

Date of Hearing: April 11, 2018

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 2262 (Wood) – As Introduced February 13, 2018

SUBJECT: Coast Life Support District Act: urgent medical care services.

SUMMARY: Authorizes the Coast Life Support District (CLSD) to provide urgent medical care services. Specifically, **this bill:**

- 1) Authorizes CLSD to exercise its powers for the purposes of supplying to the inhabitants of the district urgent medical care services.
- 2) Amends the definition of "health facility" or "health care facility" in CLSD's enabling statutes to include any facility, place or building duly licensed for the purpose of providing urgent medical care services.
- 3) 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 unique circumstances that the inhabitants of CLSD face in receiving medical care.

EXISTING LAW:

- 1) Creates CLSD and the CLSD Act, an uncodified special act that provides for the powers and duties of CLSD.
- 2) Authorizes CLSD to exercise the powers granted in the CLSD Act "for the purpose of supplying to the inhabitants of the district emergency medical services (EMS), including emergency ambulance service, basic life support services, limited advance life services, and advanced life support services, including medical equipment and supplies, within and without the district" subject to the Emergency Medical Services System and the Prehospital Emergency Medical Care Personnel Act.
- 3) Authorizes, if approved by a majority of the electors, CLSD to exercise the powers granted in the CLSD Act for the establishment, maintenance, and operation of one or more health care facilities at any location within CLSD for the benefit of CLSD.
- 4) Defines, pursuant to the CLSD Act, "health facility" or "health care facility" to include any facility, place or building duly licensed for the purpose of providing EMS.
- 5) Requires, pursuant to the CLSD Act, following the formation of the district, the Cortese-Knox Local Government Reorganization Act (Cortese-Knox), of Division 3 (commencing with Section 56000) of Title 5 of the Government Code to govern any change of organization.
- 6) Authorizes, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH of 2000), a local agency formation commission (LAFCO) in each county to control the boundaries and changes of organization of cities, county service areas, and most special districts.

FISCAL EFFECT: None

COMMENTS:

- 1) **Bill Summary.** This bill authorizes CLSD to provide urgent medical care services and makes conforming changes to the CLSD Act. This bill is sponsored by the author.
- 2) **Author's Statement.** According to the author, "In rural areas residents need to travel greater distances to access different points of the health care delivery system, sometimes requiring an overnight hotel stay. Health care facilities in these areas are small, providing limited services, and often, due to geographic distance, extreme weather conditions, lack of public transportation and challenging roads, rural residents are limited or prevented from accessing health care services.

"Current law establishing CLSD authorizes the district to provide EMS, but it is unclear whether CLSD may provide lower levels of care, such as urgent care. In practice, the issue of whether an individual is, in fact, in an emergency varies by the circumstances, and in some cases, may not be resolved until after ambulance or other transport and examination and diagnosis by an appropriately licensed health professional has occurred. The individual may end up needing immediate or urgent care, but not emergency care as defined in the enabling legislation. Without clarifying the enabling legislation, patients may have to be redirected out of the CLSD to receive lower levels of care."

- 3) **Background.** AB 4227 (Hauser), Chapter 375, Statutes of 1986, created CLSD to provide EMS to a specified area within Sonoma and Mendocino Counties, covering 60 miles of coastline. There are no hospitals within the district. From its center, the closest medical facilities with 24-hour medical care are between 90 minutes and two hours travel time traversing the coast highway. These are some of the longest transports in California to tertiary care.

There have been five local ballot measures concerning CLSD: the original ballot measure required by the CLSD Act for the November 1986 ballot, setting an initial appropriation of \$300,000; Measure O (1997) which imposed a special tax for the provision of "after hours" urgent medical care services; Measures B and C (2012) to amend Measure O, to eliminate the term "after Hours" and, thereby, allow CLSD to provide urgent medical care services without limitation to time of day and with no change in the tax rate; and, Measure J (2014) to authorize the levy of a special tax on parcels of real property to augment funding for expanding the availability for provision of urgent medical services.

CLSD has entered into, or funded, contracts with health care professionals and otherwise augmented the provision of urgent and immediate care services in Gualala (where the district is headquartered), as well as EMS throughout CLSD. Care is provided at Redwood Coast Medical Services (RCMS), which is a Federally Qualified Health Center (FQHC) centrally located within the district. Because this FQHC is in a rural area, it also provides immediate and urgent care services that are more expansive than their urban counterparts. RCMS has been approved until 2020, as an Alternative EMS Receiving Facility for the Coastal Valleys EMS Region.

- 4) **Urgent Care.** The definition of urgent care varies, but most facilities provide unscheduled care, after-hours access, expanded services compared to primary care, and a lower cost than emergency care. On-site X-ray, intravenous medications and fluids, repair of lacerations, foreign body removal, basic fracture care, and treatment of abscess are the most common services provided. According to a 2012 report published in the American Journal of Clinical Medicine, "Urgent Care Centers, an Overview," several sources have reported that the cost of care for comparable medical problems in urgent care, although slightly more than primary care, is usually between 10% and 33% of the cost of emergency care.

