

SACRAMENTO CITY PLANNING COMMISSION

March 16, 1967

MEMORANDUM TO PLANNING STAFF.

FROM: PLANNING DIRECTOR

SUBJECT: HEALTH FACILITIES - INQUIRIES AND APPLICATIONS FOR  
SPECIAL PERMITS

The Planning Commission at its regular meeting of March 14, 1967, adopted a motion directing the Staff to continue its program of effective administrative coordination with the local Hospital Planning Council on inquiries for proposed development of health care facilities in the City.

The main purpose of this procedure is to alert all persons interested in the development of such facilities to the desirability for early consultation on their venture with the local Hospital Planning Council.

Recent actions at the State level have considerably increased the responsibility and relative influence of such organizations. As one specific example, Section 252.1 has been added to Article 2, title 17 of the California Administrative Code, effective April 30, 1966, reading as follows:

"Submissions of Proposals for Construction to Voluntary Planning Agencies."

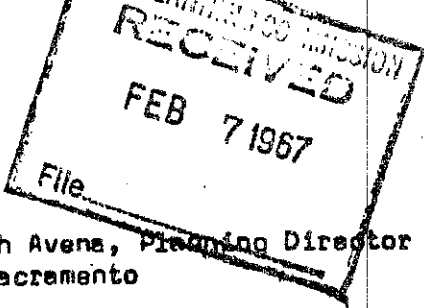
Any application for proposed construction of new facilities or remodeling or additions to licensed facilities submitted-- shall be accompanied by a certification by the applicant that a description of the proposed construction has been presented to the appropriate voluntary organization specifically responsible for health facilities planning, and officially recognized by organized professional, civic, and governmental agencies."

In order that we may assist in the orderly development of health care facilities in the City, the staff is instructed to continue their present procedure of advising all persons making inquiries concerning this type of land use to consult with the local Hospital Planning Council on their proposal at the earliest possible date. Regular office procedure concerning land use determinations in any specific inquiry shall follow current staff practice.

The contents of this Staff Memorandum should be made known to all persons making such an inquiry.

Executive Director  
FRANK MERRILL

February 6, 1967



Mr. Joseph Avena, Planning Director  
City of Sacramento  
City Hall  
Sacramento, California

Dear Mr. Avena:

At present, seven voluntary health facility planning agencies exist in California, serving areas whose combined population represents more than ninety per cent of the State's total. The Hospital Planning Council for Sacramento, Yolo & Placer Counties is one of these seven. Its history, purpose, and acceptance are well known to you.

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In other words, the proponent, as a condition of licensure, must now prove to the State Bureau of Hospitals that their plans have been made known to the local voluntary health facility planning agency. Locally, this is usually accomplished by a detailed review of the proposed project through conference with an appropriate council subcommittee, as a result of which the proponent is provided with the required certification.

Even though council approval of the project is <sup>not</sup> demanded as a part of this certification, we have for a number of reasons been eminently successful (and long before the described regulation was adopted) in discouraging those proposals for general hospitals which did not conform to the recommendations contained in our regional master plan and assisting the implementation of those proposals which did.

\*SACRAMENTO REGION AREA WIDE PLANNING AGENCY FOR HOSPITALS AND RELATED HEALTH FACILITIES, INC.

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We have further, been of assistance in discouraging (city (and explaining pitfalls) where proposals for long term care facilities have been involved. The time will come after a period of experience with Federal Medicare, when we will be able to make firm recommendations based upon need, location, size, and other important factors in this latter area as we do now with general hospitals. Right now, demand exceeds supply, so we are not actively opposing suggested additions.

As the time applications for licensure are made, the proponent has invested appreciably in both time and money. He has obtained a local use permit, with its frequently attendant problems, prepared detailed and expensive architectural plans and specifications, and presumably made at least tentative arrangements for the financing, construction, and operation of the facility. It would seem that the interests of all concerned in a very complex and vital endeavor would be best served through consultation between proponent and voluntary planning agency as soon as possible in their (the proponent's) consideration of the venture. Our advice can be of great aid, whether or not the project eventually proceeds, and our formal support can substantially influence the relative success of those which do proceed.

One of the earliest situations in which a proponent can become appraised of the necessity for council awareness of the project is when a use permit is requested from the appropriate planning commission. All of the commissions in our region, in one fashion or another, recognize the importance of Hospital Planning Council involvement in these matters. The degree of dependence upon Council opinion may vary between them, but that opinion has been highly respected nevertheless. This is understandable particularly in the case of county commissions, in that all three county governments are major supporters of the Council.

This, therefore, is to suggest that you might wish to recommend to your commissioners that they adopt a policy whereby applicants for zoning, variances, and/or use permits for health facility construction be advised by your department of the State Administrative Code section which has been cited at the time of such application and that a directive be given that Hospital Planning Council knowledge of the proposal, properly certified, be required as a condition of the eventual use permit hearing. Some planning commissions in the region, by directive of higher authority already do this.

The proponent is going to benefit from such a procedure as much as the community interest is going to be served. As an additional example of the weight now being given to voluntary planning agency decisions, here is the phraseology of Section 590 of the Formula for Reimbursement of Inpatient Hospital Care of the Medi-Cal program now in effect.

"New construction shall be consistent with the recommendations of, and approved by, voluntary health facilities region planning bodies; provided, however, that such decisions are subject to review by the State."

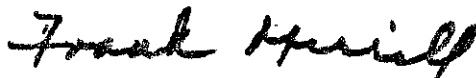
Application of this section would enable the fiscal intermediaries for the Medi-Cal program (in this area, Blue Cross and Blue Shield) to disallow depreciation on new construction for the purposes of determining the hospital

ats. Without such appreciation allowances, health facilities dependent in large part upon state welfare cases (which applies to all convalescent hospitals now operating) would find it difficult to survive. And, it is probable that the Federal Medicare program will include a similar provision, adding to the importance of planning agency endorsement.

This suggestion is made in a sincere effort to be helpful, not negative, in the development of properly located, adequately sized, and highly qualified health facilities in our region. The responsibility has been given to us, and we want to exercise it in a manner which is as fair as possible.

I would appreciate knowing of your reaction to this proposal and hearing your comments. If you require further information, please let me know.

Very truly yours,



Frank Merrill  
Executive Director

FM/b

P. S. Also worthy of your consideration is suggesting the placement of a time limit of, at most, one year upon use permit implementation, with rehearing required for extension and approval to be contingent upon then existing circumstances.

Again, some planning agencies presently impose such use permit limitations, to the advancement of good planning based upon current needs.