Amended in committee  
6/26/01

FILE NO. 010142  
ORDINANCE NO. 163-01

[Charity Care Policy Reporting and Notice Requirement.]

Ordinance amending the San Francisco Health Code by adding Sections 129-137 to authorize the Department Of Public Health to require hospitals to report on policies and amount of charity care provided and requiring patient notification of policies on charity care.

Note: Additions are *single-underlined* *italics* *Times New Roman*; deletions are *strikethrough* *italics* *Times New Roman*. Board amendment additions are *double underlined*. Board amendment deletions are *strikethrough* *normal*.

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

Section 1. Article 3 of the San Francisco Health Code is hereby amended by adding Sections 129-137, to read as follows:

*Sec. 129. CHARITY CARE POLICY REPORTING AND NOTICE REQUIREMENT.*

*Declaration of policy.* It is the policy of the City and County of San Francisco that charity care—medical care provided to those who cannot afford to pay and without expectation of reimbursement—is a vital portion of community health care services. While San Francisco General Hospital is the primary provider of charity care services in San Francisco, private hospitals also have a responsibility to serve uninsured and poor patients. Nonprofit hospitals in particular have an obligation to provide community benefits in the public interest in exchange for favorable tax treatment by the government. It is essential that on an ongoing basis, the City and County of San Francisco evaluate the need for charity care in the community given the City’s responsibility to provide care to indigents. To plan for the continuing fulfillment of this responsibility, the City needs information from the hospitals in San Francisco on each hospital’s policies on the availability of and criteria for charity care. For planning purposes, the City also needs information on the amount of charity care provided by each hospital. Upon receipt of such information, the City can better fulfill its mandate to provide

Supervisors Maxwell, Ammianor, Leno, Daly, Peskin
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care to indigents and fashion an appropriate response to unmet needs for charity care including the
recommendation of budgetary, regulatory or other action at the State and Federal levels.

To maximize the access to charity care within the community and to enhance the health of the
public by informing individuals of the availability of charity care, it is further the policy of the City and
County of San Francisco that each hospital notify patients of that hospital’s policies on charity care.
Such notice shall include visually prominent multilingual postings explaining the hospital’s policy on
charity care. It shall also be the policy of the City and County of San Francisco to require hospitals
when practicable, to verbally notify patients at the time of admission as to the availability of charity
care and the process for applying or qualifying for such care.

Sec. 130. Definitions. For purposes of Sections 129-137 of Article 3, certain words and
phrases shall be construed as hereafter defined. Words in the singular include the plural, and words in
the plural shall include the singular. Words in the present tense shall include the future. Masculine
pronouns include feminine meaning and are not gender-specific.

(a) Bad Debt. The term “Bad Debt” means the unpaid accounts of any person who has
received medical care or is financially responsible for the cost of care provided to another, where such
person has the ability to pay but is unwilling to pay.

(b) Charity Care. The term “Charity Care” means emergency, inpatient or outpatient medical
care, including ancillary services, provided to those who cannot afford to pay and without expectation
of reimbursement and that qualifies for inclusion in the line item “Charity-Other” in the reports
referred to in Section 128740(a) of the California Health and Safety Code, after reduction by the Ratio
of Costs-to-Charges.

(c) Cost. The term “Cost” means the actual amount of money a hospital spends to provide each
service, but not the full list price charged by the hospital for that service.

(d) Department. The term “Department” means the Department of Public Health of the City
and County of San Francisco.
(e) Director of Health. The term "Director of Health" includes the Director of Health or a
designee.

(f) Hospital. The term "Hospital" includes every entity in San Francisco licensed as a general
acute care hospital, as defined by Section 1250(a) of the California Health and Safety Code, other than
hospitals exempt from taxation under Section 6.8-1 of the San Francisco Business and Tax Regulations
Code. For purposes of Section 131, the term "Hospital" shall also not include hospitals owned and
operated by a nonprofit system that does not provide a significant level of service on a fee-for-service
basis and whose annual financial statement is consolidated with a nonprofit health maintenance
organization, filed with the California Department of Managed Health Care.

(g) Policies. The term "policies" means the hospital's criteria and procedures on the provision
of charity care including any criteria and procedures for patient and community notification of charity
care availability, the application or eligibility process, the criteria for determinations on eligibility for
charity care and the appeal process on such determinations, and the hospital's internal accounting
procedures for charity care.

