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HEALTH AND SAFETY CODE - HSC

DIVISION 101. ADMINISTRATION OF PUBLIC HEALTH [100100 - 101997] (*Division 101 added by Stats. 1995, Ch. 415, Sec. 3.*)

PART 4. SPECIAL HEALTH AUTHORITIES [101525 - 101881] (*Part 4 added by Stats. 1995, Ch. 415, Sec. 3.*)

CHAPTER 4. San Luis Obispo County Hospital Authority [101825 - 101849.4] (*Chapter 4 added by Stats. 1999, Ch. 899, Sec. 1.*)

ARTICLE 2. Hospital Authority [101827 - 101849.4] (*Article 2 added by Stats. 1999, Ch. 899, Sec. 1.*)

101827. The board of supervisors of the county may, by ordinance, establish a hospital authority separate and apart from the county for the purpose of effecting a transfer of the management, administration, and control of General Hospital and the Family Care Centers in accordance with Section 14000.2 of the Welfare and Institutions Code. A hospital authority established pursuant to this chapter shall be strictly and exclusively dedicated to the management, administration, and control of General Hospital and the Family Care Centers within parameters set forth in this chapter, and in accordance with ordinances, bylaws, and contracts adopted by the board of supervisors, which shall not be in conflict with this chapter, Section 1442.5 of this code, or Section 17000 of the Welfare and Institutions Code.

(*Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.*)

101828. (a) A hospital authority established pursuant to this chapter shall be governed by a board that is comprised of San Luis Obispo County residents and subject to final approval by a majority vote of the county board of supervisors.

(b) The governing board shall consist of 11 members as follows:

(1) One member from each of the five supervisorial districts. Each district member shall be appointed by the supervisor elected from that supervisorial district. Supervisors shall avoid appointment of individuals who may be expected to have significant or frequent conflicts of interest with the hospital authority's interests or goals.

(2) One member recommended by the exclusive representative for the employee association with the largest membership in San Luis Obispo County.

(3) One member recommended by the San Luis Obispo County Health Commission to serve as a health care consumer representative.

(4) One member recommended by the San Luis Obispo County Medical Society.

(5) One member shall be either the Family Care Center Medical Director or the county health officer.

(6) One member shall be the General Hospital's Chief of Medical Staff or Vice Chief of Staff, or the designee of the Chief of Medical Staff of the General Hospital.

(7) One member shall be the county auditor-controller or the designee of the county auditor-controller.

(c) Members of the board of directors for the hospital authority shall meet qualifications specified in the enabling ordinance for the hospital authority.

(d) The board of supervisors may, upon a majority vote and after duly noticed public hearing, amend the composition of the board of directors, but shall neither increase nor decrease the number of members of the board of directors.

(e) The mission of the hospital authority shall be consistent with the mission statement adopted by the San Luis Obispo County Board of Supervisors as part of the 1998–99 final budget and shall consist of the management, administration, and other control, as

determined by the board of supervisors, of General Hospital and the Family Care Centers, in a manner that ensures appropriate, quality, and cost-effective medical care as required of counties by Section 17000 of the Welfare and Institutions Code, and, to the extent feasible, other populations to the extent feasible and appropriate.

(f) The board of supervisors shall adopt bylaws for General Hospital and the Family Care Centers that set forth those matters, related to the operation of General Hospital and the Family Care Centers by the hospital authority, that the board of supervisors deems necessary and appropriate. The bylaws shall become operative upon approval by a majority vote of the governing board. Any changes or amendments to the bylaws shall be by majority vote of the governing board.

(g) The hospital authority created and appointed pursuant to this section is a duly constituted governing body within the meaning of Sections 1250 and 70035 of Title 22 of the California Code of Regulations as currently written or subsequently amended.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101829. Unless otherwise provided by the board of supervisors by way of resolution, the hospital authority is empowered, or the board of supervisors is empowered on behalf of the hospital authority, to apply as a public agency for one or more licenses for the provision of health care pursuant to statutes and regulations governing licensing as currently written or subsequently amended.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101830. In the event of a change of license ownership, the governing body of the hospital authority shall comply with the obligations of governing bodies of general acute care hospitals generally as set forth in Section 70701 of Title 22 of the California Code of Regulations, as currently written or subsequently amended, as well as the terms and conditions of the license. The hospital authority shall be the responsible party with respect to compliance with these obligations, terms, and conditions.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101831. Any transfer by the county to the hospital authority of the administration, management, and control of General Hospital and the Family Care Centers, whether or not the transfer includes the surrendering by the county of the existing general acute care hospital license and corresponding application for a change of ownership of the license, shall not affect the eligibility of the county, or in the case of a change of license ownership, the hospital authority, to do any of the following:

