ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

20 July 15, 2025

EDWARD YEN
EXECUTIVE OFFICER

Health Services
LOS ANGELES COUNTY

July 15, 2025

Los Angeles County Board of Supervisors

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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:

APPROVAL OF MEASURE B RATE INCREASE
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)

SUBJECT

Request approval to increase the Measure B Trauma, Emergency, and Bioterrorism Response property assessment rate as authorized under the provisions of Measure B, approved by Los Angeles County voters on November 5, 2002.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or designee, to implement a rate adjustment to increase the Measure B Trauma, Emergency, and Bioterrorism Response (Measure B) property assessment rate by one and thirty hundredths of a cent ($0.0130) per improved square foot, for a total assessment of six and thirty hundredths of a cent ($0.0630) per improved square foot, effective July 1, 2025, to take into account the cumulative increase in the medical component of the prescribed Consumer Price Index (CPI) through April 2025. This action will generate approximately $86.599 million in annual ongoing Measure B revenue.

2. Approve and authorize the Director, or designee, to allocate a total of $6.286 million of the new annual ongoing revenue starting in FY 2025-26 to the Department of Public Health to support Public Health Emergency Preparedness efforts related to public health threats, bioterrorism and disasters.

3. Approve and authorize the Director, or designee, to allocate $56.648 million of the new annual ongoing revenue starting in Fiscal Year (FY) 2025-26 to the Department of Health Services (DHS), to support Los Angeles County's trauma and emergency medical services system.

4. Approve and authorize the Director, or designee, to allocate $14.942 million of the new annual ongoing revenue starting in FY 2025-26 to participating non-County Trauma Hospitals, to support ongoing investments in additional staffing, technology and capital improvements to maintain and/or expand the regional trauma care system.

5. Approve and authorize the Director, or designee, to utilize funds allocated in Recommendation No. 4 of up to a maximum of $14.942 million of the new annual ongoing revenue starting in FY 2025-26 to be used as an Intergovernmental Transfer (IGT) to the California Department of Health Care Services to draw down federal matching dollars for supplemental Medi-Cal payments to eligible non-County trauma centers.

6. Approve and authorize the Director, or designee, to allocate $4.812 million of the new annual ongoing revenue starting in FY 2025-26 to DPH, to support ongoing violence and trauma prevention initiatives and programming and supplement public health emergency preparedness efforts as outlined in Recommendation No. 2.

7. Approve and authorize the Director, or designee, to allocate $1.440 million of the new annual ongoing revenue starting in FY 2025-26 to Physician Services for Indigents Program to support non-County physician trauma services provided to eligible indigent patients within Los Angeles County and non-County physician emergency services provided to eligible indigent patients with non-traumatic emergency conditions.

8. Approve and authorize the Director, or designee, to allocate $1.195 million of the new annual ongoing revenue starting in FY 2025-26 to the County Fire Department, City of Los Angeles Fire Department, and County Sheriffs Department to support expanded access to trauma services and facilitate the emergency air transport of trauma patients in underserved areas.

9. Approve and authorize the Director, or designee, to allocate $0.923 million of the new annual ongoing revenue starting in FY 2025-26 to the County Emergency Medical Services Agency for the coordination of trauma and emergency services related to prehospital and hospital emergency care and the future maintenance of the Trauma Emergency Medical Information System (TEMIS).

10. Approve and authorize the Director, or designee, to allocate $0.272 million of the new annual ongoing revenue starting in FY 2025-26 to the City of Long Beach, to support ongoing Emergency Medical Services, Bioterrorism and Trauma and Violence Prevention programs.

11. Approve and authorize the Director, or designee, to allocate $0.082 million of the new annual ongoing revenue starting in FY 2025-26 to the City of Pasadena, to support ongoing Emergency Medical Services, Bioterrorism and Trauma and Violence Prevention programs.

12. Provide delegated authority to the Director, or designee, to amend existing, or execute new agreements, subject to prior County Counsel review and approval, to fulfill the provisions of Recommendations No. 2 through No. 11 above, provided that such amendments or agreements contain all provisions necessary to comply with proper reporting, monitoring, and oversight of use of funds.

13. Approve and authorize the Director, or designee, to allocate a total of $6.000 million in one-time funding from the Measure B Fund Balance for Catalina Island Health (CIH), which will be allocated over two years - $3.000 million each in FYs 2025-26 and 2026-27 - solely for specific, qualified Measure B purposes as allowable, and in consultation with County Counsel, to support CIH in maintaining critical emergency services on the island.

14. Approve and authorize the Director, or designee, to carry forward any unspent amounts allocated to CIH in Recommendation No. 13 above, from any year(s) to one or more subsequent fiscal years through the end of FY 2026-27, after which any remaining amounts shall be returned to the Fund.

