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California State Senate

SENATOR
STEPHEN C. PADILLA
EIGHTEENTH SENATE DISTRICT



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SB 1070 – Imperial Valley Healthcare District

With only two hospitals serving patients in Imperial County, the region faces serious challenges connecting residents with healthcare providers. In 2023, the Legislature approved AB 918, to form the Imperial Valley Healthcare District, a countywide healthcare system to stabilize healthcare in one of the state's most underserved communities. Part of the measure required that the newly formed board of the Imperial Valley Healthcare District recommend a funding source mechanism to be placed on the March 2024 or November 2024 election. Unfortunately, parties involved have not provided crucial information needed to recommend a funding source, as required by the statute, in time for the November 2024 election. Therefore, more time is needed for the District to receive the necessary information to recommend a funding source to the voters. SB 1070 would extend the District's deadline to recommend and present a permanent funding source mechanism to voters on or before the November 2026 election.

Staff Contact

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Senate Bill No. 1070

Passed the Senate August 31, 2024

Secretary of the Senate

Passed the Assembly August 31, 2024

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2024, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 32499.6 of the Health and Safety Code, relating to health care districts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1070, Padilla. Health care district: County of Imperial.

Existing law establishes a local health care district in the County of Imperial, designated as the Imperial Valley Healthcare District, that includes all of the County of Imperial. Existing law requires the initial board of directors of the Imperial Valley Healthcare District to be appointed from and by specified bodies, including, among others, the Imperial County Board of Supervisors, the Pioneers Memorial Healthcare District Board of Directors, and the Heffernan Memorial Healthcare District Board of Directors. Existing law requires the initial board of directors to recommend a permanent funding source mechanism to be presented to and approved by voters via ballot measure and requires the permanent funding source mechanism to be placed on the ballot for the March 2024 or November 2024 election.

This bill would instead require the initial board of directors, the elected board of directors, or a combination of the initial and elected board of directors to recommend a permanent funding source mechanism to be presented to voters via ballot measure and would require the permanent funding source mechanism to be placed on the ballot on or before the November 2026 election.

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

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

SECTION 1. Section 32499.6 of the Health and Safety Code is amended to read:

32499.6. (a) (1) The initial board of directors of the district shall be composed of the following members:

(A) One member from and appointed by the Pioneers Memorial Healthcare District Board of Directors.

(B) One member from and appointed by the Heffernan Memorial Healthcare District Board of Directors.

(C) One member from the City of El Centro and appointed by the public health director for the County of Imperial. This member shall be a resident of the City of El Centro, but not a City of El Centro employee, an elected official of the City of El Centro, or an employee or board member or former board member of the El Centro Regional Medical Center.

(D) One member of the public appointed by the Imperial County Board of Supervisors. This member shall be a resident of the unincorporated areas in the areas of Seely or Ocotillo, or a county board supervisor that represents that area.

(E) One tribal member from and appointed by the Quechan tribe. If a member is not appointed by the tribe within the 60-day timeframe, then the county board of supervisors may appoint a member of the public from the Winterhaven area.

(F) One member from the City of Imperial and appointed by the City of Imperial.

(G) One member from the City of Holtville and appointed by the City of Holtville.

(2) With the exception of the Pioneers Memorial Healthcare District and Heffernan Memorial Healthcare District appointments, any member appointed to the initial Imperial Valley Healthcare District Board of Directors cannot be a current or former employee of the El Centro Regional Medical Center, the Pioneers Memorial Hospital, or Pioneers Memorial Healthcare District.

(b) The appointing bodies shall have 60 days from the effective date of this chapter to appoint members of the initial board of directors. If a board position is not filled within this timeframe, the Imperial County Board of Supervisors shall appoint the remaining members of the initial board of directors.

(c) (1) The initial board of directors, appointed pursuant to this section, shall create a staggered board of directors by choosing a number of board members to remain on the board following the first district election occurring pursuant to subdivision (a) of Section 32499.7.

(2) The initial board of directors, in collaboration with the Imperial County Local Agency Formation Commission (LAFCO), shall determine the years that the voting districts and associated board positions will be up for election by July 1, 2024.

(3) The initial board of directors, elected board of directors, or a combination of the initial and elected board of directors shall recommend a permanent funding source mechanism to be presented to voters via ballot measure. The funding source mechanism shall be placed on the ballot on or before the November 2026 election. The initial board of directors, elected board of directors, or a combination of the initial and elected board of directors, in collaboration with the Imperial County LAFCO, shall use the financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall to determine the funding source mechanism.

(4) (A) The initial board of directors shall enter negotiations with the El Centro Regional Medical Center to decide the terms of the acquisition of the hospital. Upon reviewing the financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall and confirming the financial viability of integrating the El Centro Regional Medical Center into the district, the initial board of directors shall determine the terms of the acquisition of the hospital. If the initial board of directors chooses to acquire the El Centro Regional Medical Center, the hospital shall be acquired with all of its assets and liabilities. All existing hospital licenses and certifications of the Pioneers Memorial Hospital and Healthcare District shall be transferred to the Imperial Valley Healthcare District when applicable in order to avoid a disruption in providing health care services. The initial board of directors shall initiate the process of applying for any licenses and certifications that cannot be transferred to the Imperial Valley Healthcare District within a year of formation. The initial board of directors shall finalize the terms of acquiring the hospital by November 5, 2024. The City of El Centro shall negotiate in good faith with the district, but is not required to sell the hospital to the district or agree to the terms that the initial board of directors finalizes.

