

# 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:** 12/29/05  
**Department:** Public Health  
**Budget Unit:** 041  
**Agenda Date:** 01/17/06  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

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

**STAFF CONTACT:** Suzanne Jacobson, Chief Financial Officer  
681-5183

**SUBJECT:** Agreement for California Healthcare for Indigents Program (CHIP)

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### Recommendation(s):

That the Board of Supervisors:

Approve and execute the Standard Agreement with the State of California for the California Healthcare for Indigents Program (CHIP) funding for Fiscal Year 2005-06 in the allocation amount of \$252,199.

### Alignment with Board Strategic Plan:

These recommendations align with Goal VII: Families and Children: A Community that Fosters the Safety and Well-Being of Families and Children.

### Executive Summary and Discussion:

The California Department of Health Services (DHS) requires that your Board officially approve the county allocation for uncompensated care for hospitals, emergency room physicians, and other health services for Fiscal Year 2005-06.

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 ninety seven (97%) percent from Fiscal Years 1989-90 to 2004-05: from \$2,664,344 to \$79,214. Recent initiatives by the State of California to better identify fake cigarette tax stamps have resulted in significantly improved tax collections and CHIP

allocations have increased for Fiscal Year 2005-06 to \$252,199: an increase of over 200% from Fiscal Year 2004-05.

**Mandates and Service Levels:**

Acceptance of these funds is not mandated; however, the dollars would not be available to area hospitals and physicians if not passed through the County.

**Fiscal and Facilities Impacts:**

The recommended actions will not result in the use of any General Fund resources.

The amount distributed is based upon a formula that is prescribed by the State Department of Health Services: For area hospitals it is based upon their annually reported charity care and for emergency department and specialty physicians, it is based upon actual claims submission.

The approximate amount for Fiscal Year 2005-06 distributions to entities is: Cottage Health Systems \$132,724; Lompoc Healthcare District \$5,318; Marian Medical Center \$37,474; Rehabilitation Institute \$2,578; emergency department physicians \$37,052; and various area specialty physicians \$37,053.

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-186 in the county's Operating Plan document.

These actions do not impact facilities.

**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 (805) 681 5367.**

**Concurrence:**

None required.