

## Senate Bill No. 522

### CHAPTER 133

An act to add Section 32100.8 to the Health and Safety Code, relating to health care.

[Approved by Governor July 18, 2018. Filed with Secretary of State July 18, 2018.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 522, Glazer. West Contra Costa Healthcare District.

Existing law provides for the formation of local health care districts and specifies district powers. Under existing law, the elective officers of a local health care district consist of a board of directors consisting of 5 members, each of whom is required to be a registered voter residing in the district and whose term shall be 4 years, except as specified.

This bill would dissolve the existing elected board of directors of the West Contra Costa Healthcare District, effective January 1, 2019, and would require the Board of Supervisors of the County of Contra Costa, at its election, to either serve as the district board or appoint a district board, as specified. By increasing duties of county officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the West Contra Costa Healthcare District.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

SECTION 1. The Legislature finds and declares all of the following:

- (a) The West Contra Costa Healthcare District has struggled financially since the mid-1990s.
- (b) The district declared bankruptcy in 2006, but was never able to fully recover. In 2015, the district hospital had to permanently close its doors.
- (c) The district filed a second Chapter 9 bankruptcy petition in 2016. A court-ordered plan of adjustment, allocating significant district revenues to the repayment of debt through 2027, is expected in 2018. However, the

residents of west Contra Costa County have a continuing need for the medical services the district once provided.

(d) It is the intent of the Legislature in enacting this act to replace the district’s elected governing body with a district board appointed by the Board of Supervisors of the County of Contra Costa. This change in governance is intended to reduce administrative costs, increase operational efficiencies, and maximize the use of health care funding through collaboration with the county, which is the only other public agency provider of medical services in the region.

SEC. 2. Section 32100.8 is added to the Health and Safety Code, to read:

32100.8. (a) The following definitions shall apply for purposes of this section:

(1) “Board of supervisors” means the Board of Supervisors of the County of Contra Costa.

(2) “County” means the County of Contra Costa.

(3) “District” means the West Contra Costa Healthcare District.

(4) “District board” means the board of directors of the West Contra Costa Healthcare District.

(b) Notwithstanding any other law, the district board shall be dissolved, effective January 1, 2019, and any remaining members removed from office. Thereafter, the board of supervisors shall either elect to serve as the district board, or may appoint a district board as provided in subdivision (c).

(c) (1) If the board of supervisors elects not to serve as the district board pursuant to subdivision (b), it shall appoint a district board consisting of five members, all of whom shall reside in the district. The members appointed by the board may include, but need not be limited to, at least one of each of the following:

(A) A county supervisor.

(B) A city council member of any city located within district boundaries.

(2) The term of a district board member appointed under this subdivision shall be for four years, or until his or her successor qualifies and takes office.

(3) The board of supervisors shall determine whether members of the district board shall serve at the pleasure of the board of supervisors, or for staggered four-year terms, subject to removal for cause. Vacancies shall be filled by appointment of the board of supervisors.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the special circumstances related to the operation and fiscal status of the West Contra Costa Healthcare District in the County of Contra Costa.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.