



LOCAL AGENCY FORMATION COMMISSION

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November 9, 2016

To: LAFCo Commissioners
From: Martha Poyatos, Executive Officer
Subject: Legislative Report – Information Only

A handwritten signature in black ink that reads "Martha Poyatos".

Legislative Update

Attached please find the “Legislative Update from Sacramento” from the Senate Local Government Committee which was provided at the CALAFCO Annual Conference.

Little Hoover Commission Hearing on Special Districts

The third Little Hoover Commission’s (LHC) hearing focusing on health care districts is scheduled for Wednesday, November 16 at 1:30 in Sacramento. Attached are the agenda, background paper, and list of speakers which includes representatives from Peninsula Health Care District and Sequoia Healthcare District. Also attached is an inventory of health care districts in California. The hearing will not be video-recorded but minutes will be available.

COMMISSIONERS: JOSHUA COSGROVE, CHAIR, Special District • DON HORSLEY, VICE CHAIR, County • ANN DRAPER, Public • RICH GARBARINO, City
 MIKE O’NEILL, City • JOE SHERIDAN, Special District • ADRIENNE TISSIER, County

ALTERNATES: RIC LOHMAN, Special District • RAY MUELLER, City • SEPI RICHARDSON, Public • WARREN SLOCUM, County

STAFF: MARTHA POYATOS, EXECUTIVE OFFICER • REBECCA ARCHER, LEGAL COUNSEL • JEAN BROOK, COMMISSION CLERK



State of California

LITTLE HOOVER COMMISSION

AGENDA

California Healthcare Districts Advisory Committee Meeting Wednesday, November 16, 2016

1:30 – 3:30 p.m.

BMG Conference Room, Lower Level, 925 L Street
Sacramento, CA 95814

Pedro Nava
Chairman

Jack Flanigan
Vice Chairman

Scott Barnett

David Beier

Anthony Cannella
Senator

Chad Mayes
Assemblymember

Don Perata

Sebastian Ridley-Thomas
Assemblymember

Richard Roth
Senator

Jonathan Shapiro

Janna Sidley

Helen Torres

Sean Varner

Carole D'Elia
Executive Director

1:30 – 1:40 p.m.

Welcome and Introduction to Study

Pedro Nava, Chair, Little Hoover Commission

Commission Study Process and Advisory Committee Role

Carole D'Elia, Executive Director, Little Hoover Commission

1:40 – 3:20 p.m.

Discussion

- How healthcare districts are rethinking their roles and relevance in an Affordable Care Act era that favors preventative care over traditional hospital care.
- An assessment of the appropriate role of healthcare districts that no longer own or operate hospitals.
- A look at ways healthcare districts without hospitals are modeling and offering a new menu of healthcare services.

3:20 – 3:30 p.m.

Final Comments

There will be an opportunity for public comment at the end of the roundtable. Please notify Commission staff if you would like to make a comment.



LITTLE HOOVER COMMISSION

Little Hoover Commission
California Healthcare Districts Roundtable
Thursday, November 16, 2016

1:30 p.m. to 3:30 p.m.

BMG Conference Room, Lower Level, 925 L Street

Pedro Nava
Chairman

Jack Flanigan
Vice Chairman

Scott Barnett

David Beier

Anthony Cannella
Senator

Chad Mayes
Assemblymember

Don Perata

Sebastian Ridley-Thomas
Assemblymember

Richard Roth
Senator

Jonathan Shapiro

Janna Sidley

Helen Torres

Sean Varner

Carole D'Elia
Executive Director

Background:

The Little Hoover Commission's November 16, 2016, advisory committee meeting on California healthcare districts continues a study theme of special districts facing two special and historic challenges: the inevitable impacts of climate change and the evolving post-Affordable Care Act (ACA) healthcare landscape. The Commission is reviewing special districts as a follow-up to its May 2000 report *Special Districts: Relics of the Past or Resources for the Future?* The Commission has held two public hearings as part of its study. A first on August 25, 2016, broadly explored the landscape of special district purpose, organization and financing. A second on October 27, 2016, examined how special districts, particularly in water supply and delivery, wastewater management and flood control, factor climate change adaptation into long-range infrastructure budgeting and use of property taxes and reserves.

Purpose of the Roundtable:

The two-hour November advisory committee meeting facilitates a roundtable discussion between several Commissioners and more than a dozen experts in hospital care, community health and special district issues. Participants will primarily discuss how healthcare districts are rethinking their roles and relevance in an Affordable Care Act era that favors preventative care over traditional hospital care – the original reason for the existence of California hospital districts. The meeting also is designed to provide Commissioners background to consider questions that have swirled for years among Capitol legislative committees, local grand juries, Local Agency Formation Commissions (LAFCOs) and healthcare analysts:

- If a healthcare district does not operate or own a hospital should it continue to exist?
- If a healthcare district primarily channels its property tax allocations to other entities as healthcare grants, might this better be done by county health departments or other local governments?
- Do critics who maintain that healthcare districts without hospitals should be dissolved have too narrow a focus and lack understanding of shifts in the healthcare landscape?
- In an era of higher emphasis on wellness and preventative care how are healthcare districts without hospitals modeling and offering a new menu of healthcare services?
- Should Local Agency Formation Commissions have ultimate authority to steer decisions about the role of healthcare districts?

