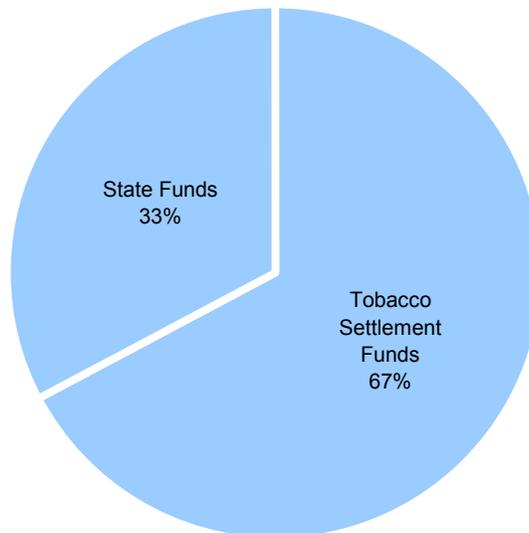


MISSION STATEMENT

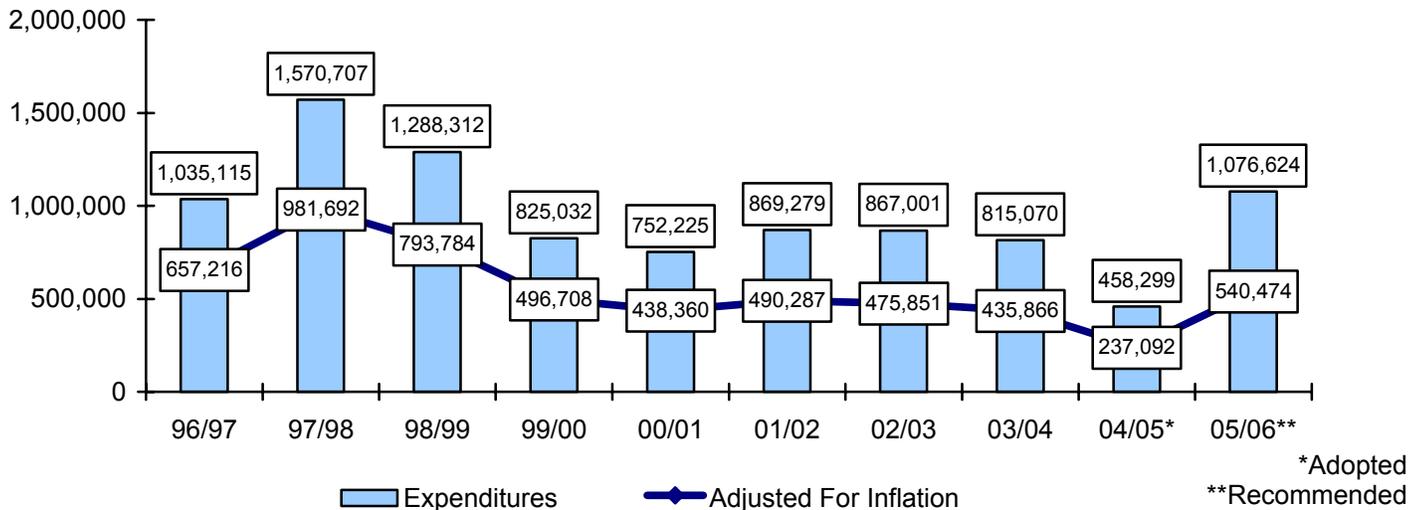
To pay medical providers for uncompensated care and ensure follow-up treatment for children’s qualifying conditions detected during a Child Health and Disability Prevention (CHDP) screening or patients seeking urgent care via emergency rooms.

<u>Financial Summary</u>	2003-04	2004-05	2005-06	2005-06	2005-06
	<u>Actual</u>	<u>Actual</u>	<u>Requested</u>	<u>Recommended</u>	<u>Adopted</u>
Revenues	\$ 486,948	\$ 465,690	\$ 1,076,624	\$ 1,076,624	\$ 1,076,624
Fund Balance Available	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,393
Cancelled Reserves	0	0	0	0	0
Total Financing Sources	\$ 486,948	\$ 465,690	\$ 1,076,624	\$ 1,076,624	\$ 1,084,017
Salary and Benefits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Services and Supplies	439,022	403,898	501,624	501,624	501,624
Other Charges	0	0	575,000	575,000	575,000
Fixed Assets	0	0	0	0	0
Gross Expenditures	\$ 439,022	\$ 403,898	\$ 1,076,624	\$ 1,076,624	\$ 1,076,624
Contingencies	0	0	0	0	7,393
New Reserves	0	0	0	0	0
Total Financing Requirements	\$ 439,022	\$ 403,898	\$ 1,076,624	\$ 1,076,624	\$ 1,084,017

Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

California Healthcare for Indigents Program (CHIP)

Provide timely payment 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: \$169,388 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: \$181,486 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: \$725,750 Total Staffing (FTE): 0.0*

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

DEPARTMENT COMMENTS

During the transition from the County's legacy Financial Management System (FMS) to the new Enterprise Financial System (EFS), the name of this Cost Center was changed from the California Healthcare for Indigent Program to Other Indigent Health Programs. The new name better reflects the nature of the programs managed in this fund.

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 small 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. It is expected that the same appropriation will be enacted in FY 2005-06 as was enacted in previous years. The FY 2005-06 proposed budgeted EMSA amount is \$180,736.

The Dental T.E.N. program will be replaced with the First 5 Children and Families Commission's Healthy Kids initiative, which will pay for medical and dental care for County children who are not eligible for other health care programs. There is no Dental T.E.N. funding included in the FY 2005-06 budget, and the salary and benefits associated with the Dental T.E.N. 1/4-time allocation has been eliminated from the Position Allocation List (PAL). A FTE Senior Account Clerk has been reduced to a 3/4-time allocation to reflect the reduced workload.

Per the State Auditor's recommendation, TSF revenues were transferred into this fund from the EMS Fund (Cost Center 351) to insure the integrity of revenues collected in the EMS Fund. TSF revenues are budgeted at FY 2004-05 levels. The TSF Physician Account funds are passed through to the Society Group. The Society Group is entitled, by contract, to 1% of the TSF Physician Account funds for their administrative costs. The TSF Hospital Account funds are distributed to the private hospitals based upon 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

Recommended expenditures and revenues appear to represent a 134% increase over the FY 2004-05 budget. This increase is related to the transfer of Tobacco Settlement Funds previously included in Fund Center 351 – Emergency Medical Services – to this fund center. This change is recommended by both the Health Agency and the Auditor-Controller's Office as a result of a state audit of the Emergency Medical Services Fund.

Setting aside this change, the recommended budget adopts the department's request, which includes a slight reduction in funds received under the California Healthcare for Indigent Program. This projection was made based on information the department received from the state Department of Health Services. However, the outcome of the state budget process could significantly reduce this amount.

The budget also reflects the elimination of \$100,000 of grant funding from the Children and Families (Proposition 10) Commission. These funds had been used to pay for the "Dental Ten" program and, as noted in the department's narrative, this program will be eliminated because these dental services will be provided through the new Healthy Kids program.

BOARD ADOPTED CHANGES

None.