



**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

WENDY L. WATANABE
AUDITOR-CONTROLLER

ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JAMES L. SCHNEIDERMAN
JUDI E. THOMAS

December 20, 2011

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

FROM: Wendy L. Watanabe
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 1st 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, 2011. 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 2010-11 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 Rachelle Anema at (213) 974-8327. Questions related to the Status of Measure B Projects may be directed to Eva Guillen of the Department of Health Services at (213) 240-7875.

WLW:JN:CY:RA:rr

H:\Special Funds\Special Funds Unit\MEASURE B-BW9\FY2010-2011 Measure B\Final Measure B Cover Letter FY2010-11.doc

Attachments

c: William T Fujioka, Chief Executive Officer
Sachi A. Hamai, Executive Officer, Board of Supervisors
Mitchell H. Katz, M.D., Health Services Director
John R. Noguez, Assessor
Mark J. Saladino, 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, 2011

Revenues:

Voter Approved Special Taxes	\$ 252,232,980
Penalties, Interest & Costs - Delinquent Taxes	1,833,564
Interest Earnings	<u>875,344</u>
Total Revenues	<u>\$ 254,941,888</u>

Fiscal Year 2010-2011 Expenditures:

Services and Supplies:

Non-County Trauma Hospitals

Claims Based Expenditures FY 2010-11:

Antelope Valley Hospital	\$ 378,137	
California Hospital Medical Center	2,365,855	
Cedars-Sinai Medical Center	412,361	
Henry Mayo Newhall Memorial Hospital	68,741	
Long Beach Memorial Medical Center	749,640	
Northridge Hospital	325,297	
Huntington Memorial Hospital	509,691	
Providence Holy Cross Medical Center	1,940,086	
St. Francis Medical Center	1,076,896	
St. Mary Medical Center	428,236	
Ronald Reagan UCLA Medical Center	291,358	
Refunds for FY 10-11	<u>(238,462)</u>	
Total Claims Based Expenditures		\$ 8,307,835

Transitional Capacity Allowance

St. Francis Medical Center	\$ 1,544,400	
Refunds for FY 10-11	<u>(21,450)</u>	
Total Transitional Capacity Allowance		1,522,950

Lump-Sum Funding

Ronald Reagan UCLA Medical Center - Direct Patient Care	\$ 668,045	
Ronald Reagan UCLA Medical Center - Base Station	<u>721,237</u>	
Total Lump-Sum Funding		1,389,282

Net Prior Year Expenditure Refunds

		<u>(666,327)</u>
Total Non-County Trauma Hospitals		\$ 10,553,740

Enhanced Trauma Access

City of Los Angeles Fire Dept. - Trauma Air Transport	\$ 1,300,000	
County Fire Department - Helicopter Lease	873,603	
County Fire Dept - SGV Paramedic Air Squad	450,000	
Sheriff's Department - Air Search and Rescue	<u>968,251</u>	
Total Enhanced Trauma Access		\$ 3,591,854

Physicians Services for Indigent Program (PSIP)

PSIP - Trauma	\$ 4,200,000	
PSIP - Emergency Room	<u>516,000</u>	
Total PSIP		4,716,000

Auditor-Controller Services

		<u>757,458</u>
--	--	----------------

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, 2011

Total Services and Supplies		\$ 19,619,052
Other Charges - Inter-Governmental Transfers (IGT):		
IGT - FY 2010-11 - Direct Patient Care	\$ 11,591,626	
IGT - FY 2010-11 - Base Station	<u>2,500,380</u>	
Total IGT - FY 2010-11		<u>\$ 14,092,006</u>
Total Other Charges		14,092,006
Other Financing Uses - Operating Transfers Out:		
County Hospitals		
LAC+USC Medical Center	\$ 107,247,000	
Harbor-UCLA Medical Center	52,690,000	
Olive View-UCLA Medical Center	<u>41,695,000</u>	
Total County Hospitals		\$ 201,632,000
Public Health - Bioterrorism		
Salaries & Employee Expenses	\$ 3,311,521	
Equipment/Office Supplies/Other	373,338	
Travel/Mileage	<u>22,141</u>	
Total Public Health - Bioterrorism		3,707,000
Emergency Medical Services		
Salaries & Employee Expenses	\$ 1,674,649	
Equipment/Office Supplies	<u>81,351</u>	
Total Emergency Medical Services		<u>1,756,000</u>
Total Other Financing Uses - Operating Transfers Out		<u>207,095,000</u>
Total Fiscal Year 2010-2011 Expenditures		\$ 240,806,058
Prior Year Expenditures:		
IGT - FY 09-10 Direct Patient Care, Final Installment	\$ 10,846,868	
Non-County Trauma Hospitals	1,542,770	
PSIP - Prior Year	<u>(5,328)</u>	
Total Prior Year Expenditures		<u>12,384,310</u>
Grand Total Expenditures		\$ 253,190,368
Excess Revenue Over Expenditures		\$ 1,751,520
Less: Contractual Obligations		
Net Cancellations of Prior Year Commitments		13,192,932
Commitments Outstanding at Fiscal Year End		<u>(15,027,862)</u>
Net change in Fund Balance		\$ (83,410)
Available Fund Balance, July 1, 2010		<u>6,018,840</u>
Available Fund Balance, June 30, 2011		<u><u>\$ 5,935,430</u></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, 2011**

