



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

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ASST. AUDITOR-CONTROLLERS

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December 22, 2008

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe *Wendy L. Watanabe*  
Acting 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 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, attached is the Statement of Financial Activity for the Health Services Measure B Special Tax Fund for the Fiscal Year ended June 30, 2008. 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, following the Statement of Financial Activity is a Status of Measure B Projects for Fiscal Year 2007-2008 as provided by the Department of Health Services.

If you have any questions related to the Statement of Financial Activity, please contact me, or your staff may contact John Hartnett at (213) 974-8327. Questions related to the Status of Measure B Projects may be directed to Mark Corbet of the Department of Health Services at (213) 240-7875.

WLW:JN:CY:JMH:rrr

H:\Acctg\Sp Fds\Sp Fds Unit\Measure B\Final Measure B Cover Letter FY07-08

Attachment

c: William T Fujioka, Chief Executive Officer  
Sachi A. Hamai, Executive Officer  
John F. Schunhoff, Ph.D., Interim Health Services Director  
Rick Auerbach, Assessor  
Mark Saladino, Treasurer and Tax Collector

*"To Enrich Lives Through Effective and Caring Service"*

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Statement of Financial Activity**  
**For Year Ended June 30, 2008**

<b>Fund Balance Available, June 30, 2007</b>		\$ 37,081,077	
Year-end Contractual Obligations		<u>5,360,223</u>	
<b>Total Fund Balance, July 1, 2007</b>		<b>\$ 42,441,300</b>	
<b>Revenues:</b>			
Voter Approved Special Taxes		184,417,720	
Penalties, Interest & Costs - Delinquent Taxes		998,643	
Interest		<u>3,948,803</u>	(a)
<b>Total Beginning Balance and Revenues</b>		<b>\$ 231,806,466</b>	
<b>Fiscal Year 2007-2008 Expenditures:</b>			
<b>Services and Supplies:</b>			
<b>Non-County Trauma Hospitals</b>			
<b>Claims Based Expenditures FY 2007-08:</b>			
California Hospital Medical	\$ 1,162,728		
Henry Mayo Newhall Hospital	156,708		
Huntington Memorial Hospital	342,036		
Long Beach Memorial Medical	676,512		
Northridge Hospital	865,188		
Providence Holy Cross	2,989,332		
St. Francis Medical Center	1,790,532		
St. Mary Medical Center	370,130		
U.C.L.A. Medical Center	144,288		
Net Expenditure Refunds	<u>(338,364)</u>		
<b>Total Claims Based Expenditures</b>		<b>\$ 8,159,090</b>	(b)
<b>Transitional Capacity Allowance</b>			
St. Francis Medical Center	1,766,700		
Net Expenditure Refunds	<u>(232,050)</u>		
<b>Total Transitional Capacity Allowance</b>		<b>1,534,650</b>	
<b>Lump-Sum Funding</b>			
U.C.L.A. Medical Center-Direct Patient Care	356,080		
U.C.L.A. Medical Center-Base Station	<u>428,822</u>		
<b>Total Lump-Sum Funding</b>		<b>784,902</b>	(c)
<b>Net Prior Year Expenditure Refunds</b>		<u>(859,150)</u>	(d)
<b>Total Non-County Trauma Hospitals</b>		<b>\$ 9,619,492</b>	
<b>Trauma Access Increase</b>			
County Fire Department - Helicopter Lease	\$ 873,603		
County Fire Department - SGV Trauma	450,000		
Sheriff Services	<u>968,251</u>		
<b>Total Trauma Access Increase</b>		<b>2,291,854</b>	
<b>Physicians Services for Indigent Program (PSIP)</b>			
PSIP-Trauma	\$ 1,140,697		(e)
PSIP-Emergency Room	<u>125,575</u>		(f)
<b>Total PSIP</b>		<b>1,266,272</b>	
<b>Auditor-Controller Services</b>		<u>532,066</u>	
<b>Total Services and Supplies</b>		<b>\$ 13,709,684</b>	
<b>Other Charges:</b>			
IGT - FY 2007-08 - Direct Patient Care	\$ 6,300,117		
IGT - FY 2007-08 - Base Station	<u>1,929,699</u>		
<b>Total IGT - FY 2007-08</b>		<b>\$ 8,229,816</b>	(g)
IGT - FY 2006-07 - Direct Patient Care		<u>9,504,325</u>	(h)
<b>Total Other Charges</b>		<b>17,734,141</b>	