- (a) Participate in, and receive allocations pursuant to, the California Healthcare for the Indigent Program (CHIP).
- (b) Receive supplemental reimbursements from the Emergency Services and Supplemental Payments Fund created pursuant to Section 14085.6 of the Welfare and Institutions Code.
- (c) Receive appropriations from the Medi-Cal Inpatient Payment Adjustment Fund without relieving the county of its obligation to make intergovernmental transfer payments related to the Medi-Cal Inpatient Payment Adjustment Fund pursuant to Section 14163 of the Welfare and Institutions Code.
- (d) Receive Medi-Cal capital supplements pursuant to Section 14085.5 of the Welfare and Institutions Code.
- (e) Receive any other funds that would otherwise be available to a county hospital.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101832. Any transfer described in Section 101831 shall not otherwise disqualify the county, or in the case of a change in license ownership, the hospital authority, from participating in any of the following:

- (a) Other funding sources either specific to county hospitals or county ambulatory care clinics or for which there are special provisions specific to county hospitals or to county ambulatory care clinics.
- (b) Funding programs in which the county, on behalf of General Hospital, the Family Care Centers, and the San Luis Obispo County Health Agency had participated prior to the creation of the hospital authority, or would otherwise be qualified to participate in had the hospital authority not been created, and administration, management, and control not been transferred by the county to the hospital authority, pursuant to this chapter.
- (c) A hospital authority created pursuant to this chapter shall be a legal entity separate and apart from the county and shall file the statement required by Section 53051 of the Government Code. The hospital authority shall be a government entity separate and apart from the county, and shall not be considered to be an agency, division, or department of the county. The hospital authority shall not be governed by, nor be subject to, the charter of the county and shall not be subject to policies or operational rules of the county, including, but not limited to, those relating to personnel and procurement.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101833. Any contract executed by and between the county and the hospital authority shall provide that liabilities or obligations of the hospital authority with respect to its activities pursuant to the contract shall be the liabilities or obligations of the hospital authority, and shall not become the liabilities or obligations of the county. Any contract executed by and between the county and the hospital

authority shall provide for the indemnification of the county by the hospital authority for liabilities as specifically set forth in the contract, except that the contract shall include a provision that the county shall remain liable for its own negligent acts. Indemnification by the hospital authority shall not be construed as divesting the county from its ultimate responsibility for compliance with Section 17000 of the Welfare and Institutions Code.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101834. Any liabilities or obligations of the hospital authority with respect to the liquidation or disposition of the hospital authority's assets upon termination of the hospital authority shall not become the liabilities or obligations of the county, except for any liabilities or obligations to the State of California.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101835. Any obligation of the hospital authority, statutory, contractual, or otherwise, shall be the obligation solely of the hospital authority and shall not be the obligation of the county, except for any obligations, statutory, contractual, or otherwise, due the State of California.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101836. Notwithstanding any other provision of this section, any transfer of the administration, management, or assets of General Hospital or the Family Care Centers, or both, whether or not accompanied by a change in licensing, shall not relieve the county of the ultimate responsibility for indigent care pursuant to Section 17000 of the Welfare and Institutions Code.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101837. Notwithstanding the provisions of this article relating to the obligations and liabilities of the hospital authority, a transfer of control or ownership of General Hospital and the Family Care Centers shall confer onto the hospital authority all the rights and duties set forth in state law with respect to hospitals owned or operated by a county.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101838. A transfer of the maintenance, operation, and management or ownership of General Hospital to the hospital authority shall comply with the provisions of Section 14000.2 of the Welfare and Institutions Code.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101839. A transfer of maintenance, operation, and management or ownership to the hospital authority may be made with or without the payment of a purchase price by the hospital authority and otherwise upon the terms and conditions that the parties may mutually agree, which terms and conditions shall include those found necessary by the board of supervisors to ensure that the transfer will constitute an ongoing material benefit to the county and its residents. In the event of such a transfer:

(a) A transfer of the maintenance, operation, and management to the hospital authority shall not be construed as empowering the hospital authority to transfer any ownership interest of the county in General Hospital and the Family Care Centers except as otherwise approved by the board of supervisors.

(b) The board of supervisors shall retain control over the use of General Hospital and the Family Care Centers physical plant and facilities except as otherwise specifically provided for in lawful agreements entered into by the board of supervisors. Any lease agreement or other agreement between the county and the hospital authority shall provide that county premises shall not be sublet without the approval of the board of supervisors.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101840. The statutory authority of a board of supervisors to prescribe rules that authorize a county hospital to integrate its services with those of other hospitals into a system of community service that offers free choice of hospitals to those requiring hospital care, as set forth in Section 14000.2 of the Welfare and Institutions Code, shall apply to the hospital authority upon a transfer of maintenance, operation, and management or ownership of General Hospital or the Family Care Centers, or both, to the hospital authority.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101841. (a) The hospital authority shall have the power to acquire and possess real or personal property and may dispose of real or personal property other than that owned by the county, as may be necessary for the performance of its functions. The hospital authority shall have the power to sue or be sued, to employ personnel, and to contract for services required to meet its obligations.

