



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

JOHN NAIMO  
AUDITOR-CONTROLLER

December 18, 2018

TO: Supervisor Janice Hahn, Chair  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Kathryn Barger

FROM: John Naimo  
Auditor-Controller

SUBJECT: **MEASURE B SPECIAL TAX REVENUE FUND FOR TRAUMA CENTERS,  
EMERGENCY MEDICAL SERVICES, AND BIOTERRORISM RESPONSE**

Section 8 of the Los Angeles County Board of Supervisors (Board) Measure B Resolution requires the County Auditor-Controller to file an annual statement of financial activity with your Board no later than January 1<sup>st</sup> of each year. Accordingly, Attachment I reflects the Statement of Financial Activity for the Health Services Measure B Special Tax Fund for the Fiscal Year (FY) ended June 30, 2018. The Statement includes a summary of the amount of funds collected and expended pursuant to Measure B.

Section 8 also requires a status of projects required or authorized to be funded pursuant to Sections 3, 6, and 7 of the Resolution. Accordingly, Attachment II presents the Status of Measure B Projects for FY 2017-18 as provided by the Department of Health Services (DHS).

If you have any questions related to the Statement of Financial Activity please contact me, or your staff may call Rachele Anema at (213) 974-8327. Questions related to the Status of Measure B Projects may be directed to Manal Dudar of DHS at (213) 288-7875.

JN:AB:CY:RL:RA:cd

H:\Special Funds\Special Funds Unit\MEASURE B-BW9\FY2017-2018

**Attachments**

c: Sachi A. Hamai, Chief Executive Officer  
Celia Zavala, Executive Officer, Board of Supervisors  
Christina R. Ghaly, M.D., Director, Department of Health Services  
Jeffrey Prang, Assessor  
Joseph Kelly, Treasurer and Tax Collector

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Statement of Financial Activity  
For the Fiscal Year (FY) Ended June 30, 2018**

**Revenues:**

Voter Approved Special Taxes - Current Year	\$	273,580,445
Voter Approved Special Taxes - Prior Year		1,098,408
Penalties, Interest & Costs - Delinquent Taxes		909,125
Interest Earnings		1,843,849
Prior Years' Refunds - County Trauma IGTs		19,917,745 <sup>(a)</sup>
Prior Years' Refunds - Physician and Hospital Claims		450,838
<b>Total Revenues</b>	<b>\$</b>	<b>297,800,410</b>

**Current Year Expenditures:**

Services and Supplies:

Non-County Trauma Hospitals (Direct Payment)

Trauma Center Services Agreement (TCSA)

Antelope Valley Hospital

\$ 4,719,210

Ronald Reagan UCLA Medical Center

4,794,981

Total Non-County Public Trauma Hospitals

\$ 9,514,191

UCLA - Mobile Stroke Unit Pilot

244,000

Enhanced Trauma Access

County Fire Department - East SGV Paramedic Air Squad

\$ 642,000

Sheriff's Department - Air Search and Rescue

1,226,000

City of Los Angeles Fire Dept.- Trauma Air Transport

356,010

Total Enhanced Trauma Access

2,224,010

Physician Services for Indigents Program (PSIP)

PSIP - Trauma

\$ 2,359,197 <sup>(b)</sup>

PSIP - Emergency Room at St. Francis Medical Center

453,085 <sup>(c)</sup>

PSIP - Refunds / Canceled Warrants

(3,609)

Total PSIP

2,808,673

Auditor-Controller Services

767,597

Total Services and Supplies

\$ 15,558,471

Other Charges - Inter-Governmental Transfers (IGT):

IGT for non-County Trauma Hospitals - FY 2017-18 (TCSA)

\$ - <sup>(d)</sup>

Total Other Charges

-

Other Financing Uses - Operating Transfers Out:

County Hospitals

LAC+USC Medical Center

\$ 124,243,000

Harbor-UCLA Medical Center

55,386,000

Olive View-UCLA Medical Center

28,893,000

Total County Hospitals

208,522,000

Public Health:

Bioterrorism

Salaries & Employee Expenses

\$ 7,717,986

Other Operating Expenses

2,144,014

\$ 9,862,000

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Statement of Financial Activity  
For the Fiscal Year (FY) Ended June 30, 2018**

