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California Legislature

Senate Committee on Judiciary

Joseph L. Dunn
Chair

Agenda

Joint Hearing of Senate Judiciary & Health Committees Oversight of Proposed Sale of Orange County Hospitals

Opening Remarks – Senator Dunn

Orange County Hospital Infrastructure

The Critical Role of Chapman Medical Center, Coastal Communities Hospital, Western Medical Center – Anaheim, Western Medical Center – Santa Ana

Darlene Gidley, Program Manager, Orange County Emergency Medical Services

Overview of the Proposed Sale

Eric Tuckman, Vice President of Acquisition & Development, Tenet HealthSystem

Healthcare Delivery and Mergers and Acquisitions

Continuity of Care in the MedPartners/KPC Experience: Are there Lessons for Facility Transfers?

William Barcellona, Deputy Director, California Department of Managed Health Care
Nancy Watson, Project Coordinator, Coalition for Quality Healthcare
Felix Schwarz, Director, Healthcare Council of Orange County

Overview of the State Licensing Process for Hospitals

Mark Helmar, Chief of Field Operations Branch – Southern Area, Licensing and Certification, California Department of Health Services

Buyer's Plans to Ensure Access to Healthcare in Orange County

Dr. Kali Chaudhuri
Larry B. Anderson, President, Integrated Healthcare Holdings, Inc.

Efforts of the Western Medical Center – Santa Ana Medical Staff to Protect Quality of and Access to Care

Dr. Robert Steedman, Chief of Staff, Western Medical Center -- Santa Ana
Dr. Michael Fitzgibbons, Member, Medical Executive Committee, Western Medical Center – Santa Ana and Immediate Past Chief of Staff, Western Medical Center – Santa Ana

Public Comment



FINAL

Testimony at Jan. 20 Hearing on Sale of Orange County Hospitals

Good afternoon. My name is Eric Tuckman. I am Vice President of Acquisition and Development for Tenet Healthcare Corporation.

Thank you for giving me this opportunity to speak on behalf of Tenet regarding the proposed sale of Chapman Medical Center, Coastal Communities Hospital, Western Medical Center Anaheim and Western Medical Center Santa Ana to Integrated Healthcare Holdings. ... I will be brief.

Let me explain to you our reasons for selling these hospitals and the criteria we looked for in potential buyers as we moved through the sale process.

On January 28, 2004, we announced that we would seek buyers for 27 of our hospitals across the country, including four of our Orange County facilities. We selected these 27 hospitals for divestiture because they no longer fit into our company-wide strategy of concentrating our efforts on a core group of hospitals that will serve as our platform for growth. Additionally, our company was faced with financial issues which caused us to reevaluate our capital investment capabilities and led us to conclude that, in some instances, the future of these hospitals would be better assured in the hands of a new owner.

As part of our commitment to the Orange County community, we pledged that we would only seek buyers who intend to maintain the four hospitals as full-service, acute care facilities. We recognize the important role these hospitals play in their communities and we were determined to find a buyer who would be capable of ensuring the future of these excellent facilities. We also wanted a buyer who would share our pride in serving and being part of these communities.

Prior to accepting any bids, we established the following basic criteria that any potential new owner had to meet:

- They had to demonstrate sufficient access to capital and the financial stability to operate these facilities;
- They had to have experience operating acute care hospitals;
- They had to have an experienced hospital management team in place; and
- They had to commit to continue operating the hospitals as acute care facilities.

I am unable to comment specifically on the terms of the proposed sale to IHHL. This is a complex transaction with many components, and both sides are bound by confidentiality agreements. I can say, however, that all parties are working diligently in an attempt to

resolve issues that will enable the transaction to conclude. We remain hopeful that we will be able to complete the sale to IHHI, which is committed to maintaining the facilities as acute care hospitals with their emergency departments.

Thank you.

