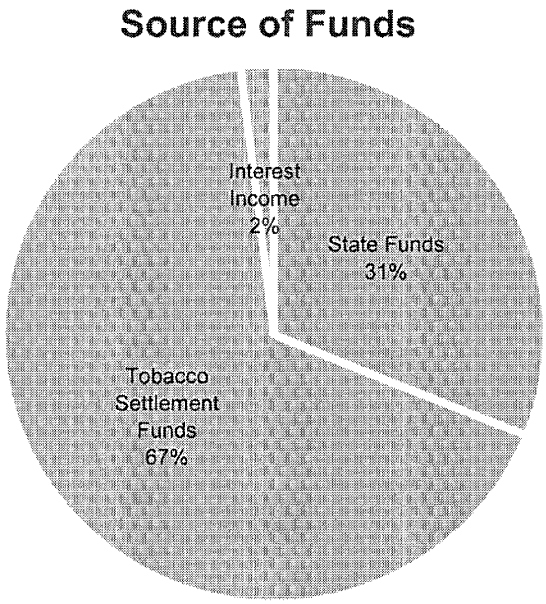
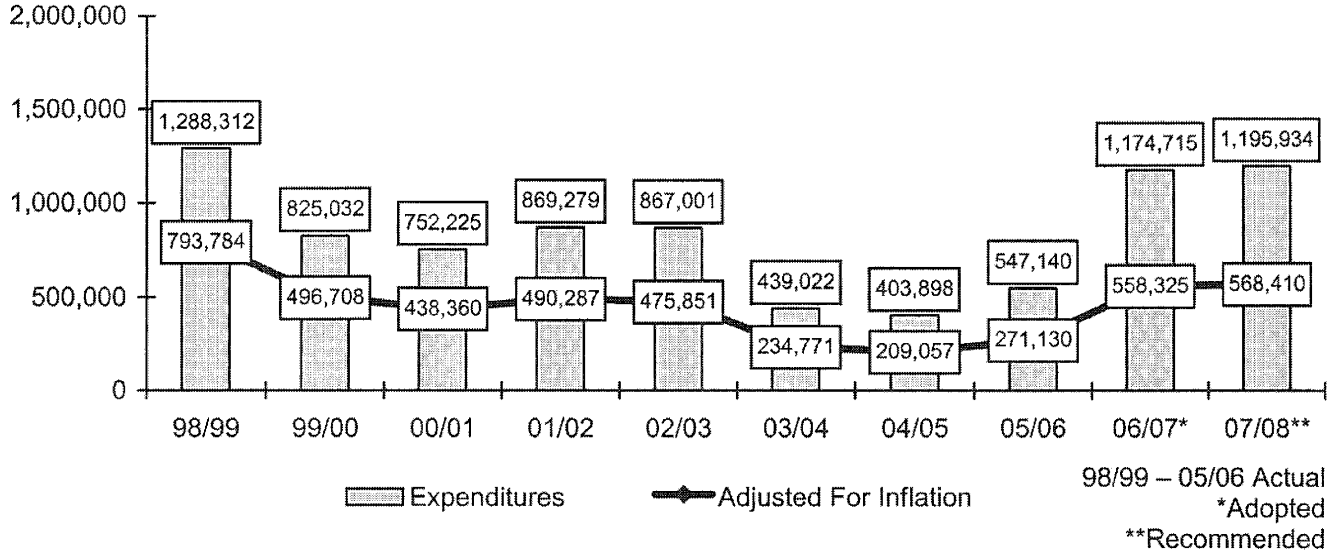
MISSION STATEMENT

This Fund, established by the State, provides funding to pay medical providers for uncompensated care and ensure follow-up treatment for children's qualifying conditions detected during a Child Health and Disability Prevention (CHDP) screening or patients seeking urgent care via emergency rooms.

Financial Summary	2005-06 Actual	2006-07 Actual	2007-08 Requested	2007-08 Recommended	2007-08 Adopted
Revenues	$ 1,260,248	$ 1,684,293	$ 1,195,934	$ 1,195,934	$ 1,195,934
Fund Balance Available	$ 7,393	$ 11,303	$ 0	$ 0	$ 0
Cancelled Reserves	0	0	0	0	0
Total Financing Sources	$ 1,267,641	$ 1,695,596	$ 1,195,934	$ 1,195,934	$ 1,195,934
Salary and Benefits	$ 0	$ 0	$ 0	$ 0	$ 0
Services and Supplies	348,016	777,998	437,538	437,538	437,538
Other Charges	199,124	873,985	758,396	758,396	758,396
Fixed Assets	0	0	0	0	0
Gross Expenditures	$ 547,140	$ 1,651,983	$ 1,195,934	$ 1,195,934	$ 1,195,934
Contingencies	0	0	0	0	0
New Reserves	0	0	0	0	0
Total Financing Requirements	$ 547,140	$ 1,651,983	$ 1,195,934	$ 1,195,934	$ 1,195,934