If urgent care services cannot be provided by RCMS, even if only 10% of the urgent care volume required ambulance transport outside the boundaries of CLSD, it would double CLSD's annual transport volume and would exhaust existing Paramedic and EMT resources.

- 5) **Need for This Bill.** According to the author's office, "About 2 years ago, members of the Boards of RCMS and CLSD and their advisory groups started to take a closer look at the situation from many perspectives and to work together to create a rural health network by consolidating the health care related resources currently serving the residents of the coastal communities. That led to questions about CLSD's role in urgent care services, and then to a renewed look at its enabling legislation. From that, it appeared that the ballot measures may have attempted to authorize actions beyond those in the enabling legislation. The opinion was advanced that entities such as CLSD are restricted from taking actions that are beyond the grant of authority in their enabling legislation; and, may not by referendum, initiative or board resolution take action that contradicts the statutes that created them, or the constitution; that no local ballot measure could in fact properly amend a state statute, as the amendment of a state statute is not within a local agency's, or local voter's authority..."

"Consultation by CLSD with the County Counsel confirmed that there could be a legal problem and suggested that one option was to seek state legislation to resolve the matter. This bill is intended to accomplish that goal by clarifying that CLSD may use its resources to contract for, or augment the provision of those needing immediate or urgent care within the District's boundaries."

- 6) **Role of LAFCO.** CKH of 2000 controls how local officials change the boundaries of cities and special districts, and designates a LAFCO in each county to oversee a number of changes. Besides the more common annexations to cities and special districts, LAFCOs also control district formations, consolidations, and dissolutions, as well as city incorporations, consolidations, and disincorporations. LAFCOs also oversee the exercise of new or different functions or classes of services. CKH of 2000 is the successor act to the Cortese-Knox Local Government Reorganization Act, which was enacted in 1985 immediately prior to the creation of CLSD in 1986.
- 7) **Committee Amendments.** The CLSD Act references the Cortese-Knox Local Government Reorganization Act, which has been succeeded by CKH of 2000. In addition to updating the CLSD Act to allow the district to provide urgent care, the Committee may wish to additionally update the CLSD Act to refer to CKH of 2000 and to clarify that the new power this bill grants to CLSD is subject to LAFCO review.

- 8) **Arguments in Support.** The Coast Life Support District, in support, states, "CLSD is a bi-county Special District serving the south western Mendocino County and north western Sonoma County community. We do not have a hospital within CLSD's enabling legislation specified we are authorized to provide district emergency medical services. It does not, however, specifically authorize the district to provide urgent medical services. AB 2262... is simply to clarify that CLSD may exercise the powers granted in Statutes of 1986, Chapter 375 for the purpose of supplying to the residents and visitors within the bi-county district boundaries, urgent or immediate care medical services, including providing, funding, and contracting for such care."
- 9) **Arguments in Opposition.** The California Association of Local Agency Formation Commissions (CALAFCO), which has an "oppose unless amended" position on this bill, writes, "The Coast Life Support District, formed by special statute, did not originally have the power to provide urgent medical care services. Despite the fact they did not have this power, for a number of years they have been providing this service. AB 2262 seeks to add this power legislatively for the district as more of a formality, given they have already been providing the service.

"The enabling act of 1986 clearly states (in Section 9), 'Following the formation of the district, the Cortese-Knox Local Government Reorganization Act, of Division 3 (commencing with Section 56000) of Title 5 of the Government Code shall govern any change of organization.' Government Code Section 56021 includes 'the exercise of new or different functions or classes of service... 'as one of the meanings of 'change of organization.' To CALAFCO, the language in the enabling act is clear that any future change of organization shall be done through the Act, which means the district is subject to LAFCo process pursuant to the Act.

"We acknowledge special legislation is required to add this power for the district. We want to ensure the LAFCo process of approving the exercise of this new class of service is also done. To that end, we respectfully request the addition of this statement: 'It is the intent of the Legislature, by adding this new power, that Coast Life Support District seeks LAFCo approval of the exercise of this power.' Additionally, given the name of the Act has been updated since 1989, we respectfully request the following amendment to reflect the 2000 update:

~~Following the formation of the district, the Cortese-Knox Local Government Reorganization Act (Cortese-Knox), of Division 3 (commencing with Section 56000) of Title 5 of the Government Code~~ The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, of Division 3 (commencing with Section 56000) of Title 5 of the Government Code shall govern any change of organization to the district."

- 10) **Double-Referral.** This bill was heard in the Assembly Health Committee on March 20, 2018, where it passed with a 14-0 vote.

REGISTERED SUPPORT / OPPOSITION:

Support

California Ambulance Association

California Hospital Association

Coast Life Support District

Redwood Coast Medical Services

Opposition

California Association of Local Agency Formation Commissions (CALAFCO)

Sonoma LAFCO

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