

Senate Bill No. 4

CHAPTER 479

An act to add and repeal Section 14087.59 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 4, 2017. Filed with
Secretary of State October 4, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

SB 4, Mendoza. Medi-Cal: county organized health system: County of Orange.

Existing law establishes the Medi-Cal program, administered by the State Department of Health Care Services, under which health care services are provided to qualified, low-income persons. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law authorizes a county board of supervisors, by ordinance, to establish a commission to negotiate an exclusive contract with the department to provide, or arrange for the provision of, health care services under the Medi-Cal program. This system of services provided by or through a county under these provisions is known as a county organized health system. Existing law requires the enabling ordinance to, among other things, specify the membership of the county commission, the qualifications for individual members, the manner of appointment, and how long they will serve. Pursuant to this authority, the County of Orange, by ordinance, established a commission to provide health care services under the Medi-Cal program.

This bill would codify those provisions of the enabling ordinance that prescribe the membership composition, the qualifications for individual members, tenure of the members, and the procedure for removing a member of the governing body of the commission established in the County of Orange, known as the Orange County Health Authority. The bill would authorize the governing body of the commission established in the County of Orange, subject to a $\frac{2}{3}$ vote of the full membership of the governing body, to increase the number of public members, or the number of current CalOptima members or family members of current CalOptima members who may serve as a member of the governing body, subject to an affirmative vote by a majority of the Board of Supervisors of the County of Orange. The bill would prescribe the duties and responsibilities of the governing body, including to serve the public interest of the CalOptima members and to ensure the operational well-being and fiscal solvency of the Orange County Health Authority, and would require the Orange County Health Authority to work to earn the public's trust through its commitment to accountability, responsiveness, transparency, reliability, and cooperation.

These provisions would remain in effect until January 1, 2023, and as of that date would be repealed.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Orange.

This bill would declare that it is to take effect immediately as an urgency statute.

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

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

(a) The Orange County Health Authority, also known as CalOptima, operates with a budget of \$3.4 billion and serves as a critical lifeline providing health care to almost 800,000 residents of the County of Orange.

(b) The Board of Supervisors of the County of Orange has a duty to appoint a governing body of the Orange County Health Authority that reflects the needs and interests of the residents of the County of Orange and CalOptima members.

(c) The Legislature encourages the Board of Supervisors of the County of Orange to consider each community served by CalOptima and take steps to ensure that those communities are adequately represented on the governing body and in the programs administered by the Orange County Health Authority.

(d) The Legislature will carefully examine all of the following factors when considering legislation to extend or modify the operation of Section 14087.59 of the Welfare and Institutions Code as added by this act:

(1) The efforts of the Board of Supervisors of the County of Orange to appoint a governing body that reflects the diverse backgrounds, interest, and demography of the persons residing in the County of Orange.

(2) Whether decisions by the governing body reflect concerns, values, and interests at the city, regional, and community levels.

(3) Whether decisions by the governing body reflect the needs of CalOptima members who require long-term care services and behavioral health treatment.

SEC. 2. It is the intent of the Legislature to codify certain provisions of the enabling ordinance enacted by the Board of Supervisors of the County of Orange that prescribe the composition of the governing body of the Orange County Health Authority, which is a county organized health system, known as CalOptima, that arranges for the provision of health care services under the Medi-Cal program. The Legislature does not intend that the codification in statute of the composition of the governing body of the Orange County Health Authority by Section 3 of this act result in a new board but is instead a continuation of the prior board, and therefore the Board of Supervisors of the County of Orange is not required to appoint a new governing body or to change the composition of the governing body, except as authorized to add additional public members, or CalOptima members or family members of CalOptima members to the board.

SEC. 3. Section 14087.59 is added to the Welfare and Institutions Code, to read:

14087.59. (a) Notwithstanding subdivision (d) of Section 14087.54, governance of the commission in the County of Orange established pursuant to Section 14087.54, known as the Orange County Health Authority, shall be vested in a governing body consisting of 10 members: nine voting members and one nonvoting member. The nonvoting member shall be the Director of the Orange County Health Care Agency. The nine voting members shall be nominated by the Orange County Health Care Agency and appointed by a majority vote of the Board of Supervisors of the County of Orange and shall consist of the following:

(1) Two members shall each be a member of the Board of Supervisors of the County of Orange, with one additional member of the Board of Supervisors of the County of Orange to serve as an alternate.

(2) One member shall be a current or former hospital administrator.

(3) One member shall be a representative of a community clinic, which may include, but is not limited to, a representative of a federally qualified health center, as defined in Section 1396d(l)(2)(B) of Title 42 of the United States Code.

(4) One member shall be a member of the public who is a legal resident of the County of Orange.

(5) One member shall be a practicing licensed medical provider who is not an owner or officer, or a member of the board of directors, of a contracted independent physician's association or provider network.

(6) One member shall be a current CalOptima member or a family member of a current CalOptima member.

(7) One member shall be an accounting or public finance professional, or an attorney who is an active member of the State Bar.

(8) One member shall be a practicing licensed physician who is a representative of a contracted independent physician's association or provider network.

(b) Each member of the governing body shall reside in, or be employed in, the County of Orange and shall be generally representative of the diverse backgrounds, interests, and demography of persons residing in the County of Orange. Each member of the governing body shall have a commitment to a health care system that seeks to improve access to high-quality health care for persons served by the commission and that in fact delivers high-quality care and is financially viable. Each member shall possess the requisite skills and knowledge necessary to design and operate a quality publicly assisted health care delivery system.

(c) (1) Members of the governing body of the commission shall serve four-year terms, except for those members who are members of the Board of Supervisors of the County of Orange who shall serve a one-year term.

(2) A member of the governing body described in any of paragraphs (2) to (8), inclusive, of subdivision (a) shall serve no more than two consecutive terms. This limitation shall apply only to service for consecutive terms. No other limitation on the number of terms a person may serve is intended.

(3) A member of the governing body of the commission may be removed from the governing body by a vote in favor of that removal of at least two-thirds of the full membership of the Board of Supervisors of the County of Orange.

(d) The governing body of the commission, subject to a two-thirds vote of the full membership, may increase the number of public members, or the number of members who are current CalOptima members or family members of current CalOptima members who may serve as a member of the governing body, subject to an affirmative vote by a majority of the Board of Supervisors of the County of Orange, provided, however, that a change in the composition of the governing body under this subdivision shall not result in the elimination of any member described in subdivision (a).

(e) Each member of the governing body shall have the responsibility and duty to follow the requirements of applicable federal and state laws and regulations, to serve the public interest of the members of CalOptima, and to ensure the operational well-being and fiscal solvency of the Orange County Health Authority. Members of the governing body shall further strive to improve health care quality, promote prevention and wellness, ensure the provision of cost-effective health and mental health care services, and reduce health disparities. The Orange County Health Authority shall work to earn the public's trust through its commitment to accountability, responsiveness, transparency, reliability, and cooperation.

(f) This section shall remain in effect only until January 1, 2023, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2023, deletes or extends that date.

SEC. 4. 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 unique circumstances applicable to the County of Orange with respect to the operation and governance of the Orange County Health Authority, which is a county organized health system known as CalOptima.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure, at the earliest possible time, that the membership of the governing board of the Orange County Health Authority retains the experience and expertise necessary to coordinate and provide care effectively to a large and diverse population and to adapt to potential challenges posed by proposed changes, if enacted, in federal law to Medicaid and Medi-Cal, it is necessary that this bill take effect immediately.