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

California Healthcare for Indigents Program (CHIP)

Provide timely payments to physicians for all uncompensated emergency, obstetric, and pediatric medical services and pay designated hospitals for any services provided for patients who are unable to pay and who do not qualify for other public medical assistance programs. Administer the Child Health and Disability Prevention Referral and Follow-Up Program to pay for follow-up care for children with conditions detected during a Child Health and Disability Prevention screening.

Total Expenditures: $183,198 Total Staffing (FTE): 0.0*

Emergency Medical Services Appropriation (EMSA)

Authorized via the passage of SB 2132 in 2002/03, the Emergency Medical Services Appropriation provides additional funding for indigent health care services.

Total Expenditures: $200,736 Total Staffing (FTE): 0.0*

Tobacco Settlement Funds (TSF)

In 1998 over 40 states, including California reached a Master Settlement Agreement with a group of tobacco product manufacturers that resulted in local governments receiving settlement funds for a period of 20 years. In 2002, an initiative measure was approved by the electorate in San Luis Obispo County which, among other things, requires that 23% of the County's share of all TSF be used to fund emergency room services and 6% of the County's TSF be used to offset the cost of uncompensated care provided by local hospitals.

Total Expenditures: $812,000 Total Staffing (FTE): 0.0*

* Staffing reflected in Fund Center 350- County Medical Services Program

DEPARTMENT COMMENTS

The health of individuals and communities, regardless of economic resources, depends greatly on access to quality health care. It is important to eliminate health disparities and to increase the quality and years of healthy life for all people.

In November 1988, California voters approved the California Tobacco Tax and Health Promotion Act of 1988 (Proposition 99), which increased the State surtax on cigarettes by 25 cents per pack and an equivalent amount on other tobacco products. Revenues from this tobacco tax were earmarked for tobacco-related disease research, health education against tobacco, and health care for medically indigent families.

In 1989, the Legislature, through Assembly Bill 75, established the California Healthcare for Indigents Program (CHIP), which allocates Proposition 99 (Tobacco Tax) funds to participating counties. These funds reimburse providers for uncompensated medical services for individuals who cannot afford care and for whom no other source of payment is available.

All CHIP funds received are disbursed to the private hospitals, and a portion is disbursed to physicians and dentists who provide follow-up care to children with conditions detected during a Child Health and Disability Prevention (CHDP) screening. The amount of funds received from the State continues to decline. Part of the decline is due to the State redirecting CHIP funds to other programs. Also, California's efforts to place restrictions on places where people can smoke and restrictions on marketing of tobacco products is having an effect on the sale of tobacco products, which, in turn, lowers the revenue generated from tobacco sales taxes.

The Emergency Medical Services Appropriation (EMSA) is a redirection of CHIP funds. The State legislature enacted the program in FY 2002/03 with the passage of Senate Bill 2132. These funds pay physicians/surgeons and hospitals for emergency services to patients who cannot afford to pay for those services and for whom payment will not be made through any private or governmentally funded program. Since its inception, SB 2132 has been reauthorized annually through various assembly and senate bills. The EMS Appropriation Program's annual allocation for San Luis Obispo County has remained unchanged, at $180,736, for seven years. The State Department of Health Services reports that there is no changed expected in the County's FY 07-08 allocation.

Tobacco Settlement Fund (TSF) Revenues: Measure A directs TSF revenue to finance healthcare for people who are unable to pay. The County Administrative Office provided the FY 07/08 funding amounts, which are based upon a schedule provided by the state. The County retains 1% of the funds to help cover the administrative costs. The TSF Physicians Account will be disbursed quarterly on a pro-rata basis to physicians and surgeons based on the number of claims submitted each quarter. The TSF Hospital Account funds are distributed annually to the four local hospitals based upon the most recent OSHPD data.

Most of these programs funds provide partial payment to physicians and hospitals for uncompensated care for medical services administered to medically indigent families within the County. This fund does not receive General Fund support.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

This budget is recommended as proposed. Revenues and the corresponding payments to healthcare providers are increasing less than 1%.

BOARD ADOPTED CHANGES

None.