

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



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

Agenda Number:
Prepared on: 9/6/05
Department Name: Public Health
Department No.: 041
Agenda Date: 11/8/05
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Elliot Schulman, MD, MPH
Public Health Department Director/Health Officer

STAFF Michele Mickiewicz
CONTACT: 681-5446

SUBJECT: Contracts for Hospital and Emergency Room Care funded
through the Tobacco Settlement for FY 2005-2006

Recommendation(s):

That the Board of Supervisors:

A. Execute two amendments and two agreements totaling \$931,000 with the subcontractors below for hospital and emergency room care for adults and children who are uninsured and not eligible for publicly funded programs for the period of July 1, 2005 to and including June 30, 2006:

A. Santa Barbara Cottage Hospital	\$416,100 (Amendment)
B. Marian Medical Center.....	\$303,050 (Amendment)
C. Lompoc District Hospital	\$107,350 (Agreement)
D. Goleta Valley Cottage Hospital	\$104,500 (Agreement)
Total	\$931,000

B. Authorize the Director of Public Health to execute any amendments to these contracts during the Fiscal period of 2005-2006.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with

Goal No. 2: A Safe and Healthy Community in Which to Live, Work, and Visit and

Goal No. 5: A High Quality of Life for All Residents.

Executive Summary and Discussion:

In the June 2005 budget hearings, your Board gave final approval to the recommendation of the Tobacco Settlement Advisory Committee (TSAC) to allocate \$950,000 of the year 2004 tobacco settlement revenues for hospital and emergency room care countywide for the period July 1, 2005 to June 30, 2006. This funding

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is to be used to pay local hospitals and physicians for uncompensated charity care to indigent patients. The agreements before you account for \$931,000 of the \$950,000 allocated. Purchase order contracts have been established to allocate the remaining \$19,000 to Santa Ynez Cottage Hospital (\$9,500), and the Rehabilitation Institute at Santa Barbara (\$9,500). Santa Barbara Cottage Hospital and Marian Medical Center have had Board Contracts in past years and are being amended to extend the term one year and increase the amount in accordance with the allocation. Goleta Valley Cottage Hospital and Lompoc Healthcare District have had purchasing agreements in past years and require Board Contracts as the allocation for FY 2005-06 increased above the \$100,000 limit.

The distribution of these funds among the local hospitals was decided by consensus in a meeting of Santa Barbara County Hospital Administrators and was based, not only on uncompensated care, as determined by the Office of Statewide Health Planning and Development (OSHPD), but each hospital's respective share of services delivered to Medi-Cal eligible patients.

In Santa Barbara County, private hospitals perform the function of a county hospital in providing inpatient and emergency room care to the indigent. The County's partnership with these hospitals ensures that hospital care will be available for adults and children who are uninsured and not eligible for publicly funded programs. The cost of hospital and emergency room care for the indigent is estimated to be \$7,000,000 per year across all the hospitals in the county. To partially offset the costs to hospitals for uncompensated care, a number of funding sources have been utilized. The California Healthcare for the Indigent Program (CHIP) funds through the Tobacco Tax Initiative (Proposition 99) funded a significant portion of these costs initially; however, CHIP funds have decreased by more than 90% over the past 17 years. A local Maddy Emergency Services fund has been established and is anticipated to bring in \$450,000 - \$650,000 annually to further offset costs for hospital emergency medical services; however, the fund did not reach these funding levels in its first year of operation and will sunset in 2007 unless efforts are successful to extend the sunset provision of the legislation. The funding recommendation for hospital and emergency room care made by TSAC and approved by your Board continues to be a critical component of funding for indigent care.

Mandates and Service Levels:

There are no mandates regarding the allocation and use of tobacco settlement funds. Service levels will be monitored through performance measures to track hospital and emergency room care provided.

Fiscal and Facilities Impacts:

These four agreements, totaling \$931,000, are funded through the tobacco settlement as recommended by the Tobacco Settlement Advisory Committee and approved by your Board in the June 2005 budget hearings. These amounts were included as part of the adopted Public Health Department Fiscal Year 2005-06 budget. The allotment is included in the MIA/Indigent Care cost center of the Family Health and Primary Care division shown on page D-186 of the budget. There is no increase in the use of County's General Fund resources as a result of executing these agreements.

This action will not result in a need for additional facilities.

Special Instructions:

Return the minute order and two executed originals of each agreement to the Public Health Department Contracts Unit, 300 North San Antonio Road, Bldg 8, Santa Barbara, CA 93110 Attn: Margaret A. Granger (681 5367).

Concurrence:

None Required.