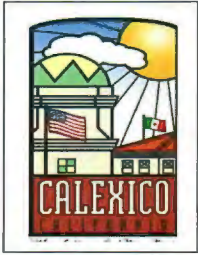


**AGENDA
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CITY COUNCIL AGENDA STAFF REPORT

DATE: July 19, 2023

TO: Mayor and City Council

APPROVED BY: Esperanza Colio Warren, City Manager

REVIEWED BY: Sandra L. Fonseca, Interim Finance Director

PREPARED BY: Victor Legaspi, Interim Police Chief

SUBJECT: Ratification of Letter of Support for AB 918 – Imperial Valley Healthcare District Introduced by Assemblymember Eduardo Garcia (Mayor Ureña)

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Recommendation:

Approval of Ratification of letter of support for AB 918 - Imperial Valley Healthcare District Introduced by Assemblymember Eduardo Garcia as requested by Mayor Ureña.

Background:

The Imperial Valley has historically faced healthcare disparities impacting primarily low-income residents, many of whom are immigrant farmworkers. The economic hardships of the COVID-19 pandemic have exacerbated the longstanding financial and systematic conditions faced by Imperial Valley hospitals. Some significant barriers on access to healthcare include:

- Shortages in the number of primary care providers
- Shortages in various medical and surgical specialties
- Excessive wait times for medical care
- A lack of urgent care services
- A lack of public transportation
- The closure of maternity services at El Centro Regional Medical Center (ECRMC)

Solving these persistent barriers has proven to be challenging. The number and capacity of providers have proven inadequate to meet demand. The COVID-19 pandemic has exacerbated the already existing physician shortage in rural Imperial County. Imperial Valley stakeholders believe that the creation of a countywide healthcare district through the legislative process is best route to address these persistent needs.

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On February 14, 2023, Assemblymember Eduardo Garcia introduced AB 918. AB 918 establishes the Imperial Valley Healthcare District in the County of Imperial. The purpose of the district is to consolidate and coordinate medical services to improve healthcare access and cost-saving benefits for the underserved population.

Furthermore:

- The initial board of directors is composed of 2 members from the Pioneers Memorial Healthcare District, 2 members from the Heffernan Memorial Healthcare District, 2 members from the City of El Centro (who are not City of El Centro employees, elected officials of the City, or employees or board members of ECRMC), and 1 member from the Imperial County Board of supervisors.
- The board is required to enter negotiations to acquire the El Centro Regional Medical Center and finalize the terms of acquisition by November 5, 2024 if the financial feasibility studies determine that is financially viable. AB 918 – Imperial Valley Healthcare District Updated 7/11/23
- The board must hold a minimum of three public meetings to inform the public about the district's establishment, recommended funding source mechanism, and the acquisition of the medical center.
- The board of directors shall work with LAFCO to divide the district into voting zones and members of the board will be elected by district after January 1, 2024.
- The initial board, in collaboration with the Imperial County LAFCO, recommends a permanent funding source mechanism, which is then presented to and approved by voters through a ballot measure.
- Heffernan Memorial Healthcare District and Pioneers Memorial Healthcare District will be dissolved, and their assets and responsibilities will be transferred to the Imperial Valley Healthcare District by January 1, 2025.
- The Heffernan Memorial Healthcare District is to hold a temporary administrative role to IVHD which includes assistance in scheduling board and public meetings as well as any other administrative tasks associated with establishing a new health care district.
- If El Centro Regional Medical Center is acquired by IVHD, the board of directors shall disclose the terms of the acquisition to the public and present a financial plan to finance the acquisition and ongoing operations of hospitals in the district.
- The bill is considered an urgency statute due to the imminent financial collapse of the El Centro Regional Medical Center, aiming to stabilize access to healthcare services promptly.
- The bill takes effect immediately upon enactment to address the urgent need for stabilizing access to healthcare services in the region

Discussion and Analysis:

Access to healthcare in Imperial County is at serious risk. Only two hospitals serve the entirety of the county. ECRMC is on the verge of financial collapse. The Pioneers Memorial Hospital will be unable to retrofit due to escalating costs for retrofitting, their recent credit downgrade, and reports from engineers of the requirement of a complete physical restructure of the main hospital building and administrative wing. For these reasons it is crucial that we create a countywide healthcare district in which we can integrate ECRMC and stabilize healthcare in one of the state's most underserved communities.

The establishment of a countywide healthcare district will result in multi-millions of dollars in savings to the Imperial Valley Healthcare District through the coordination of medical services, combined economies of scale of the prior healthcare districts including, having a single governing body and hospital administration, clinical integration, unified contracting and supplies management and an integrated medical system. At the same time, we can expect these hospitals to qualify as a sole community hospital across two campuses, which would trigger an increase in Medicare reimbursement of several millions of dollars per year.

The Imperial Valley has voiced its support for a countywide integrated healthcare entity to more efficiently advocate, address, and alleviate the various healthcare disparities that exist.

Fiscal Impact:

There is no anticipated fiscal impact to the City's General Fund.

Attachment(s):

1. Letter of Support for AB 918.



City of Calexico

608 HEBER AVENUE

• CALEXICO, CA 92231

• (760) 768-2110

July 12, 2023

Senate Committee on Governance & Finance
Senator Anna M. Caballero, Chair
State Capitol, Room 407
Sacramento, California 95814

RE: AB 918 – Imperial Valley Healthcare District (Eduardo Garcia) – SUPPORT

I am writing on behalf of the City of Calexico to express our strong endorsement of Assembly Bill 918, which proposes the establishment of the Imperial Valley Healthcare District.

As an organization deeply committed to improving healthcare access and services in the Imperial Valley, we recognize the significant challenges our community faces. The lack of adequate healthcare resources and the limited access to quality medical care have been persistent obstacles affecting the health and well-being of our residents.

We firmly believe that the creation of the Imperial Valley Healthcare District will bring about positive change and address the existing gaps in healthcare services. This district will provide a unified framework for healthcare governance, improve coordination, and ensure a more efficient and effective delivery of healthcare services across the region. Supporting AB 918 is crucial in our collective efforts to enhance healthcare access and quality in the Imperial Valley. By establishing the Imperial Valley Healthcare District, we can overcome the challenges we face and ensure that every resident has access to comprehensive, high-quality healthcare services.

Our organization stands fully behind this critical measure and is committed to advocating for its passage. We believe that the Imperial Valley Healthcare District will greatly benefit our community, promoting better health outcomes and improving the overall well-being of our residents.

We appreciate your unwavering dedication to the well-being of the Imperial Valley and your leadership in addressing the healthcare challenges we face. We look forward to working alongside you to ensure the success of AB 918 and the establishment of the Imperial Valley Healthcare District.

Should you require any additional information or have any questions, please don't hesitate to get in touch with Mrs. Esperanza Colio Warren at (760) 768-2110. Thank you for your consideration and for your continued support in improving healthcare in the Imperial Valley.

Sincerely,

CITY OF CALEXICO

DocuSigned by:

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Raul Ureña
Mayor

cc: Assemblymember Eduardo Garcia, 1021 O Street, Ste 8120, Sacramento, CA 95814
Gloria Romo, Mayor Pro Tem
Camilo Garcia, Council Member
Gilberto Manzanarez, Council Member
Javier Moreno, Council Member
Esperanza Colio Warren, City Manager