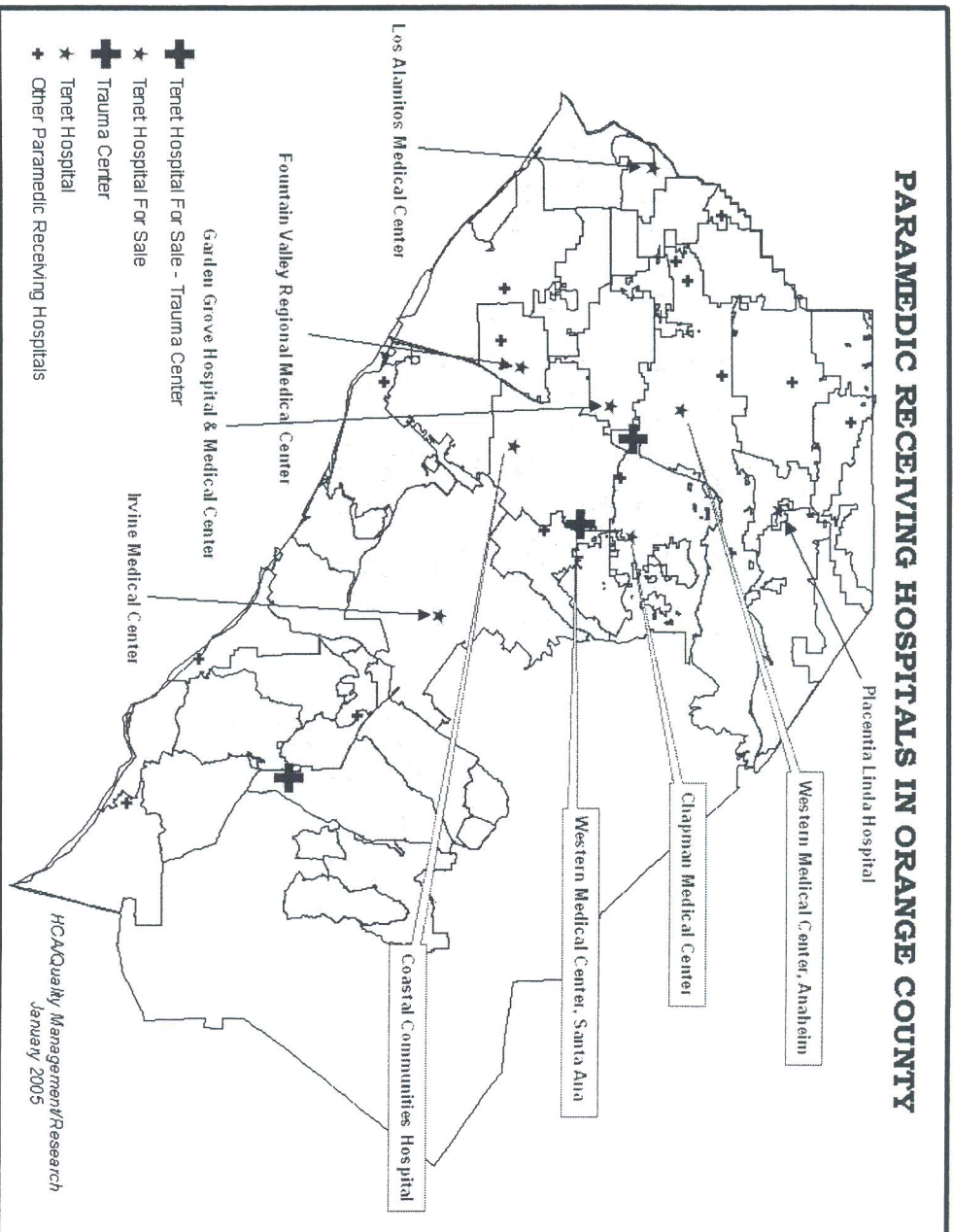
**Overview of Services Provided
by Tenet & Proposed IHHI
Hospitals in Orange County**

**Orange County Health Care Agency
January 2005**

Orange County EMS System

- Emergency Rooms in Orange County provide care to 725,000 patients annually
- Over 50,000 patients are transported by Advanced Life Support ambulance to hospitals each year
- The Orange County EMS System Includes
 - 31 General Acute Care Hospitals
 - 26 Paramedic Receiving Centers
 - 3 Trauma Centers