15. Provide delegated authority to the Director, or designee, to amend existing, or excute new, agreements with CIH, subject to prior County Counsel review and approval, to provide Measure B funding and to fulfill the provisions of Recommendations No. 13 and 14 above, provided that such amendments or agreements contain all provisions necessary to comply with proper reporting, monitoring, and oversight of use of funds.

16. Approve and authorize the Director, or designee, to allocate $2.000 million in one-time Measure B funding for Los Angeles General Medical Center (LA General) to support construction of a warehouse, a portion of which will be used to store critical emergency and disaster-related supplies, equipment, and vehicles.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Fiscal Outlook

It is anticipated that there will be mounting fiscal pressures affecting healthcare organizations across the nation in the coming months – including at DHS and other hospital systems across Los Angeles County – that stem from potential policy changes at the State and Federal levels. Upcoming changes include potential funding cuts to Medicaid/Medi-Cal and other key healthcare programs that make up a significant portion of the reimbursement for medical services provided, as well as potential changes to eligibility criteria for State and Federal healthcare programs that may increase the number of uninsured.

While the scale of the impact is uncertain, if the funding cuts are substantial and unreimbursed costs grow, DHS' fiscal sustainability will be threatened and service reductions and facility closures may be necessary to address the funding gap. If DHS hospitals were to close or reduce services, there would be a significant impact on the region's overall trauma and emergency medical system. DHS hospitals provide 28.0% of all trauma visits and 7.6% of all emergency department visits countywide. The largest DHS hospital – LA General Medical Center - operates the busiest trauma center in the County and is among the Top 10 busiest emergency departments in the nation. Without one or more of the DHS hospitals, the burden of treating these trauma and emergency patients, many of whom are uninsured, would shift to other hospitals in the region and would likely negatively impact 9-1-1 response times and access to timely patient care countywide.

To address these fiscal challenges and mitigate the impact to DHS hospitals and emergency departments, DHS is pursuing several cost reduction and revenue enhancement opportunities,

including the proposed Measure B rate increase, to help preserve access to critical services such as trauma and emergency care across the County.

Measure B Background

Measure B was approved by County voters in November 2002 to provide revenue to support the countywide system of trauma centers, emergency medical services and bioterrorism response activities. The provisions of Measure B specifically allow for the adjustment of property assessment rates based on increases to the medical component of the Western Urban Consumer Price Index. The Board of Supervisors (Board) adjusted the Measure B assessment rate in 2008, 2010, 2012, and 2022.

Under the current Measure B rate of five cents ($0.0500) per square foot of improved property, the owner of a 1,500 square foot home pays $75.00 per year. Under the proposed rate, the same homeowner would pay six and thirty hundredths of a cent ($0.0630) per square foot, or $94.50, an increase of $19.50, or 26.0%.

Approval of the recommendations will provide additional annual funding starting in FY 2025-26 to fund programs and activities that meet Measure B's provisions, including trauma centers and emergency medical services for County and non-County hospitals; trauma and violence prevention activities performed by the Department of Public Health (DPH); trauma access expansion through County Fire, City of LA Fire, and County Sheriffs; and emergency medical services, bioterrorism and violence prevention activities performed by the City of Long Beach and the City of Pasadena. Measure B provides substantial benefits to the County hospitals, non-County hospitals, and physicians.

Allocation of Additional Measure B Funding

With this rate increase, it is estimated that $86.599 million in additional Measure B revenue will be generated annually, starting in FY 2025-26. This new revenue will be used to 1) Allocate new ongoing funding for Public Health Emergency Preparedness, and 2) Supplement existing programs that currently receive ongoing Measure B funding with additional revenue.

<u>Programs with New Ongoing Measure B Allocations</u>

Public Health Emergency Preparedness

To help mitigate anticipated federal funding cuts at DPH for public health emergency preparedness and response activities, the new ongoing allocation of Measure B funding would support DPH's emergency preparedness efforts for public health threats, bioterrorism and disasters. Program activities include communications, field response, laboratory services, disease investigations, surveillance and preparedness planning to enhance emergency preparedness and responsiveness and to address future bioterrorism threats:

- Emergency Operations Program – Coordinates operational activities related to bioterrorism and infectious agents and supports a team ready to respond to public health emergencies 24/7.

- Medical Countermeasures Program – Coordinates receipt, storage, distribution, and dispensing of emergency counter-measure medications for communities in emergencies or disasters.

- Threat Assessment and Response Unit – Coordinates preparedness and response activities such as bio-detection and threat analysis for chemical, biological, radiological, nuclear, and explosives (CBRNE).

- Emergency Planning and Analysis – Coordinates activities such as conducting surveys of emerging infectious disease and preparing hazard threat analysis.

- Acute and Communicable Disease Unit – Works with hospitals and