

**Assembly Bill No. 1075**

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Passed the Assembly May 23, 2005

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*Chief Clerk of the Assembly*

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Passed the Senate June 15, 2005

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2005, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

CHAPTER \_\_\_\_\_

An act to amend Sections 101680, 101685, 101750, 101755, and 101765 of, and to repeal Section 101785 of, the Health and Safety Code, relating to health care.

LEGISLATIVE COUNSEL’S DIGEST

AB 1075, Blakeslee. County organized health systems: Santa Barbara Regional Health Authority.

Existing law authorizes the Board of Supervisors of the County of Santa Barbara to order the formation of the Santa Barbara Regional Health Authority that shall include all of the areas of the county. Existing law separately establishes procedures for providing California Children’s Services (CCS) covered services, in accordance with Medi-Cal managed care contracts.

This bill would provide that the authority shall not be limited to areas of the county, provides for the provision of services by the authority within a service area, and defines service area to mean the geographical area where the authority provides a health care system. The bill would require the services provided in a county other than the County of Santa Barbara to be authorized by resolution of the other county’s board of supervisors.

This bill would provide that the bill should not be construed to supersede the existing law provisions relating to providing CCS covered services, in accordance with Medi-Cal managed care contracts.

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

SECTION 1. Section 101680 of the Health and Safety Code is amended to read:

101680. The Board of Supervisors of the County of Santa Barbara may, by ordinance or resolution, order the formation of the Santa Barbara Regional Health Authority under this chapter that shall include, but need not be limited to, all of the incorporated and unincorporated areas of the county.

SEC. 2. Section 101685 of the Health and Safety Code is amended to read:

101685. Unless the context otherwise requires, this article governs the construction of this chapter. As used in this chapter:

(a) “Authority” means the Santa Barbara Regional Health Authority.

(b) “Board” means the Santa Barbara Regional Health Authority Board of Directors.

(c) “County” means the County of Santa Barbara.

(d) “Health care system” means any system established to arrange for the provision of medical services.

(e) “Public agency” means the United States, the State of California, any political subdivision, county, municipality, district, or agency of the State of California or of the United States and any department, bureau or commission of the State of California or of the United States.

(f) “Person” means any individual, firm, partnership, association, corporation, limited liability company, trust, business trust, or the receiver or trustee or conservator for any of the above, but does not include a public agency.

(g) “Professional advisory boards” means the boards appointed by the board of directors of the authority pursuant to its rules which shall consist of a representative cross-section of professional providers of health care services within the county.

(h) “Community advisory boards” means advisory boards to the authority’s board appointed by the board of directors of the authority which shall consist of persons who represent community and consumer interests and who do not directly earn their income from the provision of medical health services.

(i) “Service area” means the county, and those counties that are contiguous with the county.

SEC. 3. Section 101750 of the Health and Safety Code is amended to read:

101750. The authority is hereby declared to be a body corporate and politic and it shall have power:

(a) To have perpetual succession.

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

(c) To adopt a seal and alter it at pleasure.

(d) To take by grant, purchase, gift, devise, or lease, to hold, use and enjoy, and to lease, convey or dispose of, real and

personal property of every kind, within or without the boundaries of the authority, necessary or convenient to the full exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property within or without the boundaries of the authority necessary to the full or convenient exercise of its powers.

(e) To make and enter into contracts with any public agency or person for the purposes of this chapter, including, but not limited to, agreements under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Members of the board shall be disqualified from voting on contracts in which they have a financial interest. Notwithstanding any other provision of law, members shall not be disqualified from continuing to serve as a member of the board and a contract may not be avoided solely because of a member's financial interest.

(f) To appoint and employ an executive director and other employees as may be necessary, including legal counsel, fix their compensation and define their powers and duties. The board shall prescribe the amounts and forms of fidelity bond of its officers and employees. The cost of these bonds shall be borne by the authority. The authority may also contract for the services of an independent contractor.

(g) To incur indebtedness not exceeding revenue in any year.

(h) To purchase supplies, equipment, materials, property, or services.