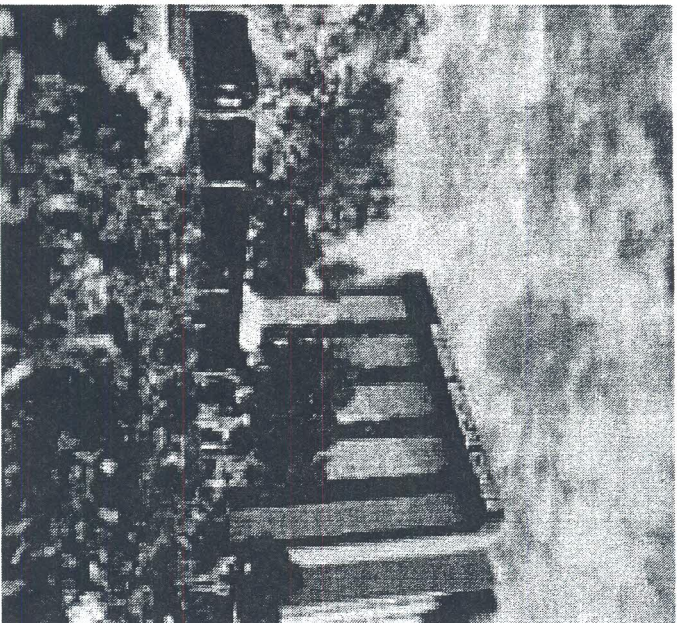
Orange County Tenet Hospitals



O.C. Tenet Hospitals

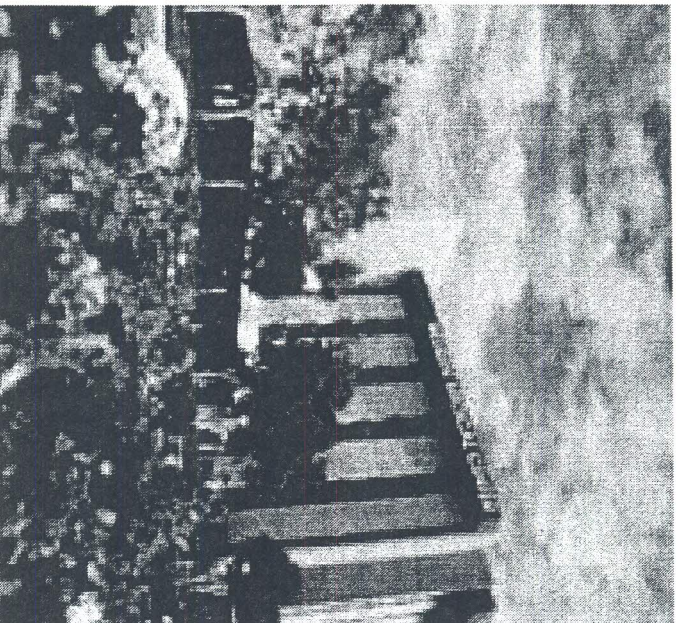
<u>Hospital</u>	<u>Treatment Bays</u>	<u>ED Visits</u>	<u>ALS Transports</u>
Tenet Hospitals Being Sold to IHHI	51	75,154	6,247
% of County Total	11%	10.4%	12.3%
Tenet Hospitals Being Retained			
	66	121,562	7,919
% of County Total	14.2%	16.7%	15.6%
Current Tenet Hospitals			
	117	196,716	14,166
% of County Total	25%	27%	28%

Western Medical Center-Santa Ana



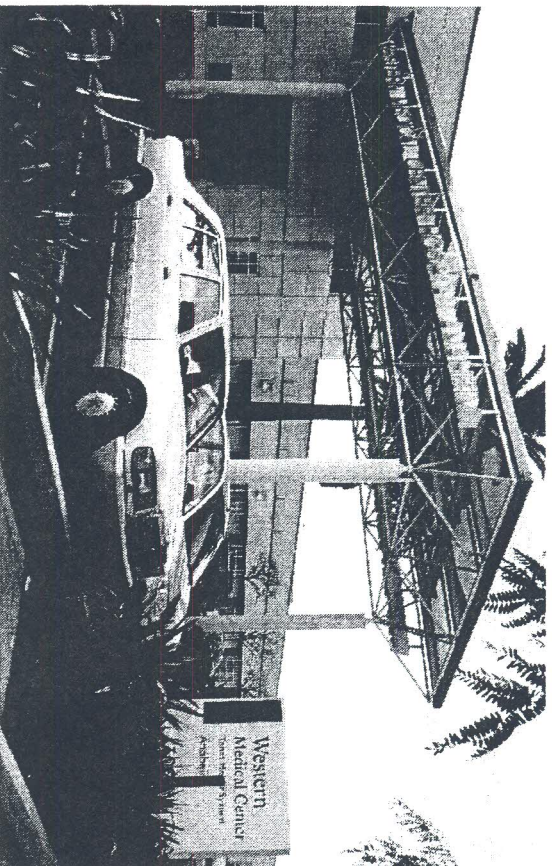
- 25,000+ Emergency Department (ED) visits annually
- Received 3,200 ALS Transport Patients last year
- Has 20 ED treatment bays
- Licensed for 280 beds

Western Medical Center-Santa Ana



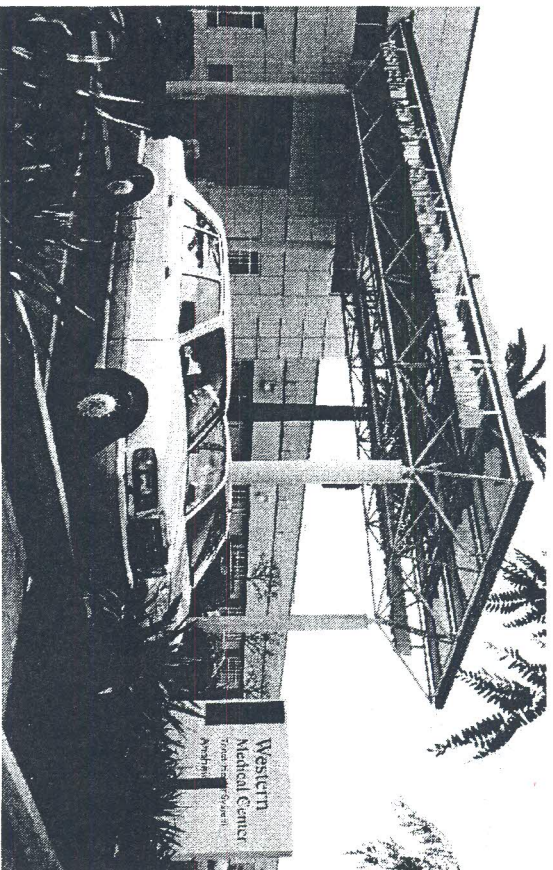
- One of 3 Trauma Centers in Orange County
- Receives 30% of all O.C. Trauma cases
- Received \$300,000 last year from Emergency Medical Services Fund
- Neurosurgery services
- Paramedic Base Hospital
- Burn Unit

