

SCC NO. \_\_\_\_\_

**AN ORDINANCE OF THE SACRAMENTO COUNTY CODE RELATING TO  
SACRAMENTO COUNTY HEALTH AUTHORITY**

The Board of Supervisors of the County of Sacramento, State of California,  
ordains as follows:

SECTION 1. Chapter 2.136, Sections 2.136.010 through 2.136.170, is added to  
Title 2 of the Sacramento County Code to read as follows:

**Chapter 2.136 SACRAMENTO COUNTY HEALTH AUTHORITY****2.136.010 Purpose**

This ordinance establishes a public authority, known as the Sacramento County Health Authority Commission, in order to meet the problems of delivery of publicly assisted medical care in the County of Sacramento, and to demonstrate ways of promoting quality care and cost efficiency. Upon the establishment of the Health Authority, all of the rights, duties, privileges, and immunities vested in Sacramento County pursuant to Article 2.7 of Chapter 7 of Part 3 of Division 9 of the California Welfare and Institutions Code shall be vested in the Health Authority and shall continue to be so vested until Sacramento County formally terminates its participation in the Health Authority.

**2.136.020 Definitions**

- a. "Board" means the Board of Supervisors of the County of Sacramento.
- b. "Health Authority" means a separate public entity established under this Chapter.
- c. "Commission" means the Sacramento County Health Authority Commission, the governing body of the Health Authority.
- d. "Department" means the State Department of Health Care Services.

**2.136.030 Membership of Health Authority Commission**

- a. Each member of the Commission has the responsibility and duty to comply with applicable federal and state laws and regulations, to serve the public interest of Medi-Cal beneficiaries served by the Health Authority, and to ensure the operational well-being and fiscal solvency of the Health Authority. Members of the Commission shall further strive to improve health care quality, to better integrate the services of Medi-Cal managed care plans and behavioral health and oral health services, to promote prevention and wellness, to ensure the provision of cost-effective health and mental health care services, and to reduce health disparities. Members of the Commission shall be appointed by the Board of Supervisors to represent the interests of the County, the general public, beneficiaries, physicians, hospitals, clinics,

and other nonphysician health care providers. The commission shall be comprised of 20 voting members, and at least 2 nonvoting members.

b. The voting members shall consist of all of the following:

1. Five members shall be individuals who advocate on behalf or represent the interests of Medi-Cal beneficiaries in the county. Of the five members, at least one individual shall advocate on behalf of Medi-Cal beneficiaries for behavioral health services. The initial five members shall be nominated by the Board. Subsequent members shall be nominated by the Consumer Protection Advisory Committee established by the Health Authority.

2. Two members shall be individuals who are Medi-Cal beneficiaries in the county at the time they are nominated. The initial two members shall be nominated by the Board, and subsequent members shall be nominated by the Consumer Protection Advisory Committee established by the Health Authority.

3. Three members shall be representatives of nonprofit community health centers that operate in the county and serve Medi-Cal beneficiaries, and these members shall be nominated by the Central Valley Health Network, or its successor organization.

4. Four members shall be individuals who are nominated by the Hospital Council of Northern and Central California, or any successor organization, and represent hospital systems operating in the county. The Board shall appoint no more than one individual representing each hospital system.

5. Two members shall be physicians, nominated by the Sierra Sacramento Valley Medical Society, or any successor organization, who serve Medi-Cal beneficiaries in the county.

6. One member shall be a behavioral health services provider who serves Medi-Cal beneficiaries in the county.

7. One member shall be an individual nominated by the stakeholder advisory committee on oral health and dental services, established pursuant to Section 14089.08, who resides or is employed in the county.

8. A member of the Board, or his or her designee.

9. The director of the Department of Health Services of the County of Sacramento, or his or her designee.

10. Until the Health Authority implements any activity described in paragraph c under Section 2.136.110, Commission Duties, nonvoting members shall include at least two members, nominated by the Department of Health Services, who represent Medi-Cal managed care plans operating in the county and two individuals who represent independent physician practice associations operating in the county.

11. Upon the implementation of any activity described in paragraph c under Section 2.136.110, Commission Duties, the nonvoting members shall include at least two individuals, nominated by the Department of Health Services, who represent independent physician practice associations operating in the county.

c. The composition and nominating process of the Commission shall be subject to alteration taking into consideration the need for a broad representation of stakeholders, upon majority vote of the Board, by amendment of this ordinance.

#### **2.136.040 Conflict of Interest**

a. Notwithstanding any other law, a member of the Commission shall not be deemed to be interested in a contract entered into by the Health Authority within the meaning of Article 4 (commencing with Section 1090) of Chapter 1 of Division 4 of Title 1 of the Government Code if the member is a Medi-Cal recipient or if all of the following apply:

1. The member was appointed to represent the interests of physicians, health care practitioners, hospitals, or other health care organizations.
2. The contract authorizes the member or the organization the member represents to provide Medi-Cal services in the county.
3. The contract contains substantially the same terms and conditions as contracts entered into with other individuals or organizations the member was appointed to represent.
4. The member does not influence nor attempt to influence the Commission or another member of the Commission to recommend that the Health Authority enter into the contract in which the member is interested.
5. The member discloses the interest to the Commission and abstains from voting on any recommendation on the contract.
6. The Commission notes the member's disclosure and abstention in its official records and authorizes the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote of the interested member.

b. All members of the Commission and any advisory committee shall comply with all State and County laws, ordinances and regulations relating to conflict of interest and are subject to the financial reporting requirements of the Political Reform Act.