MEASURE B RATE INCREASE: \$17.5 million in revenue

On August 24, 2010, the Los Angeles County Board of Supervisors (Board) approved a rate adjustment to increase the Measure B property assessment rate by twenty-seven hundredths of one cent (\$0.0027) per improved square foot, for a total of \$0.0399 per improved square foot, effective July 1, 2010, to take into account the cumulative increase in the medical component of the prescribed consumer price index from July 1, 2008 through June 30, 2010. This action provided an additional \$17.5 million in revenue beginning in FY 2010-11 and continues to provide needed additional funding for the Countywide system of trauma centers, emergency medical services, and bioterrorism response activities.

COUNTYWIDE SYSTEM OF TRAUMA CENTERS: \$201.6 million allocated to County hospitals; \$41.3 million allocated to non-County hospitals

County Hospitals

A total of \$201.6 million was allocated from Measure B revenues for trauma and emergency care services provided by the three County hospitals to eligible indigent patients. This included \$14.7 million in additional funding as a result of the Measure B rate increase to help offset a portion of the unreimbursed costs at the County hospitals. The budgeted funds were allocated as follows:

LAC+USC Medical Center	\$107.2 million
Harbor-UCLA Medical Center	52.7 million
Olive View-UCLA Medical Center	<u>41.7 million</u>
 Total	 <u>\$201.6 million</u>

Status: The FY 2010-11 funds, which represent about 56% of the estimated \$359.0 million in unreimbursed emergency room costs for the Department, were distributed to the three County hospitals as follows:

LAC+USC Medical Center	\$107.2 million
Harbor-UCLA Medical Center	52.7 million
Olive View-UCLA Medical Center	<u>41.7 million</u>
 Total	 <u>\$201.6 million</u>

Non-County Hospitals

On June 1, 2010, the Board approved an extension of the Trauma Center Service Agreement (TCSA) with twelve non-County trauma centers to maintain the current

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, 2011

level of trauma care services effective July 1, 2010 through June 30, 2011. A total of \$41.3 million, including \$2.5 million as a result of the Measure B rate increase, was allocated from Measure B revenues for trauma and emergency care services provided by non-County hospitals to eligible indigent patients. The budgeted funds to non-County hospitals were distributed as follows:

Claim-Based Payments	-	\$ 8.5 million
Lump-Sum Patient Care Payments	-	26.5 million
Lump-Sum Base Station Payments	-	3.9 million
Transitional Capacity Allowance	-	<u>2.4 million</u>
Total		<u>\$41.3 million</u>

The status of these projects is as follows:

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

Status: At the close of Fiscal Year 2010-11, a net total of \$8.3 million in claims had been paid to the designated non-County trauma hospitals. This included total refunds of \$0.2 million which were returned to the County, because a third-party payer was identified after County payments of the claims to the hospitals.

Balance: \$0.2 million was unexpended and unencumbered, and remained in the Measure B fund.

Lump-Sum Patient Care Payments – A total of \$26.5 million in lump-sum funding was budgeted for 12 non-County trauma hospitals. Under the Trauma Center Service Agreement (TCSA), this funding will be used as an intergovernmental transfer (IGT) to draw down federal Medi-Cal matching funds for 11 non-County trauma hospitals, and also as a direct payment to Ronald Reagan UCLA Medical Center (as a public hospital, Ronald Reagan UCLA Medical Center (UCLA) participates in a program that precludes it from receiving these Medi-Cal matching funds).