Meeting Format:

Commission Chairman Pedro Nava, as chair of the special districts study subcommittee, will facilitate the meeting with several other Commissioners and guide a discussion with participants. Other Commissioners confirmed so far include Don Perata and Janna Sidley. There is no need to bring prepared remarks or PowerPoint presentations.



State of California

LITTLE HOOVER COMMISSION

**Advisory Committee Meeting
Healthcare Districts – Rethinking Roles & Relevance
Lower Level Conference Room, 925 L Street, Sacramento
Invited Participants
November 16, 2016**

1. Ken Cohen, Executive Director, Association of California Healthcare Districts
2. Arthur J. Faro, Board President, Sequoia Healthcare District, San Mateo County
3. Barbara Glaser, Senior Legislative Advocate, California Hospital Association
4. Colin Grinnell, Chief Consultant, Senate Government and Finance Committee
5. Jack Hickey, Board Member, Sequoia Healthcare District, San Mateo County
6. Barry Jantz, Chief Executive Officer, Grossmont Healthcare District, San Diego County
7. Amber King, Senior Legislative Advocate, Association of California Healthcare Districts
8. Walter Kopp, President, Medical Management Systems, Inc., Marin County
9. Debbie Michel, Chief Consultant, Assembly Local Government Committee
10. Lee Michelson, Chief Executive Officer, Sequoia Healthcare District, San Mateo County
11. Pamela Miller, Executive Director, California Association of Local Agency Formation Commissions
12. Kyle Packham, Advocacy and Public Affairs director, California Special Districts Association
13. Bobbi Palmer, Executive Director, Fallbrook Healthcare District, San Diego County
14. Peggy Broussard Wheeler, Vice President, Rural Healthcare and Governance, California Hospital Association
15. Sherreta Lane, Vice President of Finance and Policy, District Hospital Leadership Forum

California Healthcare Districts

| Healthcare District | County | City | Urban/Rural | Services |
|--|-----------------|-----------------|-------------|--------------------------|
| Alta Hospital District | Tulare | Dinuba | Rural | Community Based |
| Antelope Valley Healthcare District | Los Angeles | Lancaster | Urban | Hospital |
| Avenal Hospital District | Kings | Avenal | Urban | Ambulance |
| Beach Cities Health District | Los Angeles | Redondo Beach | Urban | Community Based |
| Bear Valley Community Healthcare District | San Bernardino | Big Bear Lake | Rural | Hospital |
| Bloss Memorial Healthcare District | Merced | Atwater | Rural | Clinic |
| Camarillo Healthcare District | Ventura | Camarillo | Urban | Community Based |
| Cambria Health Care District | San Luis Obispo | Cambria | Rural | Ambulance |
| Chowchilla Memorial Healthcare District | Madera | Chowchilla | Rural | Skilled Nursing Facility |
| City of Alameda Health Care District | Alameda | Alameda | Urban | State of re-organization |
| Cloverdale Health Care District | Sonoma | Cloverdale | Rural | Ambulance |
| Coalinga Hospital District | Fresno | Coalinga | Rural | Hospital |
| Coast Life Support District | Mendocino | Gualala | Rural | Ambulance |
| Corcoran Hospital District | Kings | Corcoran | Rural | State of re-organization |
| Corning Healthcare District | Tehama | Corning | Rural | Community Based |
| Del Norte Healthcare District | Del Norte | Crescent City | Rural | Clinic |
| Del Puerto Health Care District | Stanislaus | Patterson | Rural | Clinic |
| Desert Healthcare District | Riverside | Palm Springs | Urban | Community Based |
| East Kern Health Care District | Kern | California City | Rural | Community Based |
| Eastern Plumas Healthcare District | Plumas | Portola | Rural | Hospital |
| Eden Township Healthcare District | Alameda | Castro Valley | Urban | Community Based |
| El Camino Healthcare District | Santa Clara | Mountain View | Urban | Hospital |
| Exeter Ambulance | Tulare | Exeter | Rural | Ambulance |