(b) This section shall not be construed to authorize the hospital authority to contract for services that were performed by county civil service employees on June 30, 1999, unless the hospital authority determines that contracting for these services is either of the

following:

- (1) Necessary to ensure the continued availability of certain health care services.
- (2) Necessary to meet the funding constraints presented by available financing.

(c) If the hospital authority determines that contracting out for the services pursuant to subdivision (b) is necessary, the authority shall provide for full communication between the hospital authority and county civil services employees, pursuant to Section 3505 of the Government Code. The communications shall include, but not be limited to, the extent to which the decision to contract out for services could result in the termination or unemployment of county civil service employees.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101842. Members of the governing board of the hospital authority shall not be vicariously liable for injuries caused by the act or omission of the hospital authority to the extent that protection applies to members of governing boards of local public entities generally under Section 820.9 of the Government Code.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101843. The hospital authority shall be a public agency subject to the Meyers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code).

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101844. The county, the hospital authority, the governing board, employees of the county working at General Hospital or the Family Care Centers, and employees of the hospital authority shall comply with the following requirements, in addition to any general requirements of law that are not inconsistent with the following requirements:

(a) Any transfer of functions from county employee classifications to a hospital authority established pursuant to this section shall result in the recognition by the hospital authority of the employee organization that represented the classifications performing those functions at the time of the transfer.

(b) In exercising its powers to employ personnel, as set forth in Section 101840, the board of supervisors shall adopt, and the hospital shall implement, a personnel transition plan. The personnel transition plan shall require all of the following:

(1) Ongoing communications to employees and recognized employee organizations regarding the impact of the transition on existing General Hospital and Family Care Centers employees and employee classifications.

(2) Meeting and conferring on all of the following issues:

(A) The timeframe for which the transfer of personnel shall occur. The timeframe shall be subject to modification by the board of supervisors as appropriate, but in no event shall it exceed one year from the effective date of transfer of governance from the board of supervisors to the hospital authority.

(B) A specified period of time during which employees of the county impacted by the transfer of governance may elect to be appointed to vacant positions with the county for which they are qualified.

(C) A specified period of time during which employees of the county impacted by the transfer of governance may elect to be considered for reinstatement into positions with the county for which they are qualified and eligible.

(D) The possible preservation of pensions, health benefits, and other applicable accrued benefits of employees of the county impacted by the transfer of governance. Notwithstanding any other provision of law, the personnel transition plan may provide for participation by hospital authority employees in the San Luis Obispo County Pension Trust.

(c) Nothing in subdivision (b) shall be construed as prohibiting the hospital authority from determining the number of employees, the number of full-time equivalent positions, the job descriptions, and the nature and extent of classified employment positions, subject to all applicable laws and regulations for licensed medical providers.

(d) Employees of the hospital authority are public employees for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code relating to claims and actions against public entities and public employees.

(e) Any hospital authority created pursuant to this chapter shall have sole authority to negotiate memorandums of understanding with appropriate employee organizations.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101845. The hospital authority created pursuant to the chapter may borrow from the county and the county may lend the hospital authority funds or issue revenue anticipation notes to obtain those funds necessary to operate General Hospital and the Family Care Centers and otherwise provide medical services.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101845.1. The hospital authority shall be subject to state and federal taxation laws that are applicable to counties generally.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101845.2. The hospital authority, the county, or both, may engage in marketing, advertising, and promotion of the medical and health care services made available to the community at General Hospital and the Family Care Centers.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101846. The hospital authority shall not be a "person" subject to suit under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code).

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101847. Notwithstanding Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1 of the Government Code relating to incompatible activities, no member of the hospital authority administrative staff shall be considered to be engaged in activities inconsistent and incompatible with his or her duties as a result of employment or affiliation with the county.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848. The hospital authority may use a computerized management information system in connection with the administration of the medical center.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.1. Information maintained in the management information system or in other filing and records maintenance systems that is confidential and protected by law shall not be disclosed except as provided by law.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.2. The records of the hospital authority, whether paper records, records maintained in the management information system, or records in any other form that relate to trade secrets or to payment rates or the determination thereof, or that relate to contract negotiations with providers of health care, shall not be subject to disclosure pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code). The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted shall be subject to this same exemption. The information, if compelled pursuant to an order of a court of competent jurisdiction or administrative body in a manner permitted by law, shall be limited to in camera review, which, at the discretion of the court, may include the parties to the proceeding, and shall not be made a part of the court file unless sealed.

