**AGENDA**

1. Welcome

2. State budget and legislative update (10 minutes)

3. PACE rate setting update (15 minutes)

4. CalPACE 2019 policy priorities (10 minutes)

5. DHCS and CMS guidance and initiatives (15 minutes)
   - Questions to CMS on PACE application process
   - DHCS PACE application process and licensing issues

6. Upcoming meetings and events (5 minutes)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Place</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.21 - 24.2018</td>
<td>NPA Annual Conference</td>
<td>Hilton Portland Downtown</td>
<td>Varied</td>
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<tr>
<td>11.06.2018</td>
<td>Member Meeting</td>
<td>California Endowment</td>
<td>11:30am-3:00pm</td>
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<tr>
<td>11.06.2018</td>
<td>Board Meeting</td>
<td>California Endowment</td>
<td>3:00pm-4:30pm</td>
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<tr>
<td>11.06.2018</td>
<td>Member Dinner</td>
<td>Red Rabbit Kitchen &amp; Bar</td>
<td>5:30pm-7:30pm</td>
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<tr>
<td>11.07.2018</td>
<td>Combined DHCS CMS Meeting</td>
<td>California Endowment</td>
<td>8:00am-10:00am</td>
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<tr>
<td>11.07.2018</td>
<td>Meet &amp; Greet Event</td>
<td>The Citizen Hotel (Metropolitan Terrace)</td>
<td>10:30am-4:00pm</td>
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</tbody>
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7. Other business

8. Adjourn

**Attachments**

A. Streamlining clinic licensing process/approvals summary

B. AB 2204 (Gray) -- Intermittent clinics
Streamlining Clinic Application Processing/Approvals

The California Primary Care Association took steps to deal with concerns about the length of time it was taking for CDPH to process applications for new clinic locations, even though the ownership, governance, policies & procedures, etc. were identical to currently-licensed clinics.

As a result, CPCA was successful in securing statutory changes to streamline this process. The following provides information on the changes.

Affiliate Clinics.

- Simple application required for affiliate clinics, compared to the “standard” primary care clinic application.
- CDPH does not have to conduct an on-site survey for an affiliate clinic prior to licensure.
- CDPH must issue an affiliate license within 30 days of receipt of a complete affiliate clinic application. The license must be issued within 7 days of approval.
- Affiliate clinics are not subject to provisional licensure.
- Link to the simple application for affiliate clinics: [https://www.cdph.ca.gov/Programs/CHCQ/LCP/Pages/HealthFacility-PCC.aspx](https://www.cdph.ca.gov/Programs/CHCQ/LCP/Pages/HealthFacility-PCC.aspx) [scroll down the page until “Affiliate Primary Care Clinic – Community, Free or Mobile” appears.]


(a) A clinic corporation on behalf of a primary care clinic that has held a valid, unrevoked, and unsuspended license for at least the immediately preceding five years, with no demonstrated history of repeated or uncorrected violations of this chapter or a regulation adopted under this chapter that pose immediate jeopardy to a patient, as defined in subdivision (f), and that has no pending action to suspend or revoke its license, may file an affiliate clinic application under this section to establish a primary care clinic at an additional site or a mobile health care unit, either of which shall hereafter be referred to as the affiliate clinic. The department, upon receipt of the completed affiliate clinic application submitted by the clinic corporation, shall approve a license for the affiliate clinic, without the necessity of first conducting an initial onsite survey, if all of the following conditions are met:

1. The clinic corporation that operates the existing licensed primary care clinic, which shall hereafter be referred to as the parent clinic, has submitted a completed affiliate clinic application and the associated application fee.
2. The parent and affiliate clinics’ corporate officers, as specified in Section 5213 of the Corporations Code, are the same.
3. The parent and affiliate clinics are owned and operated by the same nonprofit organization with the same board of directors.
4. The parent and affiliate clinics have the same medical director or directors and medical policies, procedures, protocols, and standards.
(b) The affiliate clinic application shall consist solely of a simple form and required supporting documents giving the following information:

1. The name and address of the clinic corporation’s administrative office.
2. The name and contact information of the clinic corporation’s chief executive officer or executive director.
3. The name and address of the new affiliate primary care clinic site or the location of the new affiliate mobile health care unit.
4. The name and contact information of the administrator of the new affiliate primary care clinic site or mobile health care unit.
5. The expected days and hours of operation and the services to be provided at the new affiliate primary care clinic site or mobile health care unit.
6. Evidence that the new affiliate mobile health care unit meets the requirements of the Mobile Health Care Services Act (Chapter 9 (commencing with Section 1765.101)).
7. The type and the manufacturer of the new affiliate mobile health care unit and the proposed area or areas where the new affiliate mobile health care unit will be providing services.
8. To the extent otherwise required by law, evidence of compliance with the minimum construction standards for adequacy and safety of the new affiliate clinic’s physical plant, pursuant to the OSHPD 3 requirements of the most recent version of the California Building Code applicable to clinics and subdivision (b) of Section 1226. The compliance may be established in the form prescribed by Section 1226.3.
9. Evidence of fire clearance for the new affiliate clinic site.
10. A copy of the lease or purchase agreement for the new affiliate clinic site.
11. A copy of the transfer agreement between the new affiliate clinic and a local hospital.
12. A current list of clinic corporation board members.

