[Amending the Administrative Code to Require Preparation and Consideration of Healthcare Impact Report in Event of Certain Hospital Construction Resulting in Replacement or Addition of Over Two Hundred Licensed Hospital Beds.]

Ordinance adding Section 97 to the Administrative Code to require Health Department to draft and distribute Healthcare Impact Report for consideration in evaluating permit application or amendment to Redevelopment Plan regarding private hospital construction resulting in replacement or addition of over two hundred licensed hospital beds.

Note: Additions are single-underline italics Times New Roman; deletions are strikethrough italics Times New Roman. Board amendment additions are double underlined. Board amendment deletions are strikethrough normal.

Be it ordained by the People of the City and County of San Francisco:

Section 1. The San Francisco Administrative Code is hereby amended by adding Section 97, to read as follows:

Sec. 97.1. FINDINGS AND PURPOSE

The Board makes the following findings:

A. The cost of healthcare continues to increase, making it harder for people to obtain the proper care they need.

B. The City and County of San Francisco’s financial resources are strained and healthcare services the City now provides are either being cut or are at risk of being cut.

C. Section 4.110 of the Charter of the City and County of San Francisco provides that the Health Department and Health Commission shall provide for the preservation, promotion and protection of the physical and mental health of the inhabitants of the City and County of San Francisco.

D. Section 127340 (a) of the California Health and Safety Code provides that "private not-for-profit hospitals meet certain needs of their communities through the provision of essential healthcare
and other services. Public recognition of their unique status has led to favorable tax treatment by the
government. In exchange, nonprofit hospitals assume a social obligation to provide community
benefits in the public interest."

E. Due to their size, larger non-government healthcare providers have significant impact on
the health of the people of the City and County of San Francisco. Therefore such providers have a
responsibility to work along with government healthcare agencies and facilities to maintain the health
of the communities they serve.

F. The Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 requires that all
general acute care hospital facilities in California meet new earthquake safety standards by
January 1, 2008.

Section 97.2. DEFINITIONS.
The words and phrases as used in this Section and for the purposes of this Section, unless a
different meaning is plainly required by context, shall have the meaning respectively ascribed to them
in Section 97.2.

A. "Applicant Hospital" shall mean a private, non-governmental hospital that provides
operating in the City and County of San Francisco which, as of the date it files a permit
application or other request for approval as described in Section 97.3, has more than a forty
(40) percent share of the private healthcare market in the City and County of San Francisco, or
which is part of a hospital system whose market share exceeds that provides more than forty
(40) percent of the private healthcare market healthcare services provided by private, non-
governmental hospitals in the City and County of San Francisco in any of the following
categories, as defined in the Accounting and Reporting Manual for California Hospitals
published by the. An Applicant Hospital's share of the healthcare market shall be determined
by any of the following, as reported in Office of Statewide Health Planning and Development
"OSHPD") Hospital Disclosure Reports: the number of and as reported in the most recent OSHPD Hospital Annual Disclosure Reports available upon review of the hospital's permit application or other request for approval filed with an agency or department of the City and County of San Francisco or with the San Francisco Redevelopment Agency; licensed hospital beds, available licensed hospital beds, staffed licensed hospital beds, total patient days, or total discharges.

B. "Healthcare Impact Report" shall mean a document that analyzes the effects of the Applicant Hospital's proposed facility changes on the availability of hospital services, including but not limited to, emergency services, and urgent care services, and behavioral health services to affected neighborhoods. The Healthcare Impact Report shall examine the accessibility of services to patients using all modes of transportation. Furthermore, the Healthcare Impact Report shall analyze the Applicant Hospital's current performance in the following areas and compare the Applicant Hospital's current performance with those of other private, non-governmental hospitals in California the City and County of San Francisco:

1. Charity Charitable Care: The amount of charitable care provided by the Applicant Hospital as defined in the San Francisco Health Code, Article 3, Section 130(b), and expressed as a percentage of net patient revenue.

2. Price of Care: The fees charged as reported in charge description masters by the Applicant Hospital for a standardized set of hospital services, prescription and non-prescription drugs, medical supplies, and medical equipment. The standardized set of hospital services shall be established by the Health Department and shall incorporate any data reported in charge description masters recorded pursuant to California Health and Safety Code, Sections 1339.50 – 1339.59.
3. Caregiver Competence Training, Education, and Development: The programs and
financial support made available by the Applicant Hospital for caregiver training, education, and
advancement development.