Western Medical Center-Anaheim



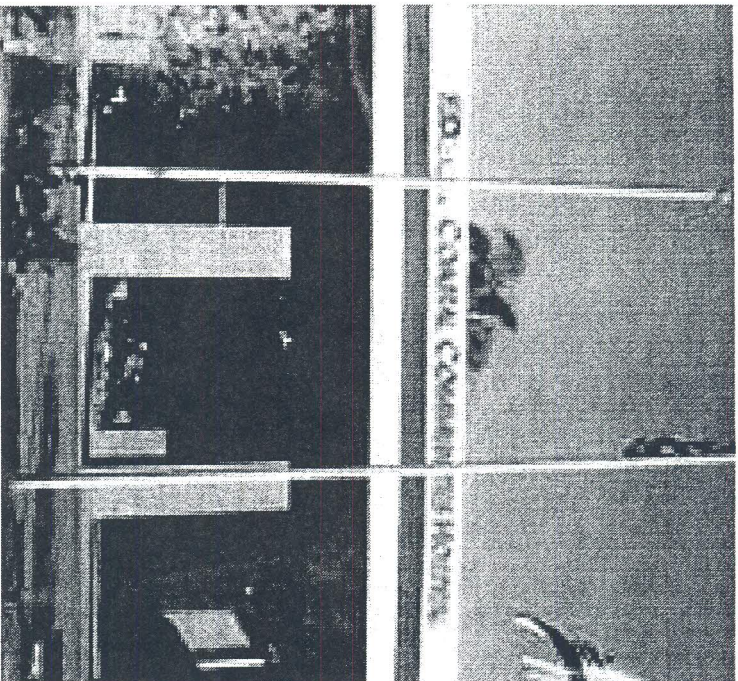
- 20,000+ ED visits annually
- Received 1,850+ ALS Transport Patients last year
- 13 ED treatment bays
- Licensed for 188 beds

Western Medical Center-Anaheim



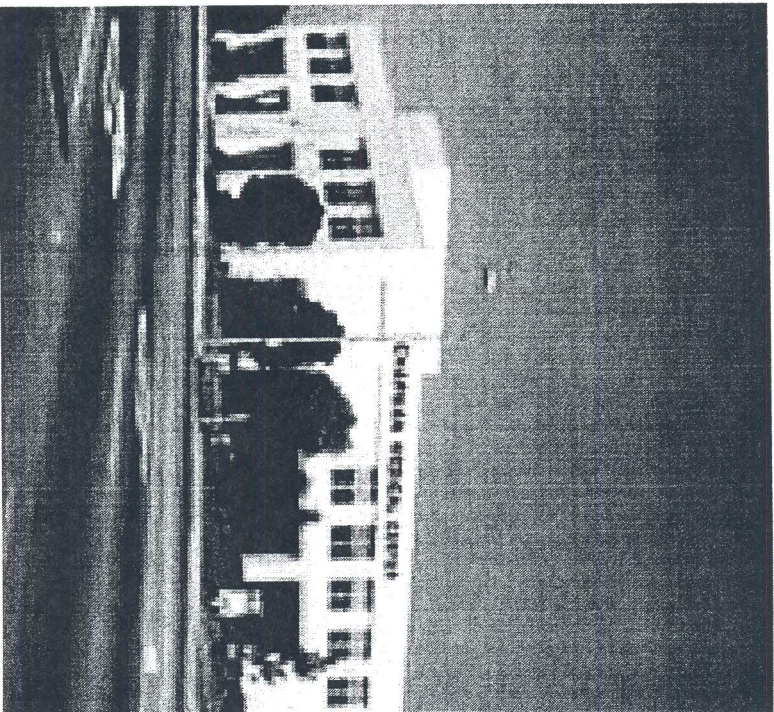
- Custody Unit for Correctional & Juvenile Medical Services
- Psychiatric Services

Coastal Communities Hospital



- 19,000 ED visits annually
- Received 583 ALS Transport Patients last year
- 11 ED treatment bays
- Licensed for 178 beds

Chapman Medical Center



- 11,000 ED Visits annually
- Received 583 ALS Transport Patients last year
- 7 ED treatment bays
- Licensed for 110 beds

Summary

Proposed IHHI Hospitals represent:

- 30% of all trauma visits in Orange County
- 10.4% of all Emergency Department visits
- 11% of all ED Treatment bays
- 12.3% of all ALS transport patients



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TESTIMONY TO THE SENATE JUDICIARY & HEALTH COMMITTEES
at the
HEARING ON THE OVERSIGHT OF THE PROPOSED SALE OF
ORANGE COUNTY HOSPITALS

January 20, 2005

Submitted by:

Nancy Watson, Policy Director
Community Health Councils, Inc

Thank you for the opportunity to provide testimony as you gather information on the proposed sale of Chapman Medical Center, Coastal Communities Hospital, Western Medical Center Anaheim, and Western Medical Center Santa Ana by Tenet Healthcare Corporation to Integrated Healthcare Holdings (IHHI), Inc. Community Health Councils, Inc (CHC) is a non-profit community based health advocacy and policy organization. CHC has served as the facilitator for the Coalition for Quality Healthcare since 1998. The Coalition consists of community based organizations, labor, elected representatives, clinics, and churches that are working together to monitor the hospital transactions and ensure continued access to quality healthcare in our communities. CHC and the coalition have been successful in preserving more than \$300,000 in community assets for the benefit of the community and building better partnerships between hospital operators and the communities they serve. Recently, we have been active participants in the sale of the 18 Tenet hospitals in Southern California.