Trauma Prevention Initiative - Base			
Salaries & Employee Expenses	\$ 358,042		
Other Operating Expenses	<u>814,820</u>	1,172,862	
Trauma Prevention Initiative - Expansion			
Salaries & Employee Expenses	\$ 384,507		
Other Operating Expenses	<u>703,290</u>	\$ 1,087,797	
Risk Communication			
Salaries & Employee Expenses	\$ 283,918		
Other Operating Expenses	<u>81,224</u>	365,142	
Emergency Preparedness (OT EH Strike Team)			
Salaries & Employee Expenses	\$ 410,045		
Other Operating Expenses	<u>89,955</u>	500,000	
Emergency Preparedness Equipment		<u>562,189</u>	
Total Public Health			\$ 13,549,990
Emergency Medical Services			
Salaries & Employee Expenses	\$ 1,721,193		
Other Operating Expenses	<u>34,807</u>	1,756,000	
Trauma & Emergency Medicine Information System (TEMIS)		<u>955,796</u>	
Total Emergency Medical Services			<u>2,711,796</u>
Total Other Financing Uses - Operating Transfers Out			<u>\$ 224,783,786</u>
<b>Total FY 2017-2018 Expenditures</b>			<b>\$ 240,342,257</b>
<b>Prior Year Expenditures:</b>			
IGT for non-County Hospitals - FY 2016-17		\$ 16,810,987	
Reversal of prior year over-accrued PSIP expenditures		<u>(1,274,073)</u>	
<b>Total Prior Year Expenditures</b>			<u>15,536,914</u>
<b>Grand Total Expenditures</b>			<b>\$ 255,879,171</b>
<b>Revenue Over Expenditures</b>			41,921,239
<b>Less: Contractual Obligations</b>			
Prior Year Commitments as of July 1, 2017		\$ 17,281,280	
Outstanding Commitments as of June 30, 2018		<u>(34,546,369)</u> <sup>(e)</sup>	
Net Change in Contractual Obligations			<u>(17,265,089)</u>
<b>Net Change in Fund Balance</b>			<b>\$ 24,656,150</b>
<b>Available Fund Balance, July 1, 2017</b>			<u>19,906,751</u>
<b>Available Fund Balance, June 30, 2018</b>			<u><u>\$ 44,562,901</u></u> **

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
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For the Fiscal Year (FY) Ended June 30, 2018**

FOOTNOTES:

- (a) As a result of the Affordable Care Act, the State refunded prior year intergovernmental transfer (IGT) payments for fiscal years 2013-2017 due to an increase of federal share in enhanced trauma payments.
- (b) Includes FY 2017-18 net payments of \$619,903 and accrued expenditures of \$1,739,294 for estimated pending claims to be received in FY 2018-19.
- (c) Includes FY 2017-18 net payments of \$143,813 and accrued expenditures of \$309,272 for estimated pending claims to be received in FY 2018-19.
- (d) FY 2017-18 IGT payments for non-County trauma hospitals were issued in October 2018.
- (e) Includes the following: City of Los Angeles Fire Department, \$(932); FY 2017-18 Trauma IGT to the State, \$(34,545,437).

Prepared by Los Angeles County:  
Department of Auditor-Controller, Accounting Division  
Department of Health Services, Finance

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

**COUNTYWIDE SYSTEM OF TRAUMA CENTERS: \$208.5 million allocated to County hospitals; \$44.06 million allocated to non-County hospitals**

County Hospitals

A total of \$208.5 million in budgeted Measure B funds was allocated for trauma and emergency care services provided by the three County hospitals to eligible indigent patients as follows:

LAC+USC Medical Center	\$110.9 million
Harbor-UCLA Medical Center	54.5 million
Olive View-UCLA Medical Center	<u>43.1 million</u>
Total	<u>\$208.5 million</u>

Status: FY 2017-18 funds were distributed to the three County Hospitals based on actual unreimbursed costs at each hospital. On average, Measure B funding covered about 91.4% of the total unreimbursed trauma and emergency costs for the Department of Health Services (DHS).

LAC+USC Medical Center	\$124.2 million
Harbor-UCLA Medical Center	55.4 million
Olive View-UCLA Medical Center	<u>28.9 million</u>
Total	<u>\$208.5 million</u>

Non-County Hospitals

DHS extended the Trauma Center Services Agreement (TCSA) with 13 non-County hospitals with no payment terms for another year ending on June 30, 2018. On June 6, 2018, the Board approved the FY 2017-18 funding methodology for the allocation of 13 non-County trauma hospitals. Measure B funds were used for the following payments (in millions):

	<u>Measure B</u>	<u>Fed. Match</u>	<u>Total</u>
Direct Payments	\$ 9.51	\$ -	\$ 9.51
Supplemental Payments	<u>34.55</u>	<u>34.55</u>	<u>69.10</u>
Total	<u>\$44.06</u>	<u>\$34.55</u>	<u>\$78.61</u>

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

Measure B funds totaling \$44.06 million were allocated for payments to 13 non-County trauma hospitals under the TCSA. Of this amount, \$34.55 million was sent in August 2018 as an intergovernmental transfer (IGT) to the California Department of Health Care Services (CDHCS) to draw down an additional \$34.55 million of federal matching funds. CDHCS issued Supplemental Medi-Cal Payments totaling \$69.10 million to 11 non-County trauma hospitals in September 2018. DHS also made direct payments to Antelope Valley Hospital (AVH) and Ronald Reagan UCLA Medical Center (UCLA) totaling \$9.51 million. As public hospitals, AVH and UCLA participate in a program that precludes them from receiving these Medi-Cal matching funds.