Status: In accordance with the State Plan Amendment (SPA) on Enhanced Payments to Private Trauma Hospitals (effective July 1, 2003, approved by the federal Centers for Medicare and Medicaid Services on March 31, 2005), and separate agreements between the California Department of Health Care

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, 2011

Services (DHCS) with each of the 11 private trauma hospitals, an IGT in the amount of \$11.6 million for initial installment of FY 2010-11 lump-sum patient care services was transferred to DHCS to draw down federal Medi-Cal matching funds of \$18.6 million, which was computed at the applicable Federal Medical Assistance Percentage (FMAP) rate of 61.59%. As a result, the 11 private trauma hospitals received a total of \$30.2 million in lump-sum Medi-Cal funding. In addition, an initial payment of \$0.7 million for FY 2010-11 lump sum patient care services was issued directly to Ronald Reagan UCLA Medical Center (UCLA). At the close of FY 2010-11, the following encumbrances remained in the Measure B fund for final payment of FY 2010-11 lump-sum patient care services: Ronald Reagan UCLA Medical Center, \$1.2 million; IGT to the State of California, \$12.4 million⁽¹⁾.

Balance: \$0.6 million was unexpended and unencumbered, and remained in the Measure B fund.

Base Station Payments - A total of \$3.9 million in lump-sum, hospital specific payments was allocated to non-County hospitals providing base station services.

Status: A total of \$2.5 million was transferred to the California Department of Health Care Services as an IGT to draw down \$4.0 million in Medi-Cal matching funds, which was determined based on the applicable Federal Medical Assistance Percentage (FMAP) rate of 61.59%. As a result, the private trauma hospitals received a total of \$6.5 million in base station payments⁽¹⁾. In addition, a lump-sum payment of \$0.7 million was issued directly to Ronald Reagan UCLA Medical Center for providing base station hospital services for FY 2010-11. At the close of FY 2010-11, the following encumbrances remained in the Measure B fund for final payment of FY 2010-11 Base Station services: Ronald Reagan UCLA Medical Center, \$0.1 million; IGT to State of California, \$0.6 million.

Balance: None

Transitional Capacity Allowance - A total of \$2.4 million was allocated to St. Francis Medical Center (SFMC) for the provision of trauma services to eligible indigent patients under the Trauma Center Service Augmentation Agreement (TCSAA). The eligible indigent patients are those who either arrive at SFMC via paramedic ambulance or are directly admitted to an inpatient bed from the SFMC emergency room during the period from July 1, 2010 through June 30, 2011.

Status: At the close of FY 2010-11, a net total of \$1.5 million had been paid

**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, 2011**

to SFMC for services provided under the TCSAA and \$0.7 million remained in encumbrance.

Balance: \$0.2 million was unexpended and unencumbered, and remained in the Measure B fund.

PHYSICIAN SERVICES FOR INDIGENTS PROGRAM: \$4.7 million allocated

The FY 2010-11 Board Adopted Final Budget included an allocation of \$4.7 million from Measure B revenues to fund private physician trauma services provided to eligible indigent patients within Los Angeles County, and private physician emergency 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 2010-11, the following amounts had been paid to private physicians: \$2.2 million for trauma services; \$0.2 million for emergency services. The remaining \$2.3 million was established as accrued liabilities for pending trauma and emergency claims.

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

The FY 2010-11 Board Adopted Final Budget included \$4.4 million for expanded access to trauma services for patients in underserved areas (Antelope Valley, East San Gabriel Valley, San Fernando Valley, and Malibu) and to ensure that the infrastructure for trauma transports is maintained. The budgeted funds were allocated as follows:

LA County Fire Dept. – Helicopter Lease/Trauma Air Transport	\$1.0 million
LA County Fire Dept. - Paramedic Air Squad in E. San Gabriel Valley	0.5 million
LA County Sheriff's Dept. – Air Search and Rescue in Antelope Valley	1.0 million
LA City Fire Dept. – Trauma Air Transport in San Fernando Valley	1.3 million
Unallocated	<u>0.6 million</u>
 Total	 <u>\$4.4 million</u>

The status of these projects is as follows:

Helicopter Lease/Trauma Air Transport – A total of \$1 million was allocated to fund

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, 2011

the Los Angeles County Fire Department's helicopter lease/trauma air transport costs related to the expanded 24-hour/7-day-a-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 to cover actual costs incurred for the services.