We are here today to offer recommendations for protecting the future of Orange County's healthcare delivery system, in addition to providing recommendations on how to strengthen the overall for-profit hospital sales and licensing process. As you know, in January of last year, Tenet Healthcare announced its intention to sell 19 of the 32 hospitals owned in California, four of which are in Orange County. These four hospitals offer a total of 760 beds, 70,942 ER visits annually, and one of Orange County's three trauma centers.

At the time of the sale announcement, Tenet suggested that there were more than 90 eligible buyers and that the transactions would take place by the end of last year. To date, there has been an announcement of only five agreements for 13 of the 18 hospitals in Southern California, and only four of these transactions have been completed. In almost every case, Tenet has sold the hospitals to entities with limited backgrounds in healthcare management. In the case of the agreement with IHHI, its main financial backer, Dr. Chaudhuri, does have a background in healthcare management, but unfortunately it is an alarming one.

As you are probably aware, while managing KPC Medical Management and related companies, Dr. Chaudhuri filed for bankruptcy just a year after acquiring 38 clinics in Southern California, which left 300,000 patients without care and 2,000 doctors, nurses, and

aides unemployed. That same year, he filed for bankruptcy while managing Southern California Pharmacy.

It was for these reasons that our Coalition and others advised the state to slow down the licensing process to provide sufficient time for a thorough review and public disclosure of the appropriateness of these buyers. While we are eager for buyers to be secured for all of the hospitals, it is imperative that the purchasers be truly financially viable and have every intention of continuing to provide the current level of services the hospitals offer.

For this specific transaction, we recommend the following:

1. DHS should provide a report to the Senate Health & Judiciary Committees with recommendations either for or against granting IHHI a license. The report should explain all basis for the decision and should take into account:
 - a. Whether the entity can provide evidence of no less than six months operating capital for each hospital, for a period of at least two years in order to obtain a license to run a hospital. In considering whether an entity possesses financial capacity sufficient to operate a facility, the department shall take into account any prior history indicating a lack of financial capacity.
 - b. Whether IHHI and its main investors are of “reputable and responsible character” and criteria for defining “reputable and responsible.”
 - c. What conditions should be put on the license to ensure the continuity of care for a reasonable period of time.
2. DHS should make IHHI’s licensing application available to the public and open to public comments for a designated period of time.

We would also recommend DHS be encouraged to strengthen the following licensing procedures:

1. Determine the entity’s financial viability by requesting evidence that demonstrates the applicant possesses financial capacity, including resources sufficient to operate the facility for at least six months, for a period of at least two years. In considering whether an entity possesses financial capacity sufficient to operate a facility, the department shall take into account any prior history indicating a lack of financial capacity.
2. Further define criteria for what constitutes a “reputable and responsible” entity, reviewing the following elements:
 - a. The applicant’s prior history of operating other licensed facilities in California, history of compliance with such requirements as well as applicable federal laws, regulations or requirements governing the operators of such facilities
 - b. The applicant’s prior history of operating any other facilities authorized to receive Medicare or Medicaid reimbursement in California and/or another state or states and the applicant’s history of compliance with such state requirements as well as applicable federal laws, regulations or requirements.

3. Ensure DHS policy to “question, proceed cautiously and not necessarily approve any given entity’s application if they have a poor track record with the Department (e.g. prior bankruptcy)” includes major shareholders because they have considerable control over the entity they are backing.
4. Make potential owners’ licensing application available to the public and open to public comments for a designated period of time.
5. Publishing a report to the appropriate legislative committee for all licensing applications reporting the basis for the decision, including all of the above recommendations.

Thank you for your time and consideration of these recommendations. We fully appreciate the balance between scrutiny and expediency, but the licensure process is currently the primary tool we have to ensure accountability for this type of transaction. And with the critical access to emergency and trauma care that these facilities provide, no one can afford for them to fail.

We are confident that the Senate Health & Judiciary Committee and DHS share the goals of the Coalition, which are to promote quality healthcare and ensure the continued success of these hospitals as quality healthcare facilities. We hope that we can work together to ensure that Orange County does not lose any critical healthcare resources.

Testimony
To
Joint Senate Hearing
Senate Committees on Judiciary and Health
Regarding
Process for Approving New Licenses and Changes of Ownership (CHOWs)
By
Mark S. Helmar, Chief, Field Operations Branch—Southern Region
Licensing and Certification Program
California Department of Health Services

January 20, 2005

Good Afternoon, Senator Dunn and Senator Ortiz, committee members and staff, and members of the public. I am Mark Helmar, Chief of the Field Operations Branch—Southern Region, for the California Department of Health Services' Licensing and Certification Program. I appreciate the opportunity to provide you with information about how the Department reviews applications for, and approves or denies, health facility and agency licenses, including applications for changes of ownership, commonly referred to as CHOWs.

The goal of the Department's Licensing and Certification Program is to promote high quality of medical care in health facilities and agencies. The Licensing and Certification Program promotes this high quality through several different functions-- the licensing application process, periodic unannounced inspections for provider compliance, and the investigation of complaints from patients, their families, other providers, advocates and the public.

