

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: 3/26/02
Department Name: 4th District
Department No.:
Agenda Date: 04/02/02
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Joni Gray, 4th District Supervisor

STAFF CONTACT: Roger E. Heroux, Director
Public Health Department

SUBJECT: Financial Viability of the Santa Barbara Regional Health Authority

Recommendation(s):

That the Board of Supervisors:

Authorize the Chair of the Board to sign and submit the attached letter regarding the financial viability of the Santa Barbara Regional Health Authority.

Alignment with Board Strategic Plan:

This recommendation is aligned with:

Goal II: Community Health and Safety – A Safe and Healthy Community in which to Live, Work and Visit;

Goal VII: Families and Children – A Community that Fosters the Safety and Well-Being of Families and Children.

Executive Summary and Discussion:

For the past twenty (20) years, the Santa Barbara Regional Health Authority has served as a national Model for the effective and efficient administration of Medi-Cal managed care. Over these years, it has upheld the highest standard of performance on service to the State of California.

The Authority has not experienced timely capitation rate determination and adjustments. This has resulted in a loss of \$750,000 in interest income.

The cost of healthcare continues to rise and local providers' current costs are not being met.

The Authority is operating in a deficit and cannot meet the growing demand without a significant rate increase.

At its meeting on Thursday, March 21, 2002, the Authority Board voted to request a significant rate increase to offset its provider cost or be forced to terminate its contract with the State.

Mandates and Service Levels:

There are no mandates for this program on the county.

Fiscal and Facilities Impacts:

If the Authority cancels its State contract, the State would once again assume the management of the Medi-Cal program. It is anticipated that there would be fewer Medi-Cal providers and that the county and non-profit community clinics would assume a greater number of patients. The existing clinics do not have the capacity nor staff to handle the dramatic increase in patients. At this time, the financial implications cannot be determined.

Special Instructions:**Concurrence:**

None required.