



# County of Santa Cruz

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## HEALTH SERVICES AGENCY

POST OFFICE BOX 962, 1080 EMELINE AVENUE, SANTA CRUZ, CA 95061-0962  
(831) 454-4011 FAX: (831) 454-4488 TDD: (831) 454-4123

### MEDI-CRUZ DIVISION

DATE: January 30, 2001

AGENDA: February 27, 2001

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

### SUBJECT: **APPLICATION FOR EMERGENCY MEDICAL SERVICES APPROPRIATION FUNDS**

Dear Board Members:

In September Senate Bill 2132, the Emergency Medical Services Appropriation (EMSA), was enacted. A copy of this legislation is attached for your information. HSA has recently received notification from the State Department of Health Services regarding implementation of the legislation and how to access the allocation being made available to the County of Santa Cruz for the current fiscal year. This bill makes Proposition 99 Tobacco Tax funds available to counties to help pay physicians in the community for a portion of the uncompensated costs associated with the provision of emergency care in local hospitals. The appropriation for the County of Santa Cruz totals \$172,094 and is divided between hospital, physician and unallocated accounts. In order to receive the available allocation, the County must enter into a Standard Agreement with the State Department of Health Services. A copy of the Standard Agreement is attached.

The Standard Agreement sets forth expenditure and reporting requirements governing use of the appropriation. In effect, the EMSA will be used for the same purpose as the physician account portion of the County's Emergency Medical Services Fund (EMSF) that was established in 1988. However, the funds will have to be accounted for in much the same manner as California Healthcare for Indigents Program funding. This creates a relatively complicated accounting and state reporting process since there will be five separate funding sources established for essentially the same purpose, reimbursement of uncompensated emergency physician services. The County is allowed to charge up to ten percent of the allocation for the costs of administering the program. Receipt of the funds will not relieve the County of any of its indigent care responsibilities.

Attached is a resolution accepting and appropriating EMSA revenue within the Indigent Care budget unit for your Board's approval. Any unused revenue will have to be returned to the state with interest. Because the revenue is not being made available until late in the fiscal year and

can only be used to reimburse services provided within this fiscal year, it is likely that some of the revenue will not be utilized and returned to the state. There will not be a negative impact on net county costs as a result of receiving **EMSA** funding.

It is, therefore, RECOMMENDED that your Board:

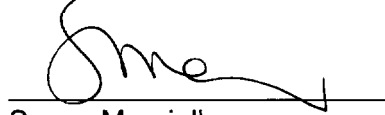
1. Authorize the HSA Administrator to sign the Standard Agreement Emergency Medical Services Appropriation for Fiscal Year 2000-01;
2. Adopt the attached resolution accepting and appropriating \$172,094 of unanticipated state Emergency Medical Services Appropriation funds into the HSA Indigent Care budget.

Sincerely,



Rama Khalsa, Ph.D.  
HSA Administrator

RECOMMENDED



Susan Mauriello  
County Administrative Officer

cc: County Administrative Officer  
HSA Administration  
Auditor Controller  
County Counsel  
Medi-Cruz Administrator

**BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. \_\_\_\_\_

On the motion of Supervisor \_\_\_\_\_  
duly seconded by Supervisor \_\_\_\_\_  
the following resolution is adopted:

**RESOLUTION ACCEPTING UNANTICIPATED REVENUE**

WHEREAS, the County of Santa Cruz is a recipient of funds from the State \_\_\_\_\_  
of California \_\_\_\_\_ for the Emergency Medical Services Appropriation program; and

WHEREAS, the County is recipient of funds in the amount of \$ 172,094  
which are either in excess of those anticipated or are not specifically set  
forth in the current fiscal year budget of the County; and

WHEREAS, pursuant to Government Code Section 29130(c)/29064(b), such funds  
may be made available for specific appropriation by a four-fifths vote of  
the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County  
Auditor-Controller accept funds in the amount of \$ 172,094 into

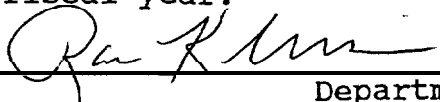
Department Health Services Agency.

