



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: 1-20-09
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Elliot Schulman, MD, MPH, Director and Health Officer
Director:
Contact Info: Suzanne Jacobson, Chief Financial Officer 681-5183

SUBJECT: Agreement with the California Department of Public Health for the California Healthcare for Indigents Program

County Counsel Concurrence

As to form: N/A

Other Concurrence:

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

Consider recommendations regarding the California Healthcare for Indigents Program revenue agreement, as follows:

- a) Approve and authorize the Chair to execute the Application/Standard Agreement with the California Department of Public Health for the California Healthcare for Indigents Program (CHIP) funding for the Fiscal Year 2008-09 in the amount of \$28,540.
- b) Authorize the Public Health Director to execute any future amendments to the Standard Agreement with the California Department of Public Health for the California Healthcare for Indigents Program (CHIP) funding for the Fiscal Year 2008-09 provided that any such amendments do not exceed ten percent (10%) of \$28,540.

Summary Text:

The agreement for California Healthcare for Indigents Program (CHIP) was included on the ongoing grants list for Fiscal Year (FY) 2008-09 and was approved as part of the FY 2008-09 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. Although the FY 2008-09 budgeted amount of \$50,000 was 40% less than the FY 2007-08 allocation of \$82,385, the actual allocation awarded by the State of \$28,540 was 43% less than the budgeted amount. 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.

The Office of County Health Services has combined the CHIP Application and Standard Agreement into one document. Using a combined document will prevent repeated appearances before your Board to receive document approval.

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 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 \$2,635,804 (98.9%) percent from Fiscal Years 1989-90 to 2008-09 from \$2,664,344 to \$28,540. The CHIP allocation for FY 2008-09 is \$28,500, a decrease of 65% from FY 07-08.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

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 FY 2008-09 distributions to entities is:

- Cottage Health Systems \$20,778
- Lompoc Healthcare District \$592
- Marian Medical Center \$7,170

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-196 in the County's Operating Plan Document.

A budget revision will follow to amend the adopted budget with the reduced amount of CHIP allocation.

Staffing Impacts:

Legal Positions:
0

FTEs:
0

Special Instructions:

Please return three (3) fully executed original Application/Agreements to PHD Contracts Unit, 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110. Please send an electronic copy of the Minute Order to the PHD Contracts Unit at PHDRES.ContractsUnit@sbcphd.org

Attachments:

Application/Standard Agreement for California Healthcare for Indigents Program Funding for FY 2008-09.

Authored by: Suzanne Jacobson, Chief Financial Officer