#### **2.136.050 Advisory Committees**

a. The Commission shall establish advisory committees, which shall include an Executive Committee, a Consumer Protection Committee, and any other committee determined to be advisable by the Health Authority.

b. The Commission shall consult with, and receive input from, the Stakeholder Advisory Committee established pursuant to Section 14089.08 of the Welfare and Institutions Code on matters that may impact the oral health of Medi-Cal beneficiaries.

#### **2.136.060 Chairperson**

The Chair of the Commission shall be a member appointed by the Board of Supervisors. The Commission members shall annually elect a vice-chair who shall serve for a term of one year.

#### **2.136.070 Compensation**

Members of the Commission and its committees shall not be paid compensation for activities relating to their duties as members, but Commission members who are Medi-Cal recipients shall be reimbursed an appropriate amount to be determined and provided by the county for travel and childcare expenses incurred in performing their duties related to the Commission and those committees.

### **2.136.080 Terms of Office**

a. Commission members shall serve for two years, subject to reappointment by the Board or nominating authority as specified in this Chapter, and until the appointment of his/her successor.

b. No member shall serve more than six consecutive years on the Commission, or until a replacement is appointed. However, a member may be reappointed, subject to the same limitation, if such member has not served within the two years prior to such reappointment.

c. The member appointed by the Board to serve as Chair shall serve in that capacity until there is reappointment by the Board.

### **2.136.090 Rules and Regulations**

The Commission shall establish general procedures to carry out the purpose of the Health Authority, adopt bylaws, rules and regulations, prepare agendas, and maintain Commissions records, as it may deem necessary to facilitate the carrying on of duties. Such bylaws and rules and regulations shall become effective upon approval by a quorum of the Commission.

### **2.136.100 Minutes**

Official minutes, recording motions entertained and actions taken at each meeting of the commission, shall be prepared and submitted to the clerk of the board.

### **2.136.110 Reports**

a. On or before January 31 of each year, the Commission shall submit an annual report to the clerk of the Board. The report shall highlight the activities, accomplishments and future goals of the Health Authority.

b. The Board may request the Commission to submit progress reports and recommendations from time to time. The Commission shall respond to such requests within a reasonable period of time.

### **2.136.120 Quorum**

A quorum for transaction of business shall be one-half of the appointed members. Action may be taken based on a majority vote of those members present and voting, provided that no action may be taken if less than a quorum is present. In the event of a tie vote, the Chairperson shall have an additional vote or the vice-chair if the Chairperson is not present.

### **2.136.130 Commission Duties**

a. The Commission shall designate a number of Knox-Keene licensed health plans for purposes of the Medi-Cal managed care plan procurement under Section 14089 of the Welfare and Institutions Code for the County of Sacramento as specified under paragraph e., until the Health Authority implements a county-sponsored local initiative health plan as authorized by Section 14087.38 of the Welfare and Institutions Code as described in paragraph c.

b. The Commission shall meet with health plans that operate as Medi-Cal managed care plans in the county pursuant to Section 14089 of the Welfare and

Institutions Code to review and discuss strategies for improving quality, cost, and access of Medi-Cal services in the county, until the Health Authority implements any activity described in paragraph c.

c. Consistent with Section 14087.38 of the Welfare and Institutions Code, and upon approval of the Commission and the Board, the Commission may pursue either of the following activities:

1. The Commission may seek and obtain Knox-Keene health plan licensure in order to serve as the county-sponsored local initiative to contract with the Department to arrange for the provision of health care services to qualifying individuals, as authorized by Section 14087.3 of the Welfare and Institutions Code.

2. The Commission may negotiate and enter into a contract with a Knox-Keene licensed health plan to be the designated county-sponsored local initiative health plan for the purpose of contracting with the Department for the provision of health care services to qualifying individuals as authorized by Section 14087.3 of the Welfare and Institutions Code.

d. Upon the implementation of any activity described in paragraph c., the county may continue to administer its stakeholder advisory committee, as described under Section 14089.07 of the Welfare and Institutions Code.

e. For purposes of the designation of health plans pursuant to paragraph a., prior to procurement under Section 14089 of the Welfare and Institutions Code, the Commission shall meet with any health plans intending to contract as Medi-Cal managed care plans in the county.

f. Subsequent to meeting with all interested health plans, the Commission shall designate to the Department of Health Care Services at least two Knox-Keene licensed health plans for the Board's approval based on the criteria described in paragraph g.

g. Any criteria used by the Commission to determine the designation of health plans pursuant to paragraph a. shall not conflict with requirements for Medi-Cal managed care plans established by the Department, the Department of Managed Health Care, the federal Medicaid program, or state law, and shall conform with any guidance issued by the Board, which shall not conflict with federal or state guidance. Designation requirements imposed by the Health Authority shall further the goals and requirements of the Department of Health Care Services for procurement under Section 14089 of the Welfare and Institutions Code including, but not limited to, increased quality, access, network adequacy, reduction of health disparities, and integration of behavioral and oral health within the delivery of health care services in the Medi-Cal program. Nothing in the Commission's designation of health plans pursuant to paragraph (a) is intended to supersede the State Department of Health Care Services' responsibility to determine which health plans are eligible to contract with the Department as Medi-Cal managed care plans in the County. Designation by the health authority is intended to provide the health plan only with the opportunity to compete in the procurement process under Section 14089 and does not guarantee the award of a Medi-Cal Managed Care plan contract with the Department.