(i) To establish policies relating to its purposes.

(j) To acquire or contract to acquire, rights-of-way, easements, privileges, or property of every kind within or without the boundaries of the authority, and construct, equip, maintain, and operate any and all works or improvements within or without the boundaries of the authority necessary, convenient, or proper to carry out any of the provisions, objects or purposes of this chapter, and to complete, extend, add to, repair, or otherwise improve any works or improvements acquired by it.

(k) To make contracts and enter into stipulations of any nature upon the terms and conditions that the board finds are for the best interest of the authority for the full exercise of the powers granted in this chapter.

(l) To accept gifts, contributions, grants or loans from any public agency or person for the purposes of this chapter. The

authority may do any and all things necessary in order to avail itself of the gifts, contributions, grants or loans, and cooperate under any federal or state legislation in effect on March 25, 1982, or enacted after that date.

(m) To manage its moneys and to provide depository and auditing services pursuant to either of the methods applicable to special districts as set forth in the Government Code.

(n) To negotiate with service providers rates, charges, fees and rents, and to establish classifications of health care systems operated by the authority. Members of the board who are county officers and employees may vote to approve arrangements and agreements between the authority and the county as a service provider and these directors shall not thus be disqualified solely for the reason that they are employed by the county.

(o) To develop and implement health care delivery systems to promote quality care and cost efficiency and to provide appeal and grievance procedures available to both providers and consumers.

(p) To provide health care delivery systems for any or all of the following:

(1) For all persons who are eligible to receive medical benefits under the Medi-Cal Act, as set forth in Sections 14000 et seq., of the Welfare and Institutions Code in the service area through waiver, pilot project, or otherwise.

(2) For all persons in the service area who are eligible to receive medical benefits under both Titles XVIII and XIX of the federal Social Security Act.

(3) For all persons in the service area who are eligible to receive medical benefits under Title XVIII of the federal Social Security Act.

(4) For all persons in the service area who are eligible to receive medical benefits under publicly supported programs if the authority, and participating providers acting pursuant to subcontracts with the authority, agree to hold harmless the beneficiaries of the publicly supported programs if the contract between the sponsoring government agency and the authority does not ensure sufficient funding to cover program benefits.

(q) To insure against any accident or destruction of its health care system or any part thereof. It may insure against loss of revenues from any cause. The authority may also provide

insurance as provided in Part 6 (commencing with Section 989) of Division 3.6 of Title 1 of the Government Code.

(r) To exercise powers that are expressly granted and powers that are reasonably implied from express powers and necessary to carry out the purposes of this chapter.

(s) To do any and all things necessary to carry out the purposes of this chapter.

(t) With respect to services provided outside the county, the authority may only provide those services to the extent that the services are authorized by resolution of the board of supervisors of the county in which the services are to be provided.

SEC. 4. Section 101755 of the Health and Safety Code is amended to read:

101755. Notwithstanding any other provision of law, the state or any state agency may enter into contracts with the authority for the authority to obtain or arrange for health care under the authority's health care systems, for all persons who are eligible to receive medical benefits under the Medi-Cal Act, as set forth in Section 14000 et seq., of the Welfare and Institutions Code, and to enter into contracts for the provision of health care services to subscribers in the Healthy Families Program, in its service area through waiver, pilot project, or otherwise.

SEC. 5. Section 101765 of the Health and Safety Code is amended to read:

101765. Any licensed provider eligible to receive Medi-Cal reimbursement under law and who enters into a written contract with the authority under terms and conditions approved by the department shall be able to participate in this program as a provider. A written agreement shall not be required if any of the following circumstances apply:

(a) The provider renders any medically necessary emergency health care on a nonroutine basis.

(b) The provider renders services that are duly authorized by the authority, if the services are either seldom used or are rendered outside of the service area.

SEC. 6. Section 101785 of the Health and Safety Code is repealed.

SEC. 7. Nothing in this act shall be construed to supersede Section 14094.3 of the Welfare and Institutions Code.



Approved \_\_\_\_\_, 2005

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*Governor*