(B) The terms of the acquisition shall include the district or any successor entity assuming the duties and obligations of El Centro Regional Medical Center's collective bargaining agreements and retirement plans, at the El Regional Medical Center. This paragraph does not require any successor entity to adopt the collective bargaining agreement and retirement plan across to other facilities owned by the same operator.

(5) (A) The initial board of directors shall recommend to the Imperial County LAFCO a date for the dissolution of the Pioneers Memorial Healthcare District. The dissolution date shall be between July 1, 2024, and January 1, 2025. The initial board of directors may recommend a date that differs from the dissolution date of the Heffernan Memorial Healthcare District.

(B) The initial board of directors shall recommend to the Imperial County LAFCO a date for the dissolution of the Heffernan Memorial Healthcare District. The dissolution date shall be between July 1, 2024, and January 1, 2025. The initial board of directors may recommend a date that differs from the dissolution date of the Pioneers Memorial Healthcare District.

(6) The board of directors shall hold a minimum of three public meetings between the effective date of this chapter and January 1, 2025, as follows:

(A) During the first public meeting, the board of directors shall inform the public of the establishment of the Imperial Valley Healthcare District, the cost savings of having one countywide health care district, and the findings of the financial feasibility studies conducted by the Imperial County LAFCO and Kaufman Hall. The first public meeting shall be held by March 1, 2024.

(B) During the second public meeting, the board of directors shall inform the public of the recommended permanent funding source mechanism for the Imperial Valley Healthcare District.

(C) During the third public meeting, the board of directors shall inform the public about the acquisition of the El Centro Regional Medical Center.

(D) If the board of directors votes to acquire the El Centro Regional Medical Center, the board of directors shall hold a fourth meeting. During this meeting, the board of directors shall disclose the terms of the acquisition to the public and present a financial plan to finance the acquisition and ongoing operations of hospitals in the district.

(E) At each public meeting held pursuant to this paragraph, the board of directors shall allow time for public comment.

(d) (1) Until both the Heffernan Memorial Healthcare District and Pioneers Memorial Healthcare District are dissolved, the Heffernan Memorial Healthcare District shall hold a temporary clerical role to the Board of Directors of the Imperial Valley Healthcare District.

(2) For purposes of this subdivision, Heffernan Memorial Healthcare District's clerical responsibilities shall be limited to:

(A) Providing administrative employees or the financial means to hire administrative employees.

(B) Providing financial resources to complete clerical tasks for board meetings and public meetings. These tasks include:

(i) Creating agendas for public meetings and board meetings.

(ii) Setting meeting locations, dates, and times.

(iii) Upon direction of the Board of Directors of the Imperial Valley Healthcare District and the Imperial County LAFCO, ensuring the transfer of the existing health care districts into the Imperial Valley Healthcare District with minimal interruptions to ongoing health care services.

(C) Providing a venue for the board meetings and public meetings to take place or providing the financial means for a venue.

(D) Providing the financial means to hire legal counsel.

(3) It is the intent of the Legislature that Heffernan Memorial Healthcare District will hold a purely clerical role to the Board of Directors of the Imperial Valley Healthcare District. It is further the intent of the Legislature that Heffernan Memorial Healthcare District will not hold a CEO or CFO role.

(e) The board of directors shall consist of all elected members by the conclusion of the 2028 general election.

(f) A vacancy in a board position shall be filled by the methods prescribed in Section 1780 of the Government Code, and, after the board of directors consists of all elected members, shall be filled by the methods prescribed in Section 32499.7.

(g) (1) The board of directors may establish a nonvoting community advisory committee consisting of at least seven community members of the County of Imperial in the health care industry, including:

(A) A member with an active medical license who is employed by a hospital or clinic in the County of Imperial.

(B) A promotor or promotora.

(C) A health care worker from a federally qualified health center in the County of Imperial.

(D) A member from a health related or environmental justice nonprofit group in the County of Imperial.

(2) The nonvoting advisory board may be dissolved at the discretion of the board of directors.

SEC. 2. 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 community needs in the County of Imperial served by the Imperial Valley Healthcare District which includes all of the County of Imperial, providing health care services for an underserved population that suffers from a higher than average prevalence of preventable disease.

Approved _____, 2024

Governor



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September 19, 2024

The Honorable Gavin Newsom
Governor of California
1021 O Street, Suite 9000
Sacramento, CA 95814

Dear Governor Newsom,

I hope this letter finds you well. I am writing to express my full support for Senate Bill 1070, introduced by Senator Padilla and co-authored by Assembly member Garcia. This bill is critical to ensuring the future of healthcare in Imperial County. SB 1070 would give the Imperial Valley Healthcare District (IVHD) the time it needs to present a permanent funding solution to voters by November 2026, ensuring a stable and sustainable path forward for our local healthcare.

Governor, your leadership was instrumental when you signed AB 918 into law last year, and the impact of that decision has already begun to take root. It marked a significant milestone for healthcare in our region, and we are deeply appreciative of your commitment. However, delays in receiving essential information from external partners have posed challenges for IVHD in finalizing the funding proposal within the original timeframe. SB 1070 would grant the District the additional time required to develop a comprehensive and sustainable plan that addresses the healthcare needs of Imperial County.

Your support for SB 1070 would reaffirm your commitment to ensuring equitable healthcare for all Californians, particularly in underserved areas like ours. We humbly ask for your support in signing SB 1070 to help sustain the improvements in our healthcare system that you have helped us start with AB 918.

Thank you, Governor, for your leadership, your vision, and your ongoing dedication to improving the lives of all Californians. We deeply appreciate your consideration of this important legislation.

Sincerely,

Delfino Matus,
Heber Public Utility District
Board President