(h) Ratio of Cost-to-Charge. The term "Cost-to-Charge" shall have the same meaning as that
given by the Office of Statewide Health Planning and Development in the reports referred to in Section
128740(a) of the California Health and Safety Code and describes the relationship between the
hospital's cost of providing services and the charge assessed by the hospital for the service.

Sec.131. Reporting to the Department of Public Health.

(a) Hospitals shall disclose to the Department of Public Health the following information in the
form of reports to be filed annually with the Department within 30 days of the end of the prior calendar
year:

1. The dollar amount of charity care provided during the prior year as specified by the
Department, after adjustment by the Cost-to-Charge ratio. Each hospital shall file a calculation of its
Ratio of Costs-to-Charges with its report. Figures representing bad debt shall not be included in the amount reported.

2. The total number of applications, patient and third party requests for charity care, and the total number of hospital acceptances and denials for charity care received and decided during the prior year; the zip code of each patient's residence on each such acceptance and denial, and the number of individuals seeking, applying, or otherwise eligible for charity care who were referred to other medical facilities along with the identification of the facility to which the individuals were referred.

3. The total number of patients who received hospital services within the prior year reported as being charity care and whether those services were for emergency, inpatient or outpatient medical care, or for ancillary services.

4. All charity care policies, including but not limited to explanations regarding the availability of charity care and the time periods and procedures for eligibility, application, determination, and appeal; any application or eligibility forms used, and the hospital locations and hours at which the information may be obtained by the general public.

5. Such other information as the Department shall require.

Sec. 132. Notification.

(a) During the admission process whenever practicable, hospitals shall provide patients with verbal notification as to the hospital's policies describing the availability of charity care and any process necessary to apply for charity care.

(b) Hospitals shall post multilingual notices as to any policies on charity care in several prominent locations within the hospital including, but not limited to the emergency department, billing office, waiting rooms for purposes of admissions, the outpatient area, and the inpatient area. Said notices shall be published in at least the following languages-- English, Spanish, and Chinese; and shall be clearly visible to the public from the location where they are posted.
Sec. 133. Authority to Adopt Rules and Regulations.

The Director may issue and amend rules, regulations, standards, or conditions to implement and enforce this ordinance. The Director is authorized to implement the provisions of this ordinance, including any rules, regulations, standards, or conditions issued hereunder.

Sec. 134. Enforcement. Any hospital which fails to comply with the reporting or notification requirements specified in this ordinance or in the rules and regulations of the Department may be liable for a civil penalty, in an amount not to exceed $500 for each day the violation continues. The penalty shall be assessed and recovered in a civil action brought on behalf of the City and County of San Francisco. Any monies recovered pursuant to this section shall be deposited in the Treasury of the City and County San Francisco and appropriated for use by the Department of Public Health.

Sec. 135. City Undertaking Limited To Promotion Of General Welfare. In undertaking the adoption and enforcement of this ordinance, the City and County is assuming an undertaking only to promote the general welfare. It is not assuming, nor is it imposing on its officers and employees, an obligation for breach of which it is liable in money damages to any person who claims that such breach proximately caused injury.

Sec. 136. Severability. If any part or provision of this ordinance, or the application thereof to any person or circumstances, is held invalid, the remainder of the ordinance, including the application of such part or provision to the other persons, or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this ordinance are severable.

Sec. 137. Preemption. Nothing in these sections shall be interpreted or applied so as to create any power, duty or obligation in conflict with any federal or state law.

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Sec. 138. Annual Report to The Health Commission. The Department shall make a report on
an annual basis to the Health Commission on the information obtained from the hospitals for use
including but not limited to future planning on the Department’s provision of care to the community.

APPROVED AS TO FORM:

LOUISE H. RENNE, City Attorney

By: ALEETA M. VAN RUNKLE
Deputy City Attorney
Ordinance amending the San Francisco Health Code by adding Sections 129-137 to authorize the Department of Public Health to require hospitals to report on policies and amount of charity care provided and requiring patient notification of policies on charity care.

July 2, 2001  Board of Supervisors — PASSED ON FIRST READING
   Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee

July 9, 2001  Board of Supervisors — FINALLY PASSED
   Ayes: 11 - Ammiano, Daly, Gonzalez, Hall, Leno, Maxwell, McGoldrick, Newsom, Peskin, Sandoval, Yee
I hereby certify that the foregoing Ordinance was FINALLY PASSED on July 9, 2001 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.