Status: Only the direct payments of \$9.51 million were issued to AVH and UCLA for providing FY 2017-18 trauma center services.

Balance: At the close of FY 2017-18, \$34.55 million remained in the encumbrance awaiting the State's instruction to send the IGT to CDHCS in FY 2018-19, to draw down an additional \$34.55 million of federal matching funds for 11 non-County private trauma hospitals, based on the applicable Federal Medical Assistance Percentage (FMAP) rate of 50%.

**LEVEL I TRAUMA CENTER START-UP COSTS: \$2.5 million allocated**

On March 8, 2017, the Board approved the allocation and rollover of \$2.5 million of FY 2016-17 unspent Measure B funds to reimburse the allowable start-up costs for the first hospital that attains a Level I Trauma Center designation in or adjacent to Service Planning Area 6 by December 31, 2018. This amount was included in the FY 2017-18 Adopted Final Budget.

Status: At the close of FY 2017-18, no expenditure was incurred.

Balance: \$2.5 million was unexpended and rolled over to the FY 2018-19 budget for reimbursement of the first hospital attaining a Level I Trauma Center by December 31, 2018.

**PHYSICIAN SERVICES FOR INDIGENTS PROGRAM: \$5.3 million allocated**

The FY 2017-18 Board Adopted Final Budget included an allocation of \$5.3 million from Measure B revenues to fund non-County physician trauma services provided to eligible indigent patients within Los Angeles County, and non-County physician emergency

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

services provided to eligible indigent patients at St. Francis Medical Center.

The status of these projects is as follows:

Status: At the close of FY 2017-18, payments totaling \$0.76 million were issued to non-County physicians for trauma and emergency services, and \$2.05 million was established as accrued liabilities for estimated pending trauma and emergency claims.

Balance: \$2.49 million was unexpended and unencumbered, and remained in the Measure B fund.

**TRAUMA ACCESS EXPANSION TO UNDERSERVED AREAS: \$4.4 million allocated**

The FY 2017-18 Board Approved Adopted Final Budget included \$4.4 million for expanded access to trauma services in order to maintain the infrastructure and facilitate the emergency air transport of trauma patients in the Antelope Valley, East San Gabriel Valley, San Fernando Valley, and Malibu. Air transport of trauma patients is sometimes necessary in these areas due to distance, traffic, weather conditions, etc. The budgeted funds were allocated as follows:

Los Angeles County Fire Department	\$0.6 million
Los Angeles County Sheriff's Department	1.2 million
City of Los Angeles Fire Department	0.4 million
Unallocated	<u>2.2 million</u>
Total	<u>\$4.4 million</u>

The status of these projects is as follows:

Air Trauma Transport – A total of \$2.2 million was allocated for funding to the Los Angeles County Fire Department, the Los Angeles County Sheriff's Department, and the City of Los Angeles Fire Department for providing expanded trauma and paramedic air transport services to patients for timely access to trauma care.

Status: A total of \$2.2 million was transferred from the Measure B fund to the following departments: the Los Angeles County Fire Department for expanding the delivery of paramedic air squad services to the East San Gabriel Valley, \$0.6 million; the Los Angeles County Sheriff's Department for staffing and operational costs related to air search and rescue services

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

in the Antelope Valley, \$1.2 million; the City of Los Angeles Fire Department for providing trauma air transport services in the San Fernando Valley and surrounding communities, \$0.4 million.

Balance: At the close of FY 2017-18, an encumbrance balance of \$931.67 remained in the Measure B fund for the City of Los Angeles Fire Department. This amount was canceled in October 2018.

Unallocated: \$2.2 million was unexpended and unencumbered, and remained in the Measure B fund.

**MOBILE STROKE UNIT PROGRAM: \$0.2 million allocated to UCLA**

The Board motion dated June 26, 2017 directed DHS to allocate approximately \$1.5 million in one-time Measure B funding to be used for the UCLA Medical Center Mobile Stroke unit in a 30-month pilot and follow-up evaluation. The FY 2017-18 Board Adopted Final Budget included an allocation of \$0.2 million for the first year of this pilot.