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Statement of Financial Activity**  
**For Year Ended June 30, 2008**

Other Financing Uses - Operating Transfers Out:		
County Hospitals		
LAC+USC Medical Center	\$ 91,069,363	
Harbor/UCLA Medical Center	25,901,623	
Olive View Medical Center	<u>25,641,014</u>	
Total County Hospitals		\$ 142,612,000
Public Health - Bioterrorism		
Salaries & Employee Expenses	\$ 2,613,767	
Equipment/Office Supplies/Other	84,058	
Travel/Mileage	<u>37,175</u>	
Total Public Health - Bioterrorism		2,735,000
Emergency Medical Services		
Salaries & Employee Expenses	\$ 1,671,418	
Equipment/Office Supplies	<u>13,377</u>	
Total Emergency Medical Services		<u>1,684,795</u>
Total Other Financing Uses - Operating Transfers Out		<u>147,031,795</u>
<b>Total Fiscal Year 2007-2008 Expenditures</b>		<b>\$ 178,475,620</b>
<b>Prior Year Expenditures:</b>		
Non-County Trauma Hospitals	\$ 1,575,998	
Non-County Physicians Services	(3,068)	
Paramedic Service Provider Agencies	<u>540,385</u>	
Total Prior Year Expenditures		<u>2,113,315</u> (i)
<b>Grand Total Expenditures</b>		<b>\$ 180,588,935</b>
<b>Contractual Obligations</b>		
Commitments		<u>\$ 13,779,584</u>
<b>Fund Balance Available, June 30, 2008</b>		<b>\$ 37,437,947</b> (i)

- (a) Interest earnings on monies in the Measure B special revenue fund.
- (b) Represents Fiscal Year 2007-08 expenditures only, excludes \$2,113,315 in prior year commitment expenditures.
- (c) This is the initial installment of UCLA Medical Center's (UCLA) FY 07-08 lump-sum payments. At the close of FY 07-08, \$0.8 million remained in the Measure B Fund encumbered as a contractual obligation to enable payment, during FY 08-09, of the final installment of UCLA's FY 07-08 lump-sum payments.
- (d) Gross refunds of \$1,651,900 returned to the County after a third-party payer was identified less \$792,750 in additional payments for prior years unpaid claims.
- (e) Represents Fiscal Year 2007-08 actual expenditures; since an expenditure accrual was not processed, the FY 2008-09 S&S budget includes \$2,359,303 to pay for FY 2007-08 Non-County Physicians trauma claims.
- (f) Represents Fiscal Year 2007-08 actual expenditures; since an expenditure accrual was not processed, the FY 2008-09 S&S budget includes \$1,090,296 to pay for FY 2007-08 Non-County Physicians emergency claims.
- (g) Reflects the initial installment of the IGT transfer to the State to draw-down federal Medi-Cal matching funds to maximize reimbursement to the private trauma hospitals to help ensure continued access by Medi-Cal beneficiaries to trauma and emergency care.
- (h) Reflects Fiscal Year 2006-07 final installment IGT transfer to the State to draw-down federal Medi-Cal matching funds to maximize reimbursement to the private trauma hospitals to help ensure continued access by Medi-Cal beneficiaries to trauma and emergency care.
- (i) Commitment payments related to prior year expenditures.
- (j) Beginning fund balance (\$42,441,300) and revenues (\$189,365,166), less expenditures (\$180,588,935) and contractual obligations (\$13,779,584).