Balance: \$0.1 million was unexpended and unencumbered, and remained in the Measure B fund.

Aircraft Transport Capabilities – A total of \$2.8 million was allocated for funding to Los Angeles County Fire Department, Sheriff's Department, and Los Angeles City Fire Department for providing expanded trauma and paramedic air transport services to patients in the underserved areas for access to trauma centers.

Status: A total of \$2.7 million was transferred from the Measure B fund to the following departments: Los Angeles County Fire Department for expanding the delivery of paramedic air squad services to East San Gabriel Valley, \$0.4 million; Sheriff's Department for the staffing and operational costs related to air search and rescue services in the Antelope Valley, \$1.0 million; Los Angeles City Fire Department for providing trauma air transport services in the San Fernando Valley and surrounding communities, \$1.3 million.

Balance: \$0.1 million was unexpended and unencumbered, and remained in the Measure B fund.

Unallocated: \$0.6 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 hospitals in these underserved areas that wish to join the Countywide System of Trauma Centers.

BIOTERRORISM RESPONSE: \$3.7 million allocated

The FY 2010-11 Board Adopted Final Budget included an allocation of \$3.7 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 \$3.7 million was transferred to Public Health to cover the following actual costs incurred for the bioterrorism preparedness activities:

**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, 2011**

salaries and benefits, \$3.3 million; equipment and supplies, \$0.4 million.

EMERGENCY MEDICAL SERVICES AGENCY: \$1.8 million allocated

The FY 2010-11 Board Adopted Final Budget included an allocation of \$1.8 million to support the County's Emergency Medical Services Agency for the administration and coordination of trauma and emergency services which are related to pre-hospital and hospital critical and urgent emergency care, including the care provided in, or en route to, from or between acute care hospitals or other health care facilities.

Status: A total of \$1.8 million was transferred to Emergency Medical Services Agency to cover the actual costs incurred for the administration and coordination of trauma and emergency services: salaries and benefits, \$1.7 million; equipment and supplies, \$0.1 million.

ADMINISTRATIVE COSTS: \$1.0 million allocated

The FY 2010-11 Board Adopted Final Budget included an allocation of \$1.0 million to cover the administrative costs incurred pertaining to the assessment, collection and accounting services for the Measure B Special Tax revenues.

Status: A total of \$0.8 million was transferred to the Auditor-Controller to cover the administrative costs associated with the assessment, collection and accounting of Measure B revenues.

Balance: \$0.2 million was unexpended and unencumbered, and 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 the Fiscal Year (FY) Ended June 30, 2011**

FOOTNOTES:

(1) With the approval of Federal matching funds for Final Transfer, the private trauma hospitals will receive an additional \$35.0 million in Medi-Cal funding, bringing the total funding to \$61.5 million.

	<u>County IGT</u>	<u>Medi-Cal Matching Funds</u>	<u>Total Funding to Private Trauma Hospitals (a)</u>
Initial Transfer:	\$14.1 million	\$22.6 million	\$36.7 million (b)
Final Transfer:	<u>12.4 million</u>	<u>12.4 million</u>	<u>24.8 million (c)</u>
Total	<u>\$26.5 million</u>	<u>\$35.0 million</u>	<u>\$61.5 million</u>

- (a) Excludes payments to Ronald Reagan UCLA Medical Center since it is a public entity and is not eligible to receive Medi-Cal matching funds. (It is eligible for reimbursement for certain uncompensated emergency room costs for Medi-Cal recipients under AB 915.)
- (b) Includes \$30.2 million (\$11.6 million County IGT plus \$18.6 million matching funds) for patient care services and \$6.5 million (\$2.5 million County IGT + \$4.0 million matching funds) for base station services. Applicable Federal Medical Assistance Percentage (FMAP) rate for Initial Transfer was 61.59%
- (c) Recommended amount to be distributed to Private Trauma Hospitals in FY 2011-12, subject to California DHCS' review and approval. Applicable FMAP rate for Final Transfer is 50.00%.

Prepared By:
Los Angeles County
Department of Health Services
Fiscal Services
JW/ml 11/30/2011