Our first line of defense against substandard care is the licensing application process. The general licensing application process is the same for all types of providers. However, there are specific statutory and regulatory

requirements that each provider type must meet. For example, primary care clinics must be tax-exempt nonprofit corporations, whereas skilled nursing facilities and general acute care hospitals can be for profit, nonprofit, or even government owned and operated. Additionally, applications for different provider types are processed by different parts of the Licensing and Certification Program. The Central Applications Unit receives and processes initial licensing applications and CHOWS for skilled nursing facilities, intermediate care facilities for the developmentally disabled, and primary care clinics. All other provider types (hospitals, home health agencies, surgical and dialysis clinics, hospices, adult day health care centers) submit their applications to the local Licensing and Certification District Office. Applications for facility expansions and new services from all provider types also go to the local District Offices.

The rest of my remarks will focus on licensure of general acute care hospitals. California law (Health and Safety Code section 1250 and following) and regulation (Title 22, Division 5, Chapter 1) set forth the licensing requirements and operational standards for general acute care hospitals. Any entity (be it a person, firm, partnership, association, corporation or political subdivision of state government) wishing to receive licensure to operate a general acute care hospital must submit an application to the appropriate District Office. The application can be to license a new hospital or to effect a change of ownership for an already existing hospital. Each application contains information about who the applicant is and how the applicant will operate the hospital, including the following:

- Disclosure of persons having ownership, financial, or control interest in the applicant's business entity (e.g., corporation, public agency, partnerships, etc.) including owners, officers and directors. An owner does include any person who has a beneficial interest of 5 percent or more in the business, and does extend to other persons who have financial or control interests. (Health and Safety Code sections 1265 and 1267.5; 42 Code of Federal Regulations section 420.200 et seq.)
- Current and past ownership status in other health facilities or agencies.
- If the applicant has been involved in any health facility or agency that has had adverse action taken against it.
- Any conviction of crime.
- Professional license(s) or certificate(s)
- Employment history for the past ten years.
- Information concerning the administrative structure and organization of the hospital.
- Types of beds and services requested.
- Any other information or documents that the Department needs to assist it in determining whether or not a license should be issued.

California Health and Safety Code, section 1277 states that no license shall be issued unless the Department finds that the premises, the management, the bylaws, rules and regulations, the equipment, the staffing, both professional

and nonprofessional, and the standards of care and services are adequate and appropriate. In other words, can the applicant operate the hospital in compliance with licensing requirements and standards? This is the first of two standards the Department uses to decide if an applicant should be granted the license requested. To ascertain the answer, the local District Office reviews and verifies the information in the application; gathers background information from current and former provider profiles and compliance histories; and checks with other programs in the Department, like Medi-Cal and Audits and Investigations, to determine if there are past, current, or pending investigations, financial recoveries, or sanctions against the applicant or other health facilities and agencies it has or does own. This can be a fairly straightforward process for applicants that have owned or operated, or now own and operate, hospitals in California. However, when the applicant is new to hospital ownership in California, the local District Office may not find much in the way of operational or compliance history. In these instances, the local District Offices call Central Applications Unit or their Branch Chiefs for consultation and assistance.

The second standard is that the Department is satisfied that the applicant is of reputable and responsible character. It is more easily understood when one describes reputable and responsible character in terms of what it is not rather than trying to come up with specific examples of what it is. For example, it is clear that conviction of fraud or embezzlement would not meet the test of reputable and responsible character.

When the Department approves a license application for a new hospital, the local District Office will conduct an on-site survey to make sure that the facility can comply with state licensing law and regulations. If the hospital is found to be in compliance, the local District Office will issue it a one-year license. If the hospital is not in compliance, the local District Office will inform the applicant in writing of the denial and the reason(s) for it. The applicant has the right to petition the Department for an administrative hearing under Health and Safety Code section 1269.

When the Department approves an application for a hospital CHOW, the local District Office has the option to perform a survey to ascertain compliance with state law and regulation before issuing the license, or to issue one-year license without a survey. The local District Office will make this determination based upon when it last surveyed the hospital for compliance and the number and kind of complaints it has received and substantiated since the last survey.

Thank you again for the opportunity to describe the Department's processes for licensing general acute care hospitals. I would be happy to try answer any questions you may have.

Name of facility: _____

APPLICANT INFORMATION

This form is intended for any individual owning an applicant facility; and for each partner, each director, each officer of a corporation or management company under contract, each limited liability company; and each person having a beneficial interest of 5 percent in the applicant corporation or partnership of a skilled nursing facility (SNG) or intermediate care facility (ICF) or a beneficial interest of 10 percent in the applicant corporation, partnership, limited liability company, or any other category of health facility.

In addition to completion with an application package, the HS 215 form should be completed for disclosure purposes when changes are reported in officers, directors, purchase of stock, etc., as required by law, even though no change of ownership is occurring.