Prepared By:  
Los Angeles County  
Department of Auditor-Controller, Accounting Division  
Department of Health Services, Fiscal Services

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For Year Ended June 30, 2008**

**COUNTYWIDE SYSTEM OF TRAUMA CENTERS: \$142.6 million allocated to County hospitals; \$39.9 million allocated to non-County hospitals**

County Hospitals

A total of \$142.6 million was allocated from Measure B revenues for trauma and emergency care services provided by the four County hospitals to eligible indigent patients, as follows:

LAC+USC Medical Center	\$ 75.4 million
Harbor-UCLA Medical Center	35.9 million
Martin Luther King-Harbor Hospital	2.4 million
Olive View-UCLA Medical Center	<u>28.9 million</u>
<b>Total</b>	<b><u>\$142.6 million</u></b>

Status: Subsequent to approval of the budget allocation, newer information became available to better estimate the unreimbursed emergency room costs. In addition, the emergency room and inpatient facilities at Martin Luther King, Jr.-Harbor were closed on August 14, 2007. Therefore, the FY 2007-08 funds, which represent only about 43% of the estimated \$332 million in unreimbursed emergency room costs for the Department, were distributed to the three remaining County hospitals as follows:

LAC+USC Medical Center	\$ 91.1 million
Harbor-UCLA Medical Center	25.9 million
Olive View-UCLA Medical Center	<u>25.6 million</u>
<b>Total</b>	<b><u>\$142.6 million</u></b>

Non-County Hospitals

The FY 2007-08 Board Adopted Budget included \$39.9 million in Measure B revenues for trauma care services provided by non-County hospitals to eligible indigent patients allocated as follows:

Claim-Based Payments	-	\$ 8.5 million
Lump-Sum Patient Care Payments	-	26.7 million
Lump-Sum Base Station Payments	-	2.4 million
Transitional Capacity Allowance	-	<u>2.3 million</u>
<b>Total</b>		<b><u>\$39.9 million</u></b>

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Status of Measure B Projects**  
**For Year Ended June 30, 2008**

The status of these projects is as follows:

Claim-Based Payments – A total of \$8.5 million was allocated to pay patient care claims for uninsured patients submitted by the eleven non-County trauma hospitals on a first-submitted, first-paid basis using a per diem schedule of rates per the County's contract with these trauma hospitals.

Status: At the close of Fiscal Year 2007-08, \$8.5 million in claims had been paid to the designated non-County trauma hospitals. Additionally, \$0.3 million in refunds were returned to the County after a third-party payer was identified for claims that were previously paid with Measure B funds. Approximately \$0.1 million in refunds was subsequently "recycled" and used to pay previously unpaid claims submitted by the designated non-County trauma hospitals for FY 2007-08 and the remaining \$0.3 million was encumbered as a contractual obligation.

Lump-Sum Patient Care Payments – A total of \$26.7 million in lump-sum funding was budgeted for the eleven non-County trauma hospitals. This funding will be used as an intergovernmental transfer (IGT) to draw-down federal Medi-Cal matching funds for the non-County trauma hospitals and as a direct payment to UCLA Medical Center (as a public hospital, UCLA Medical Center (UCLA) participates in a program that precludes it from receiving these Medi-Cal matching funds). The allocation included \$9.3 million carried forward from FY 2006-07 for the estimated final installment of the FY 2006-07 IGT.

Status: In accordance with a State Plan Amendment (SPA) to provide federal matching funds effective, July 1, 2003, approved by the federal Centers for Medicare and Medicaid Services on March 31, 2005, and separate agreements between each of the ten private trauma hospitals and the State, an IGT for FYs 2006-07 and 2007-08 in the amount of \$15.8 million was transferred to the California, Department of Health Services to draw-down federal Medi-Cal matching funds enabling the ten private trauma hospitals to receive a total of \$31.6 million in lump-sum Medi-Cal funding. The actual IGT included \$9.5 million for the FY 2006-07 final installment and \$6.3 for the FY 2007-08 initial installment. In addition, a payment was issued directly to UCLA in the amount of \$0.4 million for its FY 2007-08 initial lump-sum patient care payment <sup>(1)</sup>.

