

BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA

RESOLUTION NO. 2024- _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LAKE APPROVING THE ASSESSMENT FORMULA, AUTHORIZING THE LEVY AND COLLECTION OF THE ASSESSMENT, AND DECLARING THE FORMATION OF THE LAKE COUNTY HOSPITAL IMPROVEMENT DISTRICT THROUGH DECEMBER 31, 2029.

WHEREAS, the Business Improvement Law of 1994, Streets and Highways Code § 36600 et seq. ("District Law"), authorizes the County of Lake ("County") to establish business improvement districts; and

WHEREAS, the proposed district, with boundaries coexistent with Lake County, will provide specific benefits to assessed businesses located in Lake County and licensed as general acute care hospitals by the California Department of Public Health; and

WHEREAS, Sutter Lakeside Hospital and Adventist Health Clear Lake (Hospitals) are non-profit hospitals that provides a substantial amount of unreimbursed care, including inpatient treatment and services, to Medi-Cal patients in Lake County; and

WHEREAS, the County received a petition by the Hospitals requesting the formation of a new business-based assessment district, the Lake County Hospital Improvement District (District) for a five-year term; and

WHEREAS, the California Medicaid program is funded jointly by the federal and state governments; the federal portion, also referred to as Federal Financial Participation (FFP), is calculated on the basis of a formula specified in the Social Security Act; and

WHEREAS, subject to federal requirements, the State of California Department of Health Care Services (DHCS) may use "broad based health care- related taxes," sometimes referred to as "provider taxes," to cover the non-federal share of Medicaid expenditures, which is then used to calculate the FFP; and

WHEREAS, qualifying funds from public agencies, such as the County of Lake, that are paid to the DHCS may be considered in calculating the non-federal share in claiming FFP; and

WHEREAS, increasing the FFP will increase the total amount available for Medi-Cal reimbursement to the Hospitals; the resulting Medi-Cal reimbursement amount is expected to be twice greater than the Lake County Hospital Improvement District itself; and

WHEREAS, on September 10, 2024, the Board of Supervisors adopted Resolution No. 2024-94 titled "Resolution Of The Board Of Supervisors Of The County Of Lake Declaring Its Intention To Form The Lake County Hospital Improvement District And Setting The Date For A Public Hearing And Giving Notice Therefor" stating its intent to form the District for a five-year term (Resolution of Intention); and

WHEREAS, the date and time for a public meeting, pursuant to California Government Code section § 54954.6 concerning the establishment of the District, was set and held on October 22, 2024, at 11:00 AM, in the Board of Supervisors Chambers at 255 N Forbes Street, Lakeport, CA 95453; and

WHEREAS, the date and time for a public hearing, pursuant to California Government Code section § 54954.6 concerning the establishment of the District, was set and held on November 5, 2024, at 11:00 AM in the Board of Supervisors Chambers at 255 N Forbes Street, Lakeport, CA 95453; and

WHEREAS, no protests were received for the District from the Hospitals, which are the business that would be impacted by the District; and

WHEREAS, the boundary of the proposed district encompasses the city of Clearlake with Adventist Health Clear Lake located within Clearlake; and

WHEREAS, the County requested consent from the city of Clearlake to form the proposed district that encompasses its respective jurisdiction, as required by § 36620.5 of the District Law. The city of Clearlake passed a Resolution of Consent on September 10, 2024, in support of the Lake County Hospital Improvement District attached as Exhibit B; and

WHEREAS, the District is subject to the Management District Plan ("Plan"), a copy of which is on file with the County Clerk and an attachment to this Resolution by this reference, and which describes that the estimated assessment obligation applicable to the Hospitals was calculated by applying the assessment rate, which is six percent (6%) of the Hospitals net patient revenue, set forth in the District Plan; and

WHEREAS, among other things, the District Plan describes how the businesses within the District will be benefited by the improvements, maintenance, and activities funded by the proposed assessments; and

WHEREAS, the total amount of the proposed assessment for the District's initial year (2024) is estimated at \$15,300,000.00 based on a 6% assessment on Medi-Cal net patient revenue at Sutter Lakeside Hospital and Clear Lake Adventist Health; and

WHEREAS, this Resolution is intended to constitute a resolution of formation with respect to the formation of the District in compliance with California Streets and Highways Code section 36625.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors, County of Lake, State of California That:

The Board finds that the Hospitals that will pay one hundred percent (100%) of the assessment proposed in the Plan have signed and submitted petitions in support of the formation of the district.

The Board finds that the Plan satisfies all requirements of § 36622 of the District Law.

The proposed business-related improvements, maintenance, and activities of the District can be generally be described as an increase in resources available for the Hospital to enhance healthcare services to low-income patients.

The Board hereby approves the formation of the District and to levy and collect assessments on the Hospitals pursuant to the District Law under the following terms:

The district shall include all Hospitals located within the County, and the boundary of the district shall be coextensive with the boundary of the County, as shown in the map attached as Exhibit A.

The name of the district shall be Lake County Hospital Improvement District ("LCHID").

The County will set an annual assessment rate at 6% of net patient revenue.

Assessments shall be levied on businesses licensed as general acute care hospitals in the District.

The businesses in the District are subject to any amendments to Part 7 of Division 18 of the California Streets and Highways Code, presently consisting of sections 36600-36671.

The assessments levied for the LCHID shall be applied toward providing additional resources to support the hospitals' provision of healthcare services to low-income and needy members of the community, as described in the Plan.

The improvements, maintenance, and activities to be conferred on businesses in the District will be funded by the levy of the assessments. The revenue from the levy of assessments within the District shall not be used to provide improvements, maintenance, or activities outside the District or for any purpose other than the purposes specified in the Resolution of Intention.

The Board of Supervisors find that businesses within the District will be benefitted by the improvements, maintenance, and activities funded by the proposed assessments.

Funds remaining at the end of any year may be returned to the businesses assessed under the LCHID or used in subsequent years in which LCHID assessments are levied as long as they are used consistent with the requirements

of this resolution and the Plan.

The proposed LCHID will have a five-year (5) term, beginning January 1, 2025, through December 31, 2029, unless renewed pursuant to Streets and Highways Code § 36660.

Bonds shall not be issued.

The complete Plan is on file with the Clerk of the Board and may be reviewed upon request.

This resolution shall take effect immediately upon its adoption by the Board of Supervisors.

THIS RESOLUTION WAS PASSED and ADOPTED by the Board of Supervisors of the County of Lake at a regular meeting thereof on _____, 2024, by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

ATTEST: Susan Parker

By:

Deputy

Chair of the Board of Supervisors

APPROVED AS TO FORM
LLOYD GUINTIVANO
County Counsel



AUDITOR REVIEW:
JENAVIVE HERRINGTON
Auditor-Controller


