

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: RN 11 23327
POSITION: Oppose
SPONSOR: Hollywood Presbyterian Medical Center

BILL NUMBER: SB 844
AUTHOR: C. Price

BILL SUMMARY: Health Facilities: General Acute Care Hospitals

This bill would allow flexibility for hospitals to utilize dietary services located at an adjacent hospital.

FISCAL SUMMARY

This Department of Public Health (DPH) projects this bill would result in 1.7 limited-term positions and \$127,000 in fiscal year 2011-12, and \$216,000 in 2012-13, primarily for the initial surveys to ensure those general acute care hospitals (GACHs) that make changes to their dietary services are in compliance with the new state requirement.

This estimate is based on the assumption that 10 percent of the 426 GACHs currently licensed by the DPH would receive their dietary services from a hospital immediately adjacent to them, and that the DPH would need to survey both the receiving and delivering hospital.

COMMENTS

The Department of Finance is opposed to this bill as it is unnecessary, would create ongoing costs, and would potentially raise licensing fees.

Current law allows health facilities, including GACHs, to request program flexibility to use alternate concepts, methods, procedures, techniques, equipment, and personnel, as long as the hospital meets statutory requirements and receives prior written approval from the DPH or the Office of Statewide Health Planning and Development (OSHPD).

The DPH has contacted the bill's sponsor, Hollywood Presbyterian Medical Center (HPMC), about providing program flexibility as allowed for in statute, which would achieve the same objectives as those being pursued in this bill.

Currently, the DPH conducts an initial licensing survey every time a hospital adds or changes any service (including dietary services). Re-licensure surveys evaluate the entire hospital system for compliance with state requirements and must be conducted once every three years.

Analyst/Principal Date Assistant Program Budget Manager Date
(0553) B. Nunes

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

C. Price

RN 11 23327

SB 844

Existing law defines a GACH as a health facility having a duly constituted governing body with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

This bill would allow hospital dietary services to be provided at the hospital, or in another hospital immediately adjacent to the hospital, as long as dedicated facilities are in place to accommodate the delivery of these services and the DPH determines that all standards pertaining to dietary services under this chapter, and regulations adopted pursuant to this chapter, have been met.

According to the author's office, HPMC must either temporarily shut down their dietary services department or their emergency room in order to accommodate staging for construction to administer seismic upgrades to the emergency room. The hospital must either use the dietary services from the hospital immediately adjacent to the hospital, or shut down the emergency room until construction is completed. The author's office roughly estimates the construction time frame to be 2-3 years.

| Code/Department Agency or Revenue Type | SO | (Fiscal Impact by Fiscal Year) | | | | | | | | Fund Code |
|--|---|--------------------------------|-----------|-------|-----------|-------|-----------|------|------|--------------|
| | LA | (Dollars in Thousands) | | | | | | | | |
| | CO | PROP | 2011-2012 | | 2012-2013 | | 2013-2014 | | | |
| | RV | 98 | FC | FC | FC | FC | FC | FC | | |
| 4265/PublicHealth | SO | No | C | \$127 | C | \$216 | C | \$38 | 3098 | |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | | |
| 3098 | Licensing and Certification Prog Fd, PH | | | | | | | | | |