

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: 12/6/05
Department Name: Public Health
Department No.: 041
Agenda Date: 12/13/05
Placement: Departmental
Estimate Time: 30 minutes – 1/3/06
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

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

STAFF Michael Harris, Deputy Director (681-5214)
CONTACT: Public Health Department

SUBJECT: Medical Marijuana Program and Fee Resolution for Identification Cards

Recommendation(s):

That the Board of Supervisors:

Set Hearing on January 3, 2006, for 30 minutes to consider the State Medical Marijuana Program and fee adjustments, as follows:

- A. Adopt the State Medical Marijuana Program.
- B. Adopt a resolution establishing fees for the Medical Marijuana Identification Cards to be effective February 2, 2006.
- C. Authorize the Department to automatically adjust to the State determined fees when future changes are made.

Alignment with Board Strategic Plan:

Goal No. 1: An Efficient Government Able to Respond Effectively to the Needs of the Community

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

Executive Summary and Discussion:

The Public Health Department is requesting that your board set a hearing to consider the adoption of the State Medical Marijuana Program (MMP). The Department is also requesting the adoption of a fee resolution that adjusts existing Public Health fees and implements the State portion of fees for Medical Marijuana Identification Cards.

Background. In 2003, Senate Bill SB 420 (Vasconcellos), was enacted to assist law enforcement in identifying Californians who are protected by the Compassionate Use Act (the "Act"). The act was in response of Proposition 215 (1996). Proposition 215, passed by voters, allows for individuals with chronic medical conditions and their caregivers to cultivate, possess, and use marijuana upon the recommendation of their physician. Because of ambiguities, and inconsistent implementation, SB 420 requires that the State Department of Health Services (DHS) establish and maintain a statewide program for the issuance of

identification cards of qualified patients or their caregivers with a physician's recommendation. For qualified patients or caregivers, obtaining a card is completely voluntary. The County must, by law SB 420, participate in the State program.

When development and implementation of the State Medical Marijuana Program was delayed at the State level, your Board on April 13, 2004, directed the Public Health Department to develop and implement a local Medical Marijuana ID Card program. On June 15, 2004, the Board adopted a local program effective July 1, 2004.

The State of California initiated their MMP in July, 2004, and proceeded with a pilot implementation process in January 2005. The State MMP started accepting applications from Counties for statewide roll out in August, 2005. The Santa Barbara County Public Health Department is recommending to adopt the State program February 2006.

Changes to Program

Because the State program is structured by the State, some modifications to the current Santa Barbara County MMP will occur. Listed below is a summary of the main changes recommended when the State program is adopted.

Identification Cards

- The State produces the identification card.
- The State identification card will contain standardized identifying information as designated by SB 420.
- The State identification cards can now be mailed directly to the applicants.

Process

- A Denial and Denial Appeals process will be available with the State.
- There will be record retention procedures for maintenance of records.

Public Health Department (PHD) staff have met with representatives from the County Law Enforcement Chiefs (CLEC) to review the State MMP and the changes it brings from the current program in place in the County. CLEC is aware of the DHS mandate to establish a statewide MMP and PHD staff will work with law enforcement of the jurisdictions in the County to make the transition to the new program.

The State requests pre-determined fees to be collected by the County. The fees differentiate between patients who are Medi-Cal eligible and those who are not. Clients who are Medi-Cal eligible receive a 50% reduction consistent with the fee provisions of SB 420 and the current fee resolution. The resolution separates the State portion of the fee from the County portion. An increase to the County portion is included in the recommendation. The Board is requested to authorize the Department to make automatic changes to the State portion of the fees if/when the State makes changes.

The Department will honor all current County identification cards until their annual expiration date. Thereafter, the State card will be implemented. For patients who wish to upgrade to the State card prior to their current card expiration, full fees will be collected. There will be no refunds offered since previously collected fees recover cost of service, which was performed.

Mandates and Service Levels:

The State Department of Health Services is mandated by California Health and Safety Code, Sections 11362.7 – 11362.83 to establish a statewide MMP.

Fiscal and Facilities Impacts: Adoption of the fee resolution will accomplish two goals: 1. Establish the State portion of the identification card fee, and 2. Increase the current County portion of the identification card fee in order to recover costs. The State portion of the fee is set at \$13 for Non-Medi-Cal eligible patients and primary caregivers, and \$6.50, a 50% reduction, for Medi-Cal eligible patients.

On July 1, 2005, your Board approved the first MMP fee resolution based on estimated start-up and implementation costs for approximately 500 participants. The Board letter stated *“The fees will be reviewed for adequacy after one year, when there is data from the program and further direction from the State on their proposed program.”* Analysis of the first year of implementation shows that approximately 300 cards were issued, 200 (67%) Non-Medi-Cal and Primary Caregivers, and 100 (33%) Medi-Cal, that generated approximately \$16,000 in revenue. Start-up costs and operational costs for the same time period was \$36,000. Because fewer cards were issued than anticipated, a \$20,000 shortfall incurred.

The County fees recommended for consideration provide for recovering this shortfall over a four-year period. Adopting the State program will incur new one-time start-up costs, also included. In total, the proposed fees will increase by 48% for the County portion and 20% for the State portion. This is an estimated revenue increase, for the County, of \$7,750, annually. With a February 2, 2006 effective date, the estimated revenue for fiscal year 2005-2006 is \$3,230. Since this fee schedule is designed to recover a shortfall over a four-year period, it is the intention of the department to return in four years to adjust the fees appropriately.

	Non-Medi-Cal Eligible Patient	Medi-Cal Eligible Patient	Primary Caregiver
Current County Fee	\$64.00	\$32.00	\$64.00
Original implementation shortfall recovery (\$20,000)	\$9.00	\$4.50	\$9.00
Start-up costs for State program implementation	\$22.00	\$11.00	\$22.00
Subtotal County Fee	\$95.00	\$47.50	\$95.00
Add State portion of fee	\$13.00	\$6.50	\$13.00
Proposed Fee	\$108.00	\$54.00	\$108.00

Approval of the recommendations will not result in any increased General Fund contribution or A87 Plan overhead. The Medical Marijuana program is included in the Public Health Department’s Fiscal Year 05-06 operating budget in the Epidemiology Unit cost center of the Community Health division, found on page D-194. Adoption of the fee resolution will not result in any additional staff or need for facilities.

Special Instructions:

Publish the attached legal notice in a newspaper of general circulation in Santa Barbara County 10 days prior to the hearing and again 5 days prior to the hearing. Please return one full executed copy of the resolution along with a copy of the minute order to PHD Contracts Unit, 300 North San Antonio Road, Building 8, Santa Barbara, CA 93110 Attention: Margaret Granger (805) 681-5367.

Concurrence: None required.