

FILE NO. 041072

ORDINANCE NO. 224-04

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

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

9 Note: Additions are *single-underline italics Times New Roman*;  
10 deletions are *strikethrough italics Times New Roman*.  
11 Board amendment additions are double underlined.  
12 Board amendment deletions are ~~strikethrough-normal~~.

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

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

16 Sec. 97.1. FINDINGS AND PURPOSE

17 The Board makes the following findings:

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

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

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

25 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

1 and other services. Public recognition of their unique status has led to favorable tax treatment by the  
2 government. In exchange, nonprofit hospitals assume a social obligation to provide community  
3 benefits in the public interest."

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

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

11 Section 97.2. DEFINITIONS.

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

15 A. "Applicant Hospital" shall mean a private, non-governmental hospital that provides  
16 operating in the City and County of San Francisco which, as of the date it files a permit  
17 application or other request for approval as described in Section 97.3, has more than a forty  
18 (40) percent share of the private healthcare market in the City and County of San Francisco, or  
19 which is part of a hospital system whose market share exceeds that provides more than forty  
20 (40) percent, of the private healthcare market healthcare services provided by private, non-  
21 governmental hospitals in the City and County of San Francisco in any of the following  
22 categories, as defined in the Accounting and Reporting Manual for California Hospitals  
23 published by the ~~An Applicant Hospital's share of the healthcare market shall be determined~~  
24 ~~by any of the following, as reported in~~ Office of Statewide Health Planning and Development  
25

1 ("OSHPD") Hospital Disclosure Reports: the number of and as reported in the most recent  
2 OSHPD Hospital Annual Disclosure Reports available upon review of the hospital's permit  
3 application or other request for approval filed with an agency or department of the City and  
4 County of San Francisco or with the San Francisco Redevelopment Agency: licensed hospital  
5 beds, available licensed hospital beds, staffed licensed hospital beds, total patient days, or total  
6 discharges.

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

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

18 2. Price of Care: The fees charged as reported in charge description masters by the  
19 Applicant Hospital for a standardized set of hospital services, prescription and non-  
20 prescription drugs, medical supplies, and medical equipment. The standardized set of  
21 hospital services shall be established by the Health Department and shall incorporate any  
22 data reported in charge description masters recorded pursuant to California Health and Safety  
23 Code, Sections 1339.50 – 1339.59.

1           3. Caregiver Competence Training, Education, and Development: The programs and  
2 financial support made available by the Applicant Hospital for caregiver training, education, and  
3 advancement development.

4           Section 97.3. PREPARATION AND CONSIDERATION OF HEALTHCARE IMPACT  
5 REPORTS.

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

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

22           C. Upon completing the Healthcare Impact Report, the Health Department shall distribute it to  
23 the Health Commission, the Planning Commission, the Board of Supervisors and other City  
24 departments or agencies it deems appropriate. The Health Department shall complete and distribute  
25

1 the Healthcare Impact Report within six (6) months of being notified of the need for the report. If the  
2 Health Department does not complete and distribute the Healthcare Impact Report within that  
3 timeframe, Sections 97.3 (D, E, F) and 97.4 shall not apply.

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

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

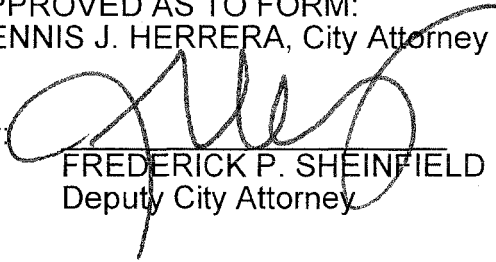
13 F. The Board of Supervisors, Planning Commission, Health Commission, and any other City  
14 departments or agencies provided with the Healthcare Impact Report by the Health Department shall  
15 at their discretion review and consider the Healthcare Impact Report and may use the comparisons  
16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

21 Section 97.4. COST OF REPORT

22 The Health Department may charge and collect from the Applicant Hospital a fee for the  
23 preparation of the Healthcare Impact Report in an amount that does not exceed the actual cost of  
24  
25

1 preparing the Healthcare Impact Report. The Health Department shall make reasonable efforts to use  
2 all data sources available in order to minimize costs.

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5  
6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA, City Attorney

8  
9 By:   
10 FREDERICK P. SHEINFELD  
11 Deputy City Attorney



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails Ordinance

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**File Number:** 041072

**Date Passed:**

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.

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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

File No. 041072

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.

8/25/04

Date Approved

Gloria L. Young  
Clerk of the Board

Mayor Gavin Newsom