IDENTIFYING INFORMATION

Name	Title
Date of birth	Federal Employer's Tax ID number
Business address	

Marital status <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Single <input type="checkbox"/> Separated	American citizen <input type="checkbox"/> Yes <input type="checkbox"/> No—explain:	Sex <input type="checkbox"/> Male <input type="checkbox"/> Female
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Other name(s) used

Spouse's name

Military service <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, indicate branch of military		
	Date started	Date ended	Type of discharge

CURRENT OWNERSHIP STATUS

Yes No Are you a director, officer, partner, or shareholder holding 5 percent or more beneficial ownership interest in any other corporation, partnership, or limited liability company that operates, manages, conducts, maintains, or has established an SNF, ICF, residential care facility for the elderly, or community care facility, or is holding 10 percent or more beneficial ownership interest in any other category of health facility in this state? If yes, please list all names and addresses and Federal Employer's Tax ID numbers. Briefly describe your position or ownership interest. Include the percentage of ownership you hold. (Health and Safety Code, Sections 1253 and 1267.5.)

OTHER FACILITY OWNERSHIP

What other health facilities, clinics, home health agencies, community care facilities, or residential care facilities for the elderly have you been licensed for, operated, managed, held a 5 percent or more ownership interest in if an SNF or ICF applicant or 10 percent or more ownership interest in if other facility category applicant, or served as a director or officer? List facility address, nature of involvement, and dates of involvement. Include both in and out of California. Use attachment(s) as necessary.

ADVERSE ACTION

Have you ever been licensee, director, manager, or held a 5 percent interest in a health facility, clinic, home health agency, community care facility, or residential care facility for the elderly in any state or as an applicant for any other licensing category held a 10 percent or more interest, been a member of the governing body, director, or administrator of any health facility or community care facility, which has had a license revocation action filed, license placed on probation, suspended, or revoked whether stayed or not or for SNFs and ICFs resolved by settlement, receiver appointed, or when a final Medi-Cal decertification action was taken?

Yes No If the answer is yes, please attach additional information, include all ownership and facility information including dates and any final action.

CIVIL AND CRIMINAL RECORD

- Yes No Have you ever been convicted of an offense other than a minor traffic violation(s)?
- Yes No Has there been a judgment against you for fraud, misrepresentation, libel, or slander?
- Yes No Were you ever voluntarily committed or involuntarily detained in any facility or institution?

If any answer is yes, please explain; use additional sheets, if necessary.

BUSINESS EXPERIENCE

A. Have you owned or operated any business?

Yes No

Type	Number of Employees	Your Title	Start	End	Reason
1.					
2.					
3.					

B. Do you have any professional license(s) or certificate(s)?

Yes No

Type	Period Held	Issuing Agency
1.		
2.		
3.		

C. Are you a member of any professional/technical association(s)?

Yes No

Association Name	Address
1.	
2.	
3.	

EMPLOYMENT SUMMARY (For last 10 years. Add additional pages if necessary.)

Dates	Name and Address of Employer(s)	Basic Duties	Reason for Termination
From			
To			
From			
To			
From			
To			
From			
To			

Note: Include activities during periods of unemployment.

I declare under penalty of perjury that the statements on this form and any accompanying attachments are correct to the best of my knowledge.

Signature	Date
➤	

RELEASE OF INFORMATION STATEMENT

The information provided on this form is mandatory and is necessary for licensure approval. It will be used to determine individual applicant's or applicant facility's ability to provide health services. The information is requested by the Department of Health Services, Licensing and Certification, in accordance with Health and Safety Code, Sections 1212, 1253, 1265, 1267.5, and 1278, and California Code of Regulations (CCR), Title 22, Sections 70107, 71107, 73205, 74105, 76205, and 78205.

Failure to provide the information as requested may result in nonissuance of a license or license revocation.

The information is considered public information and will be made available to the public upon request. The information shall be included and maintained in the individual facility's public files located in Licensing and Certification district offices.

ORGANIZATIONAL STRUCTURE

See other side for corporations.

PUBLIC AGENCY

1. Check type of public agency: Federal State County City Other, specify below

2. Agency providing services:

Name	Address
------	---------

Mailing Address (if different from above)

Contact person	Title	Phone number
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3. District or area to be served: (attach map if necessary)

Specify geographic area

4. Required supplemental materials: Attach a copy of Resolution or legal document authorizing this application.

5. (1267.5 Health and Safety Code)

For profit corporations and partnerships, list the name(s) and business address of each person having a beneficial ownership interest of 10 percent or more in the applicant corporation or partnership. If person is a minor, identify and indicate by name and address who exercises rights during minor's minority.

PARTNERSHIPS

Attach a copy of partnership agreement.

First partner	<input type="checkbox"/> Limited <input type="checkbox"/> General	Name
---------------	--	------

Business address

Second partner	<input type="checkbox"/> Limited <input type="checkbox"/> General	Name
----------------	--	------

Business address

For additional partners, use space above or attach a separate sheet.

OTHER ASSOCIATIONS/BUSINESS ENTITIES

Other associations/business entities, i.e., limited liability companies, etc., must also provide a similar list of persons legally responsible for the organization, appropriate legal documents which set forth legal responsibility of the organization, and accountability for operating the facility.