**2.136.140 Powers**

a. All rights, powers, privileges and immunities previously vested in Sacramento County pursuant to Article 2.7 of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code shall be vested in the Health Authority.

b. The Health Authority shall be an entity separate from the County of Sacramento and shall file the Statement of Fact for the Roster of Public Agencies required by Government Code Section 53051.

c. The Health Authority shall be a corporate public body, exercising public and essential governmental functions with all powers necessary and convenient to carry out the powers conferred upon it this chapter, including the power to contract for services.

d. The Health Authority shall have the power in its own name to do any of the following:

1. To contract for the services of planners, financial consultants, and other experts and, separate and apart therefrom, to employ such other persons as it deems necessary.

2. To sue and be sued in its own name.

3. To acquire, possess, and dispose of real or personal property, as necessary for the performance of its functions

4. To incur debts, liabilities or obligations subject to any limitations herein set forth.

5. To apply for, accept and receive state, federal or local licenses, permits, grants, loans or other aid from any agency of the United States of America, or of the State of California necessary for the Authority's full exercise of its powers.

6. To perform all acts necessary and proper to carry out fully the purpose of this chapter.

7. Upon its creation, the Health Authority may borrow from the county, and the county may lend the Health Authority funds or issue revenue anticipation notes to obtain any necessary funds to commence operations.

8. The Health Authority shall be deemed a public agency that is a unit of local government for purposes of all grant programs and other funding and loan guarantee programs.

e. The Health Authority shall be considered a public entity for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code. The Health Authority, members of its Commission, and its employees, shall be protected by the immunities applicable to public entities and public employees governed by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code, except as provided by any other statute or regulation that expressly applies to the Health Authority.

**2.136.150 Liability of Authority**

a. Any obligation or legal liability of the Health Authority, whether statutory, contractual or otherwise, shall be the obligation or liability solely of the Health Authority and shall not be the obligation or liability of the County of Sacramento.

b. All contracts, leases, or other agreements of any nature, including collective bargaining agreements, between the Health Authority and any party, except

those with the County, shall contain the following statement: "The Health Authority is an independent legal entity, separate and apart from the County of Sacramento. The Health Authority has no power to bind the County to any contractual or legal obligations. Nor may the obligees of the Health Authority seek recourse against the County of Sacramento for any financial or legal obligation of the Health Authority."

c. Employees of the Health Authority shall not be employees of the County for any purpose.

d. Any obligation of the Health Authority, whether statutory, contractual, or otherwise, shall be the obligation solely of the Health Authority, and shall not be the obligation of the County.

e. The Health Authority shall maintain general liability insurance in an amount determined to be adequate by the County's Risk Manager and shall name the County as an additional insured.

f. The Health Authority shall indemnify, defend and hold harmless the County, its elected and appointed officers, employees and agents from and against any and all liability, including defense costs and legal fees, resulting from claims for damages of any nature whatsoever, including but not limited to personal injury or property damages arising from or connected with any act or omission of any officer, employee or agent of the Health Authority.

g. The Health Authority shall require all third parties with whom it contracts, other than the County of Sacramento, to indemnify the Health Authority, to provide the Health Authority with written acknowledgement of such indemnification and to maintain adequate levels of insurance naming the Health Authority as an additional insured.

### **2.136.160 Budget**

Within 90 days after the establishment of the Health Authority, and thereafter prior to the commencement of each fiscal year, the Commission shall adopt a budget for the ensuing fiscal year. The Commission shall adopt its budget under the same laws, rules and policies that control the County budget process. Hearings on the Authority budget shall be conducted concurrently with hearings conducted in connection with the County budget.

### **2.136.170 Termination of Health Authority Commission**

By repeal of this chapter, the Board of Supervisors may terminate the Commission. The termination shall comply with applicable provisions of Welfare and Institutions Code Section 14087.4.

SECTION 2. This ordinance was introduced and the title thereof read at the regular meeting of the Board of Supervisors on \_\_\_\_\_, and on \_\_\_\_\_, further reading was waived by the unanimous vote of the Supervisors present.

This ordinance shall take effect and be in full force on and after thirty (30) days

from the date of its passage, and before the expiration of fifteen (15) days from the date of its passage it shall be published once with the names of the members of the Board of Supervisors voting for and against the same, said publication to be made in a newspaper of general circulation published in the County of Sacramento.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing ordinance was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this \_\_\_\_ day of \_\_\_\_\_ 202\_\_, by the following vote:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisors

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