Status: A total of \$0.2 million was paid to UCLA to cover the actual costs incurred during FY 2017-18.

Balance: None.

**BIOTERRORISM RESPONSE: \$9.9 million allocated**

The FY 2017-18 Board Adopted Final Budget included an allocation of \$9.9 million to support the County's Public Health programs for bioterrorism preparedness activities and addressing the medical needs of people exposed to bioterrorist or chemical attacks.

Status: A total of \$9.9 million was transferred to the Department of Public Health (DPH) to cover the following actual costs incurred for the bioterrorism preparedness activities: salaries and benefits, \$7.7 million; equipment, supplies and expenses, \$2.2 million.

Balance: None.

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

**TRAUMA PREVENTION PROGRAM: \$1.3 million allocated**

The FY 2017-18 Board Adopted Final Budget included an allocation of \$1.3 million (consisting of annual allocation of \$0.7 million and rollover of \$0.6 million unspent funds from FY 2016-17) to support the County's Public Health programs for trauma prevention activities in regions of the County that experience a disproportionately high burden of trauma.

Status: A total of \$1.2 million was transferred to DPH to cover the actual costs incurred for the trauma prevention activities.

Balance: \$0.1 million was not expended and rolled over to FY 2018-19 for future obligations.

**VARIOUS PUBLIC HEALTH PROGRAMS: \$6.1 million allocated**

On May 2, 2017, the Board approved the allocation of unspent and unallocated Measure B funds identified by DHS in FY 2016-17 to DPH for the one-time purchase of equipment and supplies for a variety of field-based emergency response situations that relate to terrorism or possible terrorism (biological, chemical, and nuclear). The Board also approved an allocation of Measure B funds to fund the following programs annually: \$1.3 million for Trauma Prevention Initiative expansion beginning in FY 2017-18; \$0.4 million for risk communications; \$0.5 million for overtime costs of Environmental Health Strike Team members in response to possible terrorism events; and approved rollover of any unspent funds to future fiscal years to fund DPH.

The budgeted funds of \$6.1 million were allocated as follows:

Trauma Prevention Initiative Expansion	\$1.3 million
Risk Communication	0.4 million
Emergency Preparedness Equipment	3.9 million
Environmental Health Strike Team	<u>0.5 million</u>
Total	<u>\$6.1 million</u>

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

Status: A total of \$2.5 million was transferred to DPH to cover the following program actual expenditures:

Trauma Prevention Initiative Expansion	\$1.0 million
Risk Communication	0.4 million
Emergency Preparedness Equipment	0.6 million
Environmental Health Strike Team	<u>0.5 million</u>
Total	<u>\$2.5 million</u>

Balance: \$3.6 million was not expended and rolled over to FY 2018-19 for future obligations.

**EMERGENCY MEDICAL SERVICES AGENCY (EMS): \$1.8 million allocated**

The FY 2017-18 Board Adopted Final Budget included an allocation of \$1.8 million to support the County's Emergency Medical Services (EMS) Agency for the administration and coordination of trauma and emergency services related to pre-hospital and hospital emergency care, including the care provided in, en route to, from or between acute care hospitals and other health care facilities.

Status: A total of \$1.8 million was transferred to the County's EMS Agency to cover the actual costs incurred for the administration and coordination of trauma services: salaries and benefits, \$1.8 million.

Balance: None.

**TRAUMA & EMERGENCY MEDICINE INFORMATION SYSTEM: \$1.0 million allocated**

On June 6, 2017, the Board approved the allocation of unspent Measure B funds to cover the cost of the agreement with Lancet Technologies, LLC for the maintenance and support of the EMS Agency's Trauma and Emergency Medicine Information System (TEMIS) for FYs 2016-17 to 2018-19. The FY 2017-18 Board Adopted Final Budget included an allocation of approximately \$1.0 million.

Status: \$1.0 million was transferred to the County's EMS Agency to cover the actual costs of TEMIS.

Balance: None.

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For the Fiscal Year (FY) Ended June 30, 2018**

**ADMINISTRATIVE COSTS: \$0.8 million allocated**

The FY 2017-18 Board Adopted Final Budget included an allocation of \$0.8 million to cover the administrative costs incurred pertaining to the assessment, collection and accounting services for the Measure B Special Tax revenues.

Status: Approximately \$0.8 million was transferred to the Auditor-Controller to cover the service costs for placement of direct assessments on secured tax roll and distribution of collections.

Balance: None.

Prepared By:  
Los Angeles County  
Department of Health Services  
Financial Operations, Special Funds  
November 30, 2018