



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Health
Department No.: 041
For Agenda Of: 1/9/2007
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director(s) Elliot Schulman, MD, MPH, Director and Health Officer
Public Health Department
Contact Info: Suzanne Jacobson, Chief Financial Officer
Public Health Department
SUBJECT: Revenue Agreement for California Healthcare for Indigents Program (CHIP)

County Counsel Concurrence:

As to form: Yes No N/A

Auditor-Controller Concurrence:

As to form: Yes No N/A

Other Concurrence: N/A

As to form: Yes No N/A

Recommended Action(s):

That the Board of Supervisors:

Approve and authorize the Chair to execute the Standard Agreement with the State of California for the California Healthcare for Indigents Program (CHIP) funding for the Fiscal Year 2006-07 in the allocation amount of \$101,034.

Summary:

The revenue agreement for California Healthcare for Indigents Program (CHIP) was included on the ongoing grants list for FY 2006-07 and was approved as part of the Fiscal Year 2006-07 budget. The amount listed for this revenue agreement had to be estimated because the specific funding amount was not available from the State at the time the budget was prepared. The allocation awarded by the State was 28% greater than the amount estimated at the time of budget preparation. The CHIP funding provided through this revenue agreement is passed through the County to support area hospitals and physicians. Obligations regarding the acceptance of these funds are outlined in Welfare and Institutions Code Sections 16960 through 16995.

Background:

The Tobacco Tax Initiative (Proposition 99), as approved by the voters in 1988, established the CHIP program requiring that tobacco sales tax pay local hospitals and physicians for uncompensated charity care to indigent patients. These funds are provided to the Public Health Department to pass through to area

Revenue Agreement for California Healthcare for Indigents Program (CHIP)

1/9/2007

Page 2 of 2

hospitals, specialty physicians, and emergency department physicians to cover the costs of uncompensated healthcare due to tobacco related illnesses.

Because of the decline in smoking and the 1998 passage of the additional tobacco tax, the California Families and Children First program (Proposition 10), CHIP funding has decreased by ninety one (91%) percent from Fiscal Years 1989-90 to 2005-06: from \$2,664,344 to \$252,199. The CHIP allocation for Fiscal Year 2006-07 is \$101,034, a decrease of 60% from FY 2005-06.

Fiscal and Facilities Impacts:

Budgeted: Yes No

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other: Tobacco Taxes	\$ 101,034.00	\$ -	\$ 101,034.00
Total	\$ 101,034.00	\$ -	\$ 101,034.00

The recommended action does not result in the use of any General Fund resources and does not impact facilities.

The amount distributed is based upon a formula that is prescribed by the State Department of Health Services. The approximate amount for Fiscal Year 2006-07 distributions to entities is:

- Cottage Health Systems \$68,457
- Lompoc Healthcare District \$3,903
- Marian Medical Center \$20,646
- Rehabilitation Institute \$2,430
- emergency department physicians \$2,799
- various specialty physicians \$2,799

These funds are budgeted as part of the adopted budget for the Public Health Department and can be found in the CHIP cost center on page D-180 in the county's Operating Plan Document.

Staffing Impact(s):

<u>Legal Positions:</u>	<u>FTEs:</u>
0	0

The recommended action does not require additional staffing.

Special Instructions:

Please return two signed originals along with a copy of the minute order to PHD Contracts Unit, 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110 **Attn: Margaret Granger.**

Authored by:

Suzanne Jacobson, Chief Financial Officer, Public Health Department