THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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June 9, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

CALIFORNIA HEALTHCARE FOR INDIGENTS PROGRAM (CHIP)
BUDGET ADJUSTMENT FOR FISCAL YEAR 2004-05
(All Districts) (4 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve the attached Budget Adjustment to the Department of Health Services Fiscal Year 2004-05 Adopted Budget to increase the revenue and appropriation authority for the Hospital Services and Physician Services Accounts to reflect unanticipated California Healthcare for Indigents Program's (CHIP) funding totaling $618,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of this action is to increase revenue and expenditure appropriations for the Department of Health Services Fiscal Year (FY) 2004-05 Adjusted Adopted Budget, as a result of unanticipated CHIP funding from the State, to enable additional payments of $308,000 to private hospitals and $310,000 to private physicians in Los Angeles County, thereby helping to ensure the continued availability of emergency medical services for those who are unable to pay for health care. Funding for these services are budgeted in the Hospital Services Account and Physician Services Account.

FISCAL IMPACT/FINANCING:

The total maximum monetary commitment to private hospitals and physicians for FY 2004-05 services is $618,000 which is fully (100%) offset by these FY 2004-05 CHIP funds. Any unexpended funds must be returned to the State. There will be no net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On October 1989, the Governor signed AB 75 (Chapter 133; Statutes of 1989) into law which contained provisions for the distribution of Proposition 99 Tobacco Tax revenues. AB 75 established CHIP, a program which appropriates funding Statewide for hospitals, physicians and other health services for indigent persons. These funds are allocated to counties based primarily on each County's share of the financial burden of providing health services to those who are unable to pay. The CHIP program was extended several times by legislation. Since 1997, appropriations have been made through the State Department of Health Services budget process.

The statutes governing CHIP mandate two accounts for allocation to private sector hospitals and physicians: 1) the Hospital Services Account and 2) the Physician Services Account. Each of these accounts is further divided into non-discretionary funds and County discretionary funds. Utilization of the Physician Services Account, the discretionary funds from the Hospital Services Account (through approval of the Department's FY 2004-05 budget), and allocation of the non-discretionary funds from the Hospital Services Account were previously approved by the Board.

On August 10, 2004, the Board approved the CHIP Application, as required by Welfare and Institutions Code, Section 16940 et. seq., under which each county must apply for CHIP funds and ensure compliance with the provisions of the CHIP program. At that time, the official CHIP Distribution schedule was not yet issued by the State. On January 31, 2005, the State issued a revised Distribution Schedule to include $310,000 for the Physicians Services Account and $308,000 for the Hospital Services Account. To date, only the $310,000 in funding for physician services has been received. The appropriations need to be adjusted prior to closing the FY 2004-05 financial records to ensure that the Department is able to fully expend these CHIP funds for their intended purpose.

CONTRACTING PROCESS:

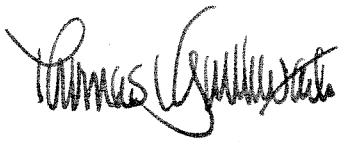
Not applicable.

IMPACT ON CURRENT SERVICES:

CHIP funds will help to ensure continued availability of emergency medical services in Los Angeles County.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:sg

Attachment (1)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller

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cba:06/08/05

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COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No.

DEPARTMENT OF Health Services

June 8, ~~19~~ 2005

AUDITOR-CONTROLLER.
THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

(4-VOTES)
Fiscal Year 2004-05

Please see attached for details.

Justification:
Approve the Budget Adjustment to increase revenue and appropriation authority for the Fiscal Year 2004-05 Department of Health services' Hospital Account and Physician Services Account to reflect unanticipated California Healthcare for indigents Program's funding totaling $618,000.

EM:br
06/08/05

Efrain Munoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF ADMINISTRATIVE OFFICER FOR— ACTION

✓ RECOMMENDATION

AUDITOR-CONTROLLER BY

APPROVED AS REQUESTED ✓ AS REVISED

June 9, 2005

DAVID E. JANSSEN
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED): BOARD OF SUPERVISORS 19

DEPARTMENT OF HEALTH SERVICES
BUDGET ADJUSTMENT
FISCAL YEAR 2004-05

(4-VOTES)

SOURCES:		USES:	
Physician Services Account State Other Revenue BW7-HS-41141-8848	$ 310,000	Physician Services Account Services and Supplies BW7-HS-41141-2000	$ 310,000
Hospital Services Account State Other Revenue BW8-HS-41148-8846	308,000	Hospital Services Account Services and Supplies BW8-HS-41148-2000	308,000
Total	$ 618,000	Total	$ 618,000

NOTED AND APPROVED

6/8/05

Efrain Munoz, Chief
DHS-Controller's Division

BA #372 JUNE 9, 2005