(Amended by Stats. 2021, Ch. 615, Sec. 268. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

101848.3. Notwithstanding any other law, the governing board may order that a meeting held solely for the purpose of discussion or taking action on hospital authority trade secrets, as defined in subdivision (d) of Section 3426.1 of the Civil Code, shall be held in closed session. The requirements of making a public report of actions taken in closed session and the vote or abstention of every member present may be limited to a brief general description devoid of the information constituting the trade secret.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.4. The governing board may delete the portion or portions containing trade secrets from any documents that were finally approved in the closed session that are provided to persons who have made the timely or standing request.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.45. Nothing in this chapter shall be construed as preventing the governing board from meeting in closed session as otherwise provided by law.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.5. The provisions of this chapter shall not prevent access to any records by the Joint Legislative Audit Committee in the exercise of its powers pursuant to Article 1 (commencing with Section 10500) of Chapter 4 of Part 2 of Division 2 of Title 2 of the Government Code.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.6. Open sessions of the hospital authority shall constitute official proceedings authorized by law within the meaning of Section 47 of the Civil Code. The privileges set forth in that section with respect to official proceedings shall apply to open sessions of the hospital authority.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.7. The hospital authority shall be a public agency for purposes of eligibility with respect to grants and other funding and loan guarantee programs. Contributions to the hospital authority shall be tax deductible to the extent permitted by state and federal law. Nonproprietary income of the hospital authority shall be exempt from state income taxation.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.8. Contracts by and between the hospital authority and the state and contracts by and between the hospital authority and providers of health care, goods, or services may be let on a nonbid basis and shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.9. Provisions of the Evidence Code, the Government Code, including the Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code), the Civil Code, the Business and Professions Code, and other applicable law pertaining to the confidentiality of peer review activities of peer review bodies shall apply to the peer review activities of the hospital authority. Peer review proceedings shall constitute an official proceeding authorized by law within the meaning of Section 47 of the Civil Code and those privileges set forth in that section with respect to official proceedings shall apply to peer review proceedings of the hospital authority. If the hospital authority is required by law or contractual obligation to submit to the state or federal government peer review information or information relevant to the credentialing of a participating provider, that submission shall not constitute a waiver of confidentiality. The laws pertaining to the confidentiality of peer review activities shall be together construed as extending, to the extent permitted by law, the maximum degree of protection of confidentiality.

(Amended by Stats. 2021, Ch. 615, Sec. 269. (AB 474) Effective January 1, 2022. Operative January 1, 2023, pursuant to Sec. 463 of Stats. 2021, Ch. 615.)

101848.10. Notwithstanding any other law, Section 1461 shall apply to hearings on the reports of hospital medical audit or quality assurance committees.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101848.11. The hospital authority shall carry general liability insurance to the extent sufficient to cover its activities.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101849. In the event the board of supervisors determines that the hospital authority should no longer function for the purposes as set forth in this chapter, the board of supervisors may, by ordinance, terminate the activities of the hospital authority and expire the hospital authority as an entity, subject to Section 1442.5 in that code and any applicable public hearing requirements.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101849.1. A hospital authority that is created pursuant to this article but which does not obtain the administration, management, and control of General Hospital and the Family Care Centers or which has those duties and responsibilities revoked by the board of supervisors shall not be empowered with the powers enumerated in this chapter.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101849.2. The county shall establish baseline data reporting requirements for General Hospital and the Family Care Centers consistent with the Medically Indigent Health Care Reporting System (MICRS) program established pursuant to Section 16910 of the Welfare and Institutions Code and shall collect that data for at least one year prior to the final transfer of General Hospital and the Family Care Centers to the hospital authority established pursuant to this chapter. The baseline data shall include, but not be limited to, all of the following:

(a) Inpatient days by facility by quarter.

- (b) Outpatient visits by facility by quarter.
- (c) Emergency room visits by facility by quarter.
- (d) Number of unduplicated users receiving services within the medical center.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101849.3. Upon transfer of General Hospital and the Family Care Centers, the county shall establish baseline data reporting requirements for each of the General Hospital and the Family Care Centers inpatient facilities consistent with data reporting requirements of the Office of Statewide Health Planning and Development, including, but not limited to, monthly average daily census by facility for all of the following:

- (a) Acute care, excluding newborns.
- (b) Newborns.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)

101849.4. From the date of transfer of General Hospital and the Family Care Centers to the hospital authority, the hospital authority shall provide the county with quarterly reports specified in Sections 101849.2 and 101849.3 and any other data required by the county. The county, in consultation with health care consumer groups, shall develop other data requirements that shall include, at a minimum, reasonable measurements of the changes in medical care for the indigent population of San Luis Obispo County that result from the transfer of the administration, management, and control of General Hospital and the Family Care Centers from the county to the hospital authority.

(Added by Stats. 1999, Ch. 899, Sec. 1. Effective January 1, 2000.)