California Healthcare Districts

| Healthcare District | County | City | Urban/Rural | Services |
|--|----------------|------------------|-------------|------------------------------------|
| Fallbrook Healthcare District | San Diego | Fallbrook | Rural | Community Based |
| Grossmont Healthcare District | San Diego | La Mesa | Urban | Community Based |
| Heffernan Memorial Hospital District | Imperial | Calexico | Rural | Clinic |
| Indian Valley Health Care District | Plumas | Greenville | Rural | Inactive; state of re-organization |
| John C. Fremont Healthcare District | Mariposa | Mariposa | Rural | Hospital |
| Kaweah Delta Health Care District | Tulare | Visalia | Urban | Hospital |
| Kern Valley Healthcare District | Kern | Lake Isabella | Rural | Hospital |
| Kingsburg Hospital District | Fresno | Kingsburg | Rural | Inactive; state of re-organization |
| Last Frontier Health Care District | Modoc | Alturas | Urban | Hospital |
| Lindsay Local Hospital District | Tulare | Lindsay | Rural | Community Based |
| Lompoc Healthcare District | Santa Barbara | Lompoc | Rural | Hospital |
| Los Medanos Community Healthcare District | Contra Costa | Pittsburg | Urban | Community Based |
| Marin Healthcare District | Marin | Corte Madera | Urban | Hospital |
| Mark Twain Health Care District | Calaveras | San Andreas | Rural | Community Based |
| Mayers Memorial Hospital District | Shasta | Fall River Mills | Rural | Hospital |
| Mendocino Coast Healthcare District | Mendocino | Fort Bragg | Rural | Hospital |
| Morongo Basin Health Care District | San Bernardino | Joshua Tree | Rural | Skilled Nursing Facility |
| Mountain Communities Healthcare District | Trinity | Weaverville | Rural | Hospital |
| Mt. Diablo Health Care District | Contra Costa | Concord | Urban | Community Based |
| Muroc Healthcare District | Kern | Boron | Rural | Ambulance |
| North Kern South Tulare Hospital District | Kern | Delano | Rural | Skilled Nursing Facility |
| North Sonoma County Healthcare District | Sonoma | Healdsburg | Rural | Hospital |
| Northern Inyo County Local Hospital District | Inyo | Bishop | Rural | Hospital |

| Healthcare District | County | City | Urban/Rural | Services |
|--|----------------|----------------|-------------|------------------------------------|
| Oak Valley Hospital District | Stanislaus | Oakdale | Rural | Hospital |
| Palm Drive Health Care District | Sonoma | Sebastopol | Rural | Hospital |
| Palo Verde Health Care District | Riverside | Blythe | Rural | Hospital |
| Palomar Pomerado Health | San Diego | San Diego | Urban | Hospital |
| Peninsula Health Care District | San Mateo | Burlingame | Urban | Community Based |
| Petaluma Health Care District | Sonoma | Petaluma | Urban | Community Based |
| Pioneers Memorial Healthcare District | Imperial | Brawley | Rural | Hospital |
| Plumas District Hospital | Plumas | Quincy | Urban | Hospital |
| Redbud Healthcare District | Lake | Clearlake | Rural | Community Based |
| Salinas Valley Memorial Healthcare System | Monterey | Salinas | Urban | Hospital |
| San Benito Health Care District | San Benito | Hollister | Rural | Hospital |
| San Bernardino Mountains Community Healthcare District | San Bernardino | Lake Arrowhead | Rural | Hospital |
| San Geronio Memorial Health Care District | Riverside | Banning | Rural | Hospital |
| Selma Healthcare District | Fresno | Selma | Rural | Community Based |
| Seneca Healthcare District | Plumas | Chester | Rural | Hospital |
| Sequoia Healthcare District | San Mateo | Redwood City | Urban | Community Based |
| Sierra Kings District Hospital | Fresno | Reedley | Rural | Inactive; state of re-organization |
| Sierra View Local Healthcare District | Tulare | Porterville | Rural | Hospital |
| Soledad Community Health Care District | Monterey | Soledad | Rural | Skilled Nursing Facility |
| Sonoma Valley Health Care District | Sonoma | Sonoma | Urban | Hospital |
| Southern Humboldt Community Healthcare District | Humboldt | Garberville | Rural | Hospital |
| Southern Inyo Healthcare District | Inyo | Lone Pine | Rural | Hospital |
| Southern Mono Healthcare District | Mono | Mammoth Lakes | Rural | Hospital |

California Healthcare Districts

| Healthcare District | County | City | Urban/Rural | Services |
|---|--------------|--------------|-------------|-------------------------------|
| Southwest Healthcare District | Kern | Frazier Park | Rural | Community Based |
| Surprise Valley Health Care District | Modoc | Cedarville | Rural | Hospital |
| Tahoe Forest Hospital District | Nevada | Truckee | Rural | Hospital |
| Tehachapi Valley Healthcare District | Kern | Tehachapi | Rural | Hospital |
| Tri-City Healthcare District | San Diego | Oceanside | Urban | Hospital |
| Tulare Local Healthcare District | Tulare | Tulare | Rural | Hospital |
| Washington Township Health Care District | Alameda | Fremont | Urban | Hospital |
| West Contra Costa Healthcare District | Contra Costa | San Pablo | Urban | State of re-organization |
| West Side Community Healthcare District | Stanislaus | Newman | Rural | Ambulance; Community Based |
| West Side Health Care District | Kern | Taft | Rural | Ambulance |