<u>T/C</u>	<u>Index Number</u>	<u>Revenue Subobject Number</u>	<u>Account Name</u>	<u>Amount</u>
001	365001	0679	EMSA Revenue	\$172,094

and that such funds be and are hereby appropriated as follows:

<u>T/C</u>	<u>Index Number</u>	<u>Expenditure Subobject Number</u>	<u>PRJ/UCD</u>	<u>Account Name</u>	<u>Amount</u>
021	365001	4345		EMSA Expense	\$172,094

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been  
researched and that the Revenue(s) (has been) (will be) received within the  
current fiscal year.

By   
Department Head

Date 2-5-01

COUNTY ADMINISTRATIVE OFFICER

*[Handwritten signature]*

Recommended to Board

Not Recommended to Board

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_ by the following vote (requires four-fifths vote for approval): \_\_\_\_\_

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSENT: SUPERVISORS

\_\_\_\_\_  
Chairperson of the Board

ATTEST:

\_\_\_\_\_  
Clerk of the Board

APPROVED AS TO FORM:

*[Handwritten signature]*  
\_\_\_\_\_  
County Counsel

#365601 = 0679 / 4345  
APPROVED AS TO ACCOUNTING DETAIL:

*[Handwritten signature]* 2-9-01  
\_\_\_\_\_  
Auditor-Controller

Distribution:

- Auditor-Controller
- County Council
- County Administrative Officer
- Originating Department

**STANDARD AGREEMENT**

**COPY**  
8169

**EMERGENCY MEDICAL SERVICES APPROPRIATION (EMSA)**

**FISCAL YEAR 2000-01**

**COUNTY OF SANTA CRUZ**

The State of California, by and through the Department of Health Services (hereinafter called the "Department"), and the County of Santa Cruz (hereinafter called "County"), do hereby agree as follows:

This Standard Agreement is entered into pursuant to the provisions set forth in Senate Bill (SB) 2132, Chapter 826, Statutes of 2000.

As a condition of receiving EMSA monies to reimburse physicians for uncompensated emergency services rendered in fiscal year (FY) 2000-01, the County agrees to all the following provisions:

**I. Expenditure Requirements**

- A. Use the Hospital Services Account (HSA), Physician Services Account (PSA) and Unallocated Account (UA) monies only for reimbursement of uncompensated emergency services as defined in Welfare and Institutions (W&I) Code Section 16953.
- B. HSA funds may be deposited into an existing or new account at the discretion of the county, to reimburse physicians for uncompensated emergency services consistent with the provisions of W&I Code Section 16952.
- C. Transfer PSA and UA monies to the PSA in the County's Emergency Medical Services (EMS) fund, to reimburse physicians for uncompensated emergency services consistent with the provisions of W&I Code Sections 16951 and 16952.
- D. Reimburse physicians for emergency services rendered during FY 2000-01.

**II. Reporting Requirements**

- A. Submit one progress report and one final report of expenditures and physicians data in accordance with the instructions provided by the Department. In addition, counties that submit a Report of Actual Financial Data must report the EMSA monies as an expenditure and revenue in the Actual, and report indigent data in their Medically Indigent Care Reporting System (MICRS).

- B. Maintain financial records of the expenditures and physicians data for at least three years after the end of FY 2000-01. These records will be subject to possible review and audit by the State.

**III. General Requirements**

- A. These monies are only for emergency services to patients who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government. No physician shall be reimbursed more than 50 percent of losses.
- B. The monies shall not be used to reimburse physicians employed by county hospitals and physicians who provide services in a primary care clinic that receives funds from the Tobacco Tax and Health Protection Act of 1988 (Proposition 99).

**IV. EMSA Contract Back Program (Rural Health Services (RHS) Counties only)**

RHS counties may have the Department administer their EMSA HSA and/or PSA/UA on their behalf.

**V. Administrative Cost**

- A. Cost of administering HSA, PSA and UA funds shall not exceed ten percent (10%) of the total EMSA monies.

**VI. Recoupment**

- A. EMSA monies and interest earned shall be returned to the Department if they are not encumbered or expended within the fiscal year according to this Standard Agreement, and the requirements of Chapter 5 (commencing with Sections 16930 and 16940) of Part 4.7 of Division 9 of the W&I Code. (W&I Code Sections 16930 and 16940).

**THIS AGREEMENT FOR FUNDING HAS BEEN APPROVED BY THE BOARD OF SUPERVISORS AND IS HEREBY EXECUTED.**

State of California

County

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: George B. (Peter) Abbott, M.D., M.P.H.