RELEASE OF INFORMATION STATEMENT

The information provided on this form is mandatory and is necessary for licensure approval. It will be used to determine individual applicant's or applicant facility's ability to provide health services. The information is requested by the Department of Health Services, Licensing and Certification, in accordance with Health and Safety Code, Sections 1212, 1253, 1265, 1267.5, and 1728, and California Code of Regulations (CCR), Title 22, Sections 70107, 71107, 73205, 74105, 76205, and 78205.

Failure to provide the information as requested may result in nonissuance of a license or license revocation.

The information is considered public information and will be made available to the public upon request. The information shall be included and maintained in the individual facility's files located in Licensing and Certification district offices.

ADMINISTRATIVE ORGANIZATION

This side is for corporations only. See reverse for other organizations.

CORPORATION

1. Name (as filed with Secretary of State)		2. Administrator		
3. Incorporation date	4. Place of incorporation			
5. Please attach (1) a copy of Articles of Incorporation and any amendments, (2) a copy of by-laws and any amendments, (3) a copy of resolution authorizing the filing of this application.				
6. Principal Office of Business				
Address	City	ZIP code	County	Phone number
7. Foreign (out-of-state) applicants complete the following:				
a. Name of California Representative	Address	City	ZIP code	Phone number
b. Please attach a copy of authorization of a foreign corporation to do business in California.				
8. If applicant has ever owned or operated a facility, please list the name of each facility, address, size, type of care provided, and the dates and duration of ownership or operation. (if more space is needed, please attach a separate list.)				
9. Governing Board of Directors				
Size of Board	Term of office	Frequency of meetings	Method of selection	
10. Board Officers				
Office	Name		Term Expires	

RELEASE OF INFORMATION STATEMENT

The information provided on this form is mandatory and is necessary for licensure approval. It will be used to determine individual applicants or applicant facility's ability to provide health services. The information is requested by the Department of Health Services, Licensing and Certification, in accordance with Health and Safety Code, Sections 1212, 1253, 1265, 1267.5, and 1728, and California Code of Regulations (CCR), Title 22, Sections 70107, 71107, 73205, 74105, 76205, and 78205.

Failure to provide the information as requested may result in nonissuance of a license or license revocation.

The information is considered public information and will be made available to the public upon request. The information shall be included and maintained in the individual facility's public files located in Licensing and Certification district offices.

CALIFORNIA CODE OF REGULATIONS, TITLE 22, DIVISION 5

§70103. License Required.

- (a) No person, firm, partnership, association, corporation, political subdivision of the state or other governmental agency shall establish, operate or maintain a hospital, or hold out, represent, or advertise by any means that it operates a hospital, without first obtaining a license from the Department.

70105. Application Required.

- (a) A verified application shall be forwarded to the Department whenever any of the following circumstances occur:
 - (1) Construction of a new or replacement facility or addition to an existing facility
 - (2) Increase or decrease of licensed bed capacity
 - (3) Added service or change from one service to another
 - (4) Change of ownership
 - (5) Change of name of hospital
 - (6) Change of license category
 - (7) Change of location of the hospital
 - (8) Change of bed classification

§70107. Content of Application.

(a) Any person, firm, partnership, association, corporation, political subdivision of the state, state agency or other governmental agency desiring to obtain a license shall file with the Department an application on forms furnished by the Department. The application shall contain the following information:

- (1) Name of applicant and, if an individual, verification that the applicant has attained the age of 18 years.
- (2) Type of facility to be operated and types of services for which approval is requested.
- (3) Location of the hospital
- (4) Name of person in charge of the hospital
- (5) If the applicant is an individual, satisfactory evidence that the applicant is of reputable and responsible character.
- (6) If applicant is a firm, association, organization, partnership, business trust, corporation or company, satisfactory evidence that the members or shareholders thereof and the person in charge of the hospital for which application for license is made are of reputable and responsible character.
- (7) If the applicant is a political subdivision of the State or other governmental agency, satisfactory evidence that the person in charge of the hospital for which application for license is made is of reputable and responsible character.
- (8) If the applicant is a partnership, the name and principal business address of each partner.
- (9) If the applicant is a corporation, the name and principal business address of each officer and director of the corporation; and for nonpublic corporations, the name and business address of each stockholder owning 10 percent or more of the stock and any corporate member who has responsibility in the operation of the hospital.
- (10) Copy of the current organizational chart
- (11) Certificate of Need or a Certificate of Exemption from the Department if required by Chapter 1, Division 7 of this title.
- (12) Such other information or documents as may be required by the Department for the proper administration and enforcement of the licensing law and requirements.

CALIFORNIA HEALTH AND SAFETY CODE

1253. (a) No person, firm, partnership, association, corporation, or political subdivision of the state, or other governmental agency within the state shall operate, establish, manage, conduct, or maintain a health facility in this state, without first obtaining a license therefor as provided in this chapter, nor provide, after July 1, 1974, special services without approval of the state department. However, any health facility offering any special service on the effective date of this section shall be approved by the state department to continue those services until the state department evaluates the quality of those services and takes permitted action.

1277. (a) No license shall be issued by the state department unless it finds that the premises, the management, the bylaws, rules and regulations, the equipment, the staffing, both professional and nonprofessional, and the standards of care and services are adequate manner required by this chapter and by the rules and regulations adopted hereunder.