Lump-Sum Base Station Payments - A total of \$2.4 million in lump-sum, hospital specific payments was allocated to non-County hospitals for providing base station hospital services. Since the SPA providing Federal Medi-Cal matching funds was

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Status of Measure B Projects**  
**For Year Ended June 30, 2008**

approved, approximately \$1.9 million in Measure B funds will be used for an IGT for the nine private trauma hospitals with base stations, and a lump-sum payment of approximately \$0.5 million will be paid directly to UCLA Medical Center.

Status: A total of \$1.9 million was transferred to the California, Department of Health Services as an IGT to draw-down an additional \$1.9 million in Medi-Cal matching funds, and a lump-sum payment of \$0.5 million was made to UCLA Medical Center for providing base station hospital services. As a result, the non-County trauma hospitals received a total of \$4.3 million in base station payments <sup>(1)</sup>.

Transitional Capacity Allowance - A total of \$2.3 million was allocated to St. Francis Medical Center (SFMC) for the continuation of trauma services provided to eligible indigent patients who either arrive at SFMC via paramedic ambulance or are directly admitted from the SFMC emergency room for the period July 1, 2007 through November 30, 2007.

On July 17, 2007, the Los Angeles County Board of Supervisors (Board) delegated authority to the Director of Health Services (Director) to extend the Trauma Center Service Augmentation Agreement (TCSAA) with SFMC for one year, from December 1, 2007 through November 30, 2008. On December 21, 2007, the Director advised the Board that the Department was exercising its delegated authority and extended the TCSAA for one year. The total maximum Measure B funding obligation for the FY 2007-08 portion of the extension (December 1, 2007 through June 30, 2008) was \$1.6 million. Since there was sufficient funding available in the FY 2007-08 Measure B budget, an appropriation adjustment was not necessary.

Status: At the close of the fiscal year, \$1.8 million had been paid to SFMC for their Transitional Capacity Allowance, \$1.1 million was encumbered as a contractual obligation, and the unexpended balance of \$1.0 million remained in the Measure B fund.

**PHYSICIAN SERVICES FOR INDIGENTS PROGRAM: \$4.7 million allocated**

The FY 2007-08 budget included \$4.7 million for the non-County Physician Trauma Services for Indigents and Emergency Services for Indigents Programs at SFMC.

The status of these projects is as follows:

Status: At the close of the fiscal year, the following amounts had been paid: \$1.2 million for claims by non-County physicians for trauma services provided

**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For Year Ended June 30, 2008**

in FY 2007-08 and \$0.1 million for emergency services at SFMC during FY 2007-08. The remaining \$3.4 million was carried forward to the FY 2008-09 budget to be used for trauma and emergency services provided in FY 2007-08.

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

The FY 2007-08 budget included \$4.4 million for expanded access to trauma services for patients in underserved areas (East San Gabriel Valley, Antelope Valley and Malibu) and to ensure the infrastructure for trauma transports is maintained. It was composed of the following:

LA County Fire Dept. - Helicopter Lease	\$1.0 million
LA County Fire Dept. - Paramedic Air Services in E. San Gabriel Valley	0.5 million
LA County Sheriff's Dept. - Air Transport Services in Antelope Valley	1.0 million
Unallocated	<u>1.9 million</u>
Total	<u>\$4.4 million</u>

The status of these projects is as follows:

Helicopter Lease/Purchase – A total of \$1.0 million was allocated to fund the Los Angeles County Fire Department's helicopter lease/purchase costs related to the expanded 24-hour/7-day per week level of air ambulance services in the Antelope Valley.

Status: A total of \$0.9 million was transferred from the Measure B fund to the Los Angeles County Fire Department for actual costs incurred for this purpose. The remaining \$0.1 million was not encumbered or expended, and remains in the Measure B fund.

Aircraft Transport Capabilities – A total of \$1.5 million was allocated to continue the level of funding to the Los Angeles County Fire Department and the Los Angeles County Sheriff's Department for provision of expanded paramedic and air transport services to trauma center criteria patients in underserved areas.

