

April 2, 2002

Gail Margolis, Deputy Director
Medical Care Services
Department of Health Services
714 "P" Street, 12th Floor
Sacramento, CA 95814

RE: Financial Viability of the Santa Barbara Regional Health Authority

Dear Ms. Margolis:

The Santa Barbara County Board of Supervisors is writing to you to express its concern with the lack of adequate funding to sustain the Medi-Cal Program in Santa Barbara County.

We, as a board, are concerned that for the past twenty years, this has been a national model and is now in danger of ceasing operations.

We are also concerned that the closure of the Authority would severely impact providers for Medi-Cal and indigent patients.

Recently, the Authority Board of Directors took measures to reduce the cost of pharmaceuticals and is exploring other reductions as well.

Unfortunately, the State has been unwilling to negotiate rates that cover the cost of administering the Medi-Cal program. Delays have cost the Authority almost three-quarters of a million dollars in interest.

Local providers are concerned that they are receiving inadequate compensation for services rendered.

We believe your department's inaction has created a local crisis that could prove most devastating to the health care system in Santa Barbara County.

We urge your office to convene a meeting with Authority staff to negotiate and agree upon increased rates to satisfy this deficit and shortfall.

Our Board of Supervisors is committed to assisting in any way possible, to assure the sound and efficient operations of the Medi-Cal program.

Respectfully,

Gail Marshall, Fourth District Supervisor
Chair, Board of Supervisors
County of Santa Barbara

Cc: Congresswoman Lois Capps
Senator Jack O'Connell
Assemblymember Hannah-Beth Jackson
Assemblymember Abel Maldonado
Chair Rice, Chief, MMCD
Kathryn Rees, Rees and Associates