



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

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AGENDA REPORT
 Business | Information

May 6, 2024

TO: Commissioners

FROM: Priscilla Mumpower, Assistant Executive Officer
 Adam Wilson, LAFCO Consultant

SUBJECT: Presentation | Update on Municipal Service Review on Healthcare Districts

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will receive a presentation on activities underway as part of the scheduled two-part municipal service review on healthcare districts. The presentation serves as an update on the municipal service review given its high-priority placement on the workplan paired with recent related media coverage concerning operational changes involving two of the four affected districts. The update is being provided for information with the opportunity for the Commission to provide real-time feedback in line with the staff’s current expectation of producing a draft on the first part of the municipal service review in early 2025.

BACKGROUND

Adopted Workplan & Municipal Service Review on Healthcare Districts

San Diego LAFCO’s current fiscal year workplan includes 30 projects and is divided into two distinct categories – statutory and administrative – along with priority assignments set by the Commission. The scheduled municipal service review on healthcare districts and the four affected agencies (Fallbrook, Palomar, Grossmont, and Tri-City) ranks second in priorities.

<p>Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcounty.ca.gov</p>	<p>Joel Anderson County of San Diego</p> <p>Jim Desmond County of San Diego</p> <p>Nora Vargas, Alt. County of San Diego</p>	<p>Kristi Becker City of Solana Beach</p> <p>Dane White City of Escondido</p> <p>John McCann, Alt. City of Chula Vista</p>	<p>Chair Stephen Whitburn City of San Diego</p> <p>Marni von Wilpert, Alt. City of San Diego</p>	<p>Vice Chair Barry Willis Alpine Fire Protection</p> <p>Jo MacKenzie Vista Irrigation</p> <p>David A. Drake, Alt. Rincon del Diablo</p>	<p>Harry Mathis General Public</p> <p>Vacant, Alt. General Public</p>
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Municipal Service Review Organization | Macro and Micro Reports

The Executive Officer has divided the preparation of the municipal service review on healthcare districts into two distinct reports – macro and micro. The macro report is underway and will follow a standard municipal service review format in independently assessing baseline topics involving all four affected agencies and headlined by demographics, service functions – including capacities, demands and performance, and finances. The macro report – notably – will include written determinations as required under statute and in doing so satisfy the five-year requirement for all four agencies. The micro report will draw on the baseline information in focusing on current and emerging community healthcare needs and opportunities to better align district boundaries and resources accordingly.

DISCUSSION

This item is for San Diego LAFCO to receive a presentation from staff on activities underway as part of the scheduled two-part municipal service review on healthcare districts. Consultant Adam Wilson will lead the presentation and available to respond to questions.

ANALYSIS

None.

RECOMMENDATION

This item is for information and feedback.

ALTERNATIVES FOR ACTION

None.

PROCEDURES FOR CONSIDERATION

This item has been placed on the Commission’s agenda for information as part of the business calendar. The following procedures are recommended:

- 1) Receive verbal presentation from staff unless waived.
- 2) Invite comments from interested audience members if any.
- 3) Discuss and provide feedback as needed.

On behalf of the Consultant Team,



Priscilla Mumpower
Assistant Executive Officer

Attachment:

1. Letter from Palomar HCD CEO, Diane Hansen



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03.20.2024

Local Agency Formation Commission
San Diego County
2550 Fifth Avenue, Ste 725
San Diego, CA 92103

Dear Keene Simonds,

Please accept this letter as a formal expression of Palomar Health’s intent to continue to cooperate and actively participate in LAFCO’s upcoming MSR process. The purpose of this letter is to also serve as an invite to meet with Palomar Health, at your convenience, to discuss the recent organizational changes that will protect and preserve our ability to serve as a critical safety net hospital for the over 1.1M San Diegans that call North County home. The reality is, status quo won’t cut it for California hospitals in the most challenging healthcare environment ever known. Right now, more than half of California’s hospitals are operating at a loss. There are a handful of hospitals that have either closed or began bankruptcy proceedings this year. Palomar, like all district hospitals, is fighting fiercely to protect the most vulnerable in our communities and we look forward to sharing our innovative plans with you. Although these operational changes do not fall under the governance of LAFCO, upon reflection, we recognize that any significant changes to our district should come with an advanced “heads-up” meeting with the Executive Director to avoid misinformation in the press and to help address questions likely to come up from LAFCO board members.

With appreciation,

A handwritten signature in black ink, appearing to read "Diane Hansen", with a long horizontal flourish extending to the right.

Diane Hansen, CEO

Administration

Palomar Outpatient Center I, 2125 Citracado Parkway, Ste. 300, Escondido, CA 92029 | T 760.740.6385 | [PalomarHealth.org](https://www.PalomarHealth.org)

Palomar Health is a California Public Healthcare District

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