the*
26 *California Code of Regulations, that are providing*
27 *services to Medi-Cal beneficiaries and operating under*
28 *contract with the department, a pilot program for the*
29 *establishment of reimbursement methodologies other*
30 *than those provided for in Section 14087.325. The*
31 *department shall select the county or counties and*
32 *develop the terms of the pilot program in collaboration*
33 *with the health plans. The selected counties shall include*
34 *at least one county with a sizable number of entities*
35 *defined in Section 1396(d)(1)(2)(B) of Title 42 of the*



1 *United States Code, also known as federally qualified*
2 *health centers.*

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