Name: \_\_\_\_\_  
(Please print or type)

Title: Chief, Office of County Health Services

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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BILL NUMBER: SB 2132 CHAPTERED  
BILL TEXT

CHAPTER 826  
FILED WITH SECRETARY OF STATE SEPTEMBER 28, 2000  
APPROVED BY GOVERNOR SEPTEMBER 28, 2000  
PASSED THE SENATE SEPTEMBER 1, 2000  
PASSED THE ASSEMBLY SEPTEMBER 1, 2000  
AMENDED IN ASSEMBLY AUGUST 31, 2000  
AMENDED IN ASSEMBLY AUGUST 25, 2000

INTRODUCED BY Senators Dunn and Perata  
(Principal coauthors: Senators Burton and **Brulte**)  
(Principal coauthors: Assembly Members Baugh and **Hertzberg**)  
(Coauthor: Assembly Member Shelley)

FEBRUARY 25, 2000

An act relating to health services, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 2132, Dunn. County health services: tobacco tax.

The Tobacco Tax and Health Protection Act of 1988 (Proposition 99) was adopted by the voters at the general election held on November 8, 1988, imposing a tax on the distribution of cigarettes in addition to the tax imposed pursuant to the Cigarette Tax Law as of the effective date of the adoption of Proposition 99, and imposing a tax on the distribution of certain tobacco products pursuant to a specified formula. Existing law provides for the establishment of the Cigarette and Tobacco Products Surtax Fund, containing certain accounts, including the Hospital Services Account, the Physician **Services** Account, the Health Education Account, the Research **Account**, the Public Resources Account, and the Unallocated Account, and requiring that money in those accounts be used for specified purposes.

This bill would appropriate \$24,803,000 from the fund for the 2000-01 fiscal year, and would provide for the allocation of \$22,324,000 of that amount through the California Healthcare for Indigents Program (CHIP) and \$2,479,000 of that amount through the Rural Health **Services** (RHS) program. The bill would limit the use of those funds to the reimbursement of uncompensated 'hospital emergency services.

This bill would declare that it is to take effect immediately as an urgency statute.

Appropriation: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) The sum of twenty-four million eight hundred three thousand dollars (\$24,803,000) is appropriated from the Cigarette and Tobacco Products Surtax Fund for allocation for the 2000-01 fiscal year from the following accounts:

(1) Nine million fifteen thousand dollars (\$9,015,000) from the Hospital **Services** Account.

(2) Two million three hundred twenty-eight thousand dollars

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(\$2,328,000) from the Physician Services Account.

(3) Thirteen million four hundred sixty thousand dollars (\$13,460,000) from the Unallocated Account.

(b) Funds appropriated pursuant to subdivision (a) shall be allocated proportionately as follows:

(1) Twenty-two million three hundred twenty-four thousand dollars (\$22,324,000) shall be administered and allocated for distribution through the California Healthcare for Indigents Program (CHIP), Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code, as provided in this act.

(2) Two million four hundred seventy-nine thousand dollars (\$2,479,000) shall be administered and allocated through the Rural Health Services (RHS) program, Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code, as provided in this act.

(c) Funds appropriated by this act from the Physician Services Account and the Unallocated Account in the Cigarette and Tobacco Product Surtax Fund shall be used only for the reimbursement of uncompensated emergency services as defined in Section 16953 of the Welfare and Institutions Code. Funds shall be transferred to the Physician Services Account in the county Emergency Medical Services Fund established pursuant to Sections 16951 and 16952 of the Welfare and Institutions Code.

(d) Funds appropriated by this act from the Hospital Services Account in the Cigarette and Tobacco Products Surtax Fund shall be used only for reimbursement of uncompensated emergency services, as defined in Section 16953 of the Welfare and Institutions Code, provided in general acute care hospitals providing basic, comprehensive, or standby emergency services. Reimbursement for emergency services shall be consistent with the provisions of Section 16952 of the Welfare and Institutions Code.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

There is a well documented crisis in emergency medicine in California, including the closing of hospital emergency departments and the unavailability of on-call physician specialists to backup emergency physicians in hospital emergency departments. One of the causes of this crisis is a lack of funding for uninsured patients. In order that Proposition 99 funds may be allocated to emergency and on-call physicians as soon as possible, and help alleviate the crisis in emergency medicine, it is necessary that this act take effect immediately.