Status: A total of \$1.5 million was transferred from the Measure B fund to the Los Angeles County Fire Department (\$0.5 million) for East San Gabriel Valley paramedic air squad services and the Sheriff's Department (\$1.0 million) for staffing and related operational costs for air search and rescue services in the Antelope Valley.

**Measure B Special Tax Revenue Fund**  
**For Emergency Medical Services, Trauma Centers, and Bioterrorism Response**  
**Status of Measure B Projects**  
**For Year Ended June 30, 2008**

Unallocated – This \$1.9 million was unexpended and unencumbered, and remained in the Measure B fund. In future years, some or all of these Trauma Access Expansion funds (\$4.4 million) may be used to supplement a hospital(s) that wishes to join the Countywide System of Trauma Centers in these underserved areas.

**BIOTERRORISM RESPONSE: \$2.7 million allocated**

The FY 2007-08 budget included \$2.7 million to support Public Health programs for bioterrorism preparedness activities needed to address the medical needs of persons exposed to bioterrorist or chemical attack.

Status: A total of \$2.7 million was transferred to Public Health for salaries and benefits (\$2.6 million) and equipment and supplies (\$0.1 million).

**EMERGENCY MEDICAL SERVICES AGENCY: \$1.8 million allocated**

A total of \$1.8 million was allocated to support the Emergency Medical Services Agency for coordination of emergency and trauma services and all health-related emergency and disaster preparedness for public and private hospital readiness.

Status: A total of \$1.7 million was transferred to the Emergency Medical Services Agency for coordination of emergency and trauma services and all health-related emergency and disaster preparedness for public and private hospital readiness. The unexpended balance of \$0.1 million remained in the Measure B fund.

**ADMINISTRATIVE COSTS: \$1.0 million allocated**

A total of \$1.0 million in costs was allocated to cover the administrative costs associated with the Measure B Special Tax.

Status: A total of \$0.5 million was transferred to the Auditor-Controller for administrative costs associated with Measure B. The unexpended balance of \$0.5 million remained in the Measure B fund.



**Measure B Special Tax Revenue Fund  
For Emergency Medical Services, Trauma Centers, and Bioterrorism Response  
Status of Measure B Projects  
For Year Ended June 30, 2008**

**FOOTNOTES:**

- (1) Since separate Federal matching funds were approved, the private trauma hospitals will receive an additional \$17.7 million in Medi-Cal funds bringing the total of these payments to \$35.4 million as follows:

	<u>County IGT</u>	<u>Medi-Cal Matching Funds</u>	<u>Total Received Private Trauma Hospitals (a)</u>
Initial Transfer:	\$8.2 million	\$8.2 million	\$16.4 million (b)
Final Transfer:	<u>9.5 million</u>	<u>9.5 million</u>	<u>19.0 million (c)</u>
<b>Total</b>	<b><u>\$17.7 million</u></b>	<b><u>\$17.7 million</u></b>	<b><u>\$35.4 million</u></b>

- (a) Total excludes payments to UCLA since it is a public entity and is not eligible to receive Medi-Cal matching funds, but is eligible for reimbursement for certain uncompensated emergency room costs for Medi-Cal recipients under AB 915.
- (b) Includes \$12.6 million (\$6.3 million IGT + \$6.3 million matching funds) for patient care services and \$3.8 million (\$1.9 million IGT + \$1.9 million matching funds) for base station services.
- (c) Estimated amount to be received by the PTH. The final transfer has not been made yet and could vary significantly depending on UCLA's proportion of the total unpaid claims. If UCLA's share of unpaid claims is greater than the estimated amount, then the remaining amounts of the IGT and total will decrease. Conversely, if UCLA's share of unpaid claims is less than the estimated amount, then the remaining amounts for the IGT and total will increase. The actual amount of the final installment is not yet known. Additionally, pursuant to the provisions of the Trauma Center Services Agreement, the lump-sum funding for FY 2007-08 may increase based on a percentage change, if any, in the total Measure B revenue generated for FY 2007-08 as compared to FY 2006-07.

Prepared By:  
Los Angeles County  
Department of Health Services  
Fiscal Services  
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