Section 97.3. PREPARATION AND CONSIDERATION OF HEALTHCARE IMPACT
REPORTS.

A. When an Applicant Hospital files a permit application or other request for approval with an
government or department of the City and County of San Francisco seeking approval for land use or
construction activities involving the replacement or addition of more than two hundred (200)
licensed hospital beds, by building a new or retrofitting or remodeling an existing facility or
structure in the City and County of San Francisco, the Health Department of the City and County
of San Francisco shall prepare a Healthcare Impact Report. The Health Department shall make
reasonable efforts to consult with the Applicant Hospital, as the Health Department deems necessary.

B. When an Applicant Hospital files a permit application or other request for approval with the
San Francisco Redevelopment Agency seeking approval for land use or construction activities
involving the replacement or addition of more than two hundred (200) licensed hospital beds, by
building a new or retrofitting or remodeling an existing facility or structure in the City and
County of San Francisco, and said application or request ultimately requires approval of an
amendment to a Redevelopment Plan by the San Francisco Board of Supervisors or an agency or
department of the City and County of San Francisco, the Health Department of the City and County of
San Francisco shall prepare a Healthcare Impact Report. The Health Department shall make
reasonable efforts to consult with the Applicant Hospital, as the Health Department deems necessary.

C. Upon completing the Healthcare Impact Report, the Health Department shall distribute it to
the Health Commission, the Planning Commission, the Board of Supervisors and other City
departments or agencies it deems appropriate. The Health Department shall complete and distribute
the Healthcare Impact Report within six (6) months of being notified of the need for the report. If the Health Department does not complete and distribute the Healthcare Impact Report within that timeframe, Sections 97.3 (D, E, F) and 97.4 shall not apply.

D. A permit application or other request for approval with an agency or department of the City and County of San Francisco seeking approval for land use or construction activities involving the replacement or addition of more than two hundred (200) licensed hospital beds by building a new or retrofitting or remodeling an existing facility or structure in the City and County of San Francisco shall not be considered complete until the Healthcare Impact Report is completed and distributed as described in this Section.

E. The Board of Supervisors or an agency or department of the City and County of San Francisco shall not approve an amendment to a Redevelopment Plan until it has received and reviewed a Healthcare Impact Report, when such a Healthcare Impact Report is required under this Section.

F. The Board of Supervisors, Planning Commission, Health Commission, and any other City departments or agencies provided with the Healthcare Impact Report by the Health Department shall at their discretion review and consider the Healthcare Impact Report and may use the comparisons therein as a criterion for determining whether or not to enact any legislation, grant any approval, or make any recommendations regarding amending a Redevelopment Plan or allowing or enabling the Applicant Hospital to replace or add more than two hundred (200) licensed hospital beds by building a new or retrofitting or remodeling an existing facility or structure in the City and County of San Francisco.

Section 97.4. COST OF REPORT

The Health Department may charge and collect from the Applicant Hospital a fee for the preparation of the Healthcare Impact Report in an amount that does not exceed the actual cost of
preparing the Healthcare Impact Report. The Health Department shall make reasonable efforts to use all data sources available in order to minimize costs.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: FREDERICK P. SHEINFIELD
Deputy City Attorney
Ordinance adding Section 97 to the Administrative Code to require Health Department to draft and distribute Healthcare Impact Report for consideration in evaluating permit application or amendment to Redevelopment Plan regarding private hospital construction resulting in replacement or addition of over two hundred licensed hospital beds.

August 10, 2004 Board of Supervisors — PASSED ON FIRST READING
Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval

August 17, 2004 Board of Supervisors — FINALLY PASSED
Ayes: 10 - Ammiano, Daly, Dufty, Elsbernd, Gonzalez, Ma, Maxwell, McGoldrick, Peskin, Sandoval
Absent: 1 - Alioto-Pier
I hereby certify that the foregoing Ordinance was FINALLY PASSED on August 17, 2004 by the Board of Supervisors of the City and County of San Francisco.

Date Approved: 8/25/04

Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom