



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 Dept.
Department No.: 041
For Agenda Of: 5/6/08
Placement: Set Hearing
Estimated Tme: 30 minutes on 5/20/08
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 Public Health Department
Contact Info: Michele Mickiewicz, MPH, Deputy Director 681-5446

SUBJECT: Tobacco Settlement Advisory Committee (TSAC) Recommendations

County Counsel Concurrence

As to form: Yes No N/A

Auditor-Controller Concurrence

As to form: Yes No N/A

Other Concurrence:

As to form: Yes No N/A

Recommended Actions:

That the Board of Supervisors:

Set a hearing on May 20, 2008 to consider recommendations regarding the Tobacco Settlement Advisory Committee (TSAC) and Tobacco Settlement Funding:

- a) Conceptually approve the recommendation from TSAC that tobacco settlement funding for 08-09 be allocated following the funding recommendations and direction TSAC recommended for the 07-08 funding cycle. Final approval will be determined by the Board during the June '08 budget hearings;
- b) Approve the recommendation from TSAC that future tobacco settlement funding be allocated by the Public Health Director via the County budgeting process with input from a community forum and that the allocations remain consistent with the identified priority health areas;
- c) Approve the recommendation from TSAC that the Public Health Director establish a new forum for periodic discussion of future and emerging community health needs;
- d) Approve the recommendation from TSAC that the Committee sunset its responsibilities in FY 2007-08; and
- e) Receive a report regarding TSAC expenditures, programs, and outcomes.

Summary Text:

The Tobacco Settlement Advisory Committee met on May 23, 2007 and December 6, 2007 to discuss its role and future. The members reached consensus that the role of TSAC has been fulfilled and its

purpose served. The Committee, over 8 years, has identified the health needs of the community and has made funding recommendations to the Board of Supervisors to meet those needs.

TSAC has consistently addressed the priority health needs in the County with funding recommendations that fall into 2 areas of ongoing need:

1. Direct Health Care (Medical, Mental, Dental)
2. Prevention

More than 73% of the funding since FY 2003-04 has been directed to Direct Health Care in support of the safety net of hospitals, emergency room physicians and specialty care physicians that serve the uninsured and underinsured. This number has reached 82% in FY 2006-07 and subsequent fiscal years, because over the years as TSAC has met, they have consistently recognized the high priority and ongoing nature of the needs listed above. While other health needs have been brought forward seeking tobacco settlement funding, TSAC has maintained its focus on these priority needs. TSAC has established what they feel are the top priority, ongoing areas of need that they would recommend to receive continual tobacco settlement funding. As a result, after discussion among the members and input from the public, the members voted to submit four recommendations to your Board.

1. That tobacco settlement funding for 08-09 be allocated following the funding recommendations and direction TSAC recommended for the 07-08 funding cycle as follows:

AGENCY	08-09 Recommended Allocation
HOSPITAL AND EMERGENCY ROOM CARE	\$908,214
PRIMARY AND SPECIALTY CARE PHYSICIANS	900,000
PHD-Tobacco Prevention Settlement Program	668,545
PHD - Clinic Operations	628,680
ADMHS - Psychiatric Care and Recovery Services (CARES)	400,000
EMERGENCY ROOM PHYSICIANS	216,008
SB REGIONAL HEALTH AUTHORITY FOUNDATION - Healthy Kids	200,000
TSAC Administration	180,000
SB NEIGHBORHOOD CLINICS - Hepatitis C & Outreach	100,000
PHD - Medically Indigent Adult (MIA) Services	100,000
COUNTY EDUCATION OFFICE - Dental Varnishing	100,000
PHD - Specialty Clinics	75,000
DENTAL CARE - CHDP Dental Program	50,000
Total Program Allocations	\$4,526,447

2. That future tobacco settlement funding be allocated by the Public Health Director via the County budgeting process with input from a community forum and that the allocations remain consistent with the identified priority health areas.
3. That the Public Health Director establish a new forum for periodic discussion of future and emerging community health needs.
4. That TSAC sunset its responsibilities in FY 2007-08. This recommendation is based on the consensus that the role of the Committee has been fulfilled over time as they have established ongoing funding priorities for the allocation of Tobacco Settlement Funding.

Background: The County is mandated to provide access to care for its residents, regardless of their ability to pay. Since 1978 when the County Hospital closed, the County has contracted with local hospitals and specialty care physicians to provide care for County patients and this “virtual hospital”

arrangement has served to meet the County mandate. The Board of Supervisors designated tobacco settlement funding for health needs. Since 1999, tobacco settlement dollars have partially funded costs associated with the healthcare safety net and the County’s virtual hospital.

Tobacco settlement funding is received by Santa Barbara County as a result of litigation against the tobacco industry to recover County costs of treating tobacco-related illness. In 1998 the United States Attorney General signed the Master Settlement Agreement to resolve all outstanding lawsuits against the tobacco industry. The following year, your Board directed the settlement funding to County health-related needs and programs, adopting a funding philosophy and criteria which identified the treatment of uninsured and underinsured as the highest priority. The Tobacco Settlement Advisory Committee (TSAC) was formed by Board of Supervisors and was charged with making recommendations on the allocation of tobacco settlement funds.

Over the course of 8 years, the allocations have focused on several key areas to meet local health needs and support the healthcare safety net. Allocations have consistently been made to local hospitals and clinics, physicians and County departments that provide access to or directly provide healthcare for community members. It is for this reason that the Committee recommends its dissolution and the continuation of allocations according to these identified ongoing priorities that have emerged and been recognized by TSAC and the Board of Supervisors.

The Public Health Director will return to your Board with a recommendation for a new forum for the periodic exploration of emerging health needs.

Performance Measure:

Performance measures related to the Tobacco Settlement Funds can be reviewed at page D-175 of the FY 2007-08 Santa Barbara County Operating Plan.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>FY 2008-09 Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund	\$ -	\$ -	\$ -
State	-	-	-
Federal	-	-	-
Fees	-	-	-
Other:	-	-	-
Tobacco Settlement Fund	4,526,447	-	4,526,447

Approval of this action will not increase the Public Health Department’s use of General Fund or Special Revenue Fund resources. In addition, the direct and indirect costs for the administration of the Tobacco Settlement Funds, particularly the utilization management cost of reviewing and paying eligible hospital and physician claims, are estimated at \$180,000 (including estimated county A87 costs of \$15,436) for FY 2008-09. These costs will be fully funded through Tobacco Settlement funds.

Should the amounts made available for the proposed FY 2008-09 TSAC allocations fall below \$4,526,447 the funding recommendations listed in item #1 will be decreased proportionately. Should the amounts made available be more than \$4,526,447 the funds will be allocated to reimbursement for care from primary and specialty care physicians the allocation for which has consistently been exhausted in the first 9 months of each fiscal year.

Subject: Tobacco Settlement Advisory Committee (TSAC) Recommendations and the Tobacco Prevention Program

Agenda Date: 5/6/08 Set Hearing & 5/20/08 Hearing

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Staffing Impacts:

Legal Positions: None

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FTEs: None

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Special Instructions:

Please return an electronic copy of the Minute Order to the PHD Contracts Unit at

PHDRES.ContractsUnit@sbcphd.org.

Attachments:

Authored by:

Michele Mickiewicz, MPH, Deputy Director

Public Health Department