(c) The affiliate clinic application shall be signed by an officer of the clinic corporation’s board of directors or the clinic corporation’s chief executive officer or executive director.

(d) The department shall issue a clinic license under this section within 30 days of receipt of a completed affiliate clinic application. If approved, a clinic license shall be issued within seven days of approval. If the department determines that an applicant does not meet the conditions stated in subdivision (a), it shall identify, in writing and with particularity, the grounds for that determination, and shall instead process the application in accordance with the time specified in Section 1218.

(e) Nothing in this section shall prohibit the department from conducting a licensing inspection of the affiliate clinic at any time after receipt of the completed affiliate clinic application.

(f) For purposes of this section, “immediate jeopardy to a patient” means a situation in which the clinic’s noncompliance with one or more requirements of licensure has caused, or is likely to cause, serious injury, harm, impairment, or death to a patient.

Consolidated License
If a clinic intends to add a separate physical plant that is no more than ½ mile from the licensed clinic

- Affiliate clinics [or primary care clinic] can notify CDPH of the intent to add an additional physical plant – maintained & operated on separate premises, pay a licensing fee.
- If CDPH approves of the information provided in the notification, the department must approve the additional physical plant within 30 days, and amend the clinic license to include the new site, under a consolidated license.

Health and Safety Code §1212  (b) (1) No application is required if a licensed primary care clinic adds a service that is not a special service, as defined in Section 1203, or any regulation adopted under that section, or remolds or modifies, or adds an additional physical plant maintained and operated on separate premises to, an existing primary care clinic site. However, the clinic shall notify the department, in writing, of the change in service or physical plant no less than 60 days prior to adding the service or remodeling or modifying, or adding an additional physical plant maintained and operated on a separate premises to, an existing primary care clinic site. Nothing in this subdivision shall be construed to limit the authority of the department to conduct an inspection at any time pursuant to Section 1227, in order to ensure compliance with, or to prevent a violation of, this chapter, or any regulation adopted under this chapter.

(2) If applicable city, county, or state law obligates the primary care clinic to obtain a building permit with respect to the remodeling or modification to be performed by the clinic, or the construction of a new physical plant, the primary care clinic shall provide a signed certification or statement as described in Section 1226.3 to the department within 60 days following completion of the remodeling, modification, or construction project covered by the building permit.

(d) (1) The department, upon written notification by a primary care clinic or an affiliate clinic of its intent to add an additional physical plant maintained and operated on separate premises, as described in paragraph (1) of subdivision (b) and upon payment of a licensing fee for each additional physical plant added, shall review the information provided in the notification, and if the information submitted is in compliance with the requirements specified in this subdivision, the department shall approve the additional physical plant within 30 days of all information being submitted and shall amend the primary care clinic or affiliate clinic’s license to include the additional physical plant as part of a single consolidated license. If the notification does not include the information required by this subdivision, the department shall notify the licensee of the need for additional information and shall not amend the license to add the additional physical plant until the additional information is received and reviewed by the department.

(2) Written notification shall include evidence that the primary care clinic or affiliate clinic is licensed in good standing and otherwise meets the criteria specified in this subdivision.
issuing the single consolidated license, the department shall specify the location of each physical plant.

(3) The written notification shall demonstrate compliance with all of the following criteria:

(A) There is a single governing body for all the facilities maintained and operated by the licensee.
(B) There is a single administration for all the facilities maintained and operated by the licensee.
(C) There is a single medical director for all the facilities maintained and operated by the licensee, with a single set of bylaws, rules, and regulations.
(D) The additional physical plant meets minimum construction standards of adequacy and safety for clinics found in the most recent version of the California Building Standards Code and prescribed by the Office of Statewide Health Planning and Development, as required in subdivision (b) of Section 1226. Compliance with the minimum construction standards of adequacy and safety may be established as specified in Section 1226.3.
(E) The additional physical plant meets fire clearance standards.

(4) The written notification required to be submitted pursuant to this subdivision shall include all of the following documentation:

(A) The name and address of the licensee’s corporation administrative office, including the name and contact information for the corporation’s chief executive officer or executive director.
(B) The name and address of, and the hours of operation and services provided by, the additional physical plant.
(C) A copy of any document confirming the corporation’s authority to control the additional physical plant. Examples of acceptable documentation include, but shall not be limited to, a lease or purchase agreement, grant deed, bill of sale, sublease, rental agreement, or memorandum of understanding between the owner of the property and the proposed licensee.

(5) A primary care clinic or an affiliate clinic may add additional physical plants pursuant to this section that are no more than one-half mile from the licensed clinic adding the additional physical plant under a consolidated license.

(6) Upon renewal of a consolidated license approved pursuant to this subdivision, a licensee fee shall be required for each additional physical plant approved on the license.

**Consolidation of Clinic Administration**

**Health and Safety Code §1218.2.** Notwithstanding any other provision of law, two or more primary care clinics that are operated by a single nonprofit corporation shall be entitled to consolidate their administrative functions within the State of California without first obtaining the approval of the department. The department shall have access to offsite records. Upon request for access by the department, offsite records shall either be transferred to a clinic or administrative site or be available at the offsite facility within 48 hours. The administrative functions are limited to the following:
(a) Offsite storage and maintenance of patient medical records that have been inactive for at least three years.

(b) Offsite storage and maintenance of personnel records, except that copies of specific records documenting the employees’ date of hire, general qualifications, proof of current licensure if applicable, training, and annual health checks shall be kept at the site at which the employee provides all or a majority of his or her services.

(c) Billing and related financial functions.

(d) Purchasing functions.

Single Point of Contact for CDPH

- Clinic Corporation that operates one or more affiliate clinics, shall act as the administrative headquarters for purposes of receiving from & submitting communications [rather than CDPH sending renewals, etc. to each site].
- If affiliate clinics’ renewal date is within one month of each other, the clinic corporation can submit a single payment to cover each site.

Health and Safety Code §1218.3(a) In order to reduce paperwork, eliminate errors, and streamline communications between the department and licensed primary care clinics, a clinic corporation that operates one or more affiliate clinics shall, on behalf of all licensed clinics it operates, act as the administrative headquarters for purposes of receiving from and submitting to the department communications regarding primary care clinic license, primary care clinic operations, requests for prior approval, additions of services, primary care clinic relocations, required reports of changes in primary care clinic administration and board of directors, notices of deficiencies, and all communications from the department to primary care clinics licensed by the department including communications by mail, e-mail, facsimile, or any other electronic or telephonic means.

(b) The department shall maintain a complete corporate file containing information about each clinic corporation operating one or more affiliate clinics, including all of the following:
   (1) A copy of the clinic corporation’s articles of incorporation and bylaws.
   (2) Unless exempt under paragraph (1) of subdivision (a) of Section 1204, a copy of the determination letter to show the clinic corporation’s exempt status under paragraph (3) of subsection (c) of the Internal Revenue Code of 1954, as amended.
   (3) A copy of the clinic corporation’s organizational chart.
   (4) Information identifying the clinic corporation’s governing body, including the clinic corporation’s board of directors and corporate officers and required documents.
   (5) Information identifying the clinic corporation’s administrators, including the chief executive officer or executive director and medical director.
(c) A clinic corporation shall not be required to resubmit information, materials, or documents identified in subdivision (b) as part of an affiliate clinic application, unless the information, materials, or documents are necessary to complete the corporate file.

(d) A clinic corporation shall submit to the department, on behalf of all licensed primary care clinics operated by the clinic corporation, a single report of change that is applicable to all primary care clinics operated by the clinic corporation, including a change in a principal officer or general manager of the governing body, the medical director, and the clinic administrator, as required by law.

(e) A clinic corporation may submit to the department, on behalf of all licensed primary care clinics operated by the clinic corporation that are within the same license renewal month, a single payment for all primary care clinic licensure renewal fees.
Assembly Bill No. 2204

CHAPTER 279

An act to amend Section 1206 of the Health and Safety Code, relating to clinics.

[ Approved by Governor September 06, 2018. Filed with Secretary of State September 06, 2018. ]

LEGISLATIVE COUNSEL’S DIGEST


Existing law provides for the regulation and licensure of clinics, as defined, by the State Department of Public Health. Under existing law, specified types of clinics are exempted from these licensing provisions, including a clinic that is operated by a primary care community or free clinic and that is operated on separate premises from the licensed clinic and is only open for limited services of no more than 30 hours a week.

This bill would instead exempt a clinic that is operated by a primary care community or free clinic and that is operated on separate premises from the licensed clinic and is only open for limited services of no more than 40 hours a week.

DIGEST KEY

Vote: majority   Appropriation: no   Fiscal Committee: yes   Local Program: no