



City of Carson

Report to Mayor and City Council

March 20, 2012
New Business Consent

SUBJECT: CONSIDERATION OF RESOLUTION NO. 12-030 SUPPORTING CA INITIATIVE NO. 11-0082: LIMITS ON HOSPITAL CHARGES

Submitted by David C. Biggs
City Manager

Approved by David C. Biggs
City Manager

I. SUMMARY

On March 6, 2012, the City Council added this matter to tonight's agenda for consideration at the request of Councilmember Santarina.

A California Limit on Prices Set by Private Hospitals Initiative (also referred to as the Fair Healthcare Pricing Act of 2012) has been approved for circulation in California as an initiated state statute. In order to be placed on the state's 2012 ballot, sponsors of the initiative must collect 504,760 signatures. The act, if approved, will "sunset" after five years. Tonight the Council is asked to support Resolution No. 12-030.

II. RECOMMENDATION

WAIVE further reading and ADOPT Resolution No. 12-030, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, SUPPORTING CALIFORNIA INITIATIVE NO. 11-0082 THE FAIR HEALTHCARE PRICING ACT OF 2012"

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

Supporters of Initiative No. 11-0082, also referred to as the Fair Healthcare Pricing Act of 2012, are gathering signatures to place this initiative on the state ballot. If the initiative qualifies for the ballot and the state's voters approve it, it will do the following:

- Limit hospital charges to 125% of the hospital's good faith reasonable estimate of actual cost of service or item provided.
- Require hospitals to give refunds when total charges for the year exceed 125% of total patient care expenses.

- Adjust charge limits as needed to account for hospital's losses from treating uninsured and low-income patients.
- Require hospitals to provide new annual patient care expense and revenue reports.
- Exempt children's hospitals, public hospitals, certain hospitals operated by health care plan providers, and certain nonprofit hospitals considered part of safety-net health system.
- Authorize penalties for non-compliance.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Resolution No. 12-030. (pgs. 3-4)

Document1

Prepared by: Lisa Berglund, Principal Administrative Analyst

TO:Rev011112

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by City Council

Date_____ Action_____

RESOLUTION NO. 12-030

A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF CARSON, CALIFORNIA SUPPORTING
CALIFORNIA INITIATIVE NO. 11-0082 THE FAIR
HEALTHCARE PRICING ACT OF 2012

WHEREAS, United Healthcare Workers West (UHW), a branch of the SEIU, is sponsoring a petition drive to qualify this initiative for the ballot. The same group is sponsoring the collection of signatures to qualify an initiative that would limit prices set by private hospitals; and

WHEREAS, President Dave Reagan of SEIU-UHW, says, "Companies that operate tax-free...should be required to meet their charitable duty by providing a reasonable level of services for prevention, treatment and wellness to those in need"; and

WHEREAS, under this act hospitals would be prohibited from charging fees that are more than 25% above the actual cost of services; and

WHEREAS, this initiative limits hospital charges to 125% of the hospital's good faith reasonable estimate of actual cost of service or item provided; and

WHEREAS, this initiative requires hospitals to give refunds when total charges for the year exceed 125% of total patient care expenses; and

WHEREAS, this initiative adjust charge limits as needed to account for hospital's losses from treating uninsured and low-income patients; and

WHEREAS, this initiative requires hospitals to provide new annual patient care expense and revenue reports; and

WHEREAS, this initiative exempts children's hospitals, public hospitals, certain hospitals operated by health care plan providers, and certain nonprofit hospitals considered part of safety-net health system; and

WHEREAS, this initiative authorizes penalties for non-compliance; and

WHEREAS, the act, if approved, will "sunset" after five years; and

NOW THEREFORE, the City Council of the City of Carson hereby supports California Initiative 11-0082, the Fair Healthcare Pricing Act of 2012.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2012.

ATTEST:

Mayor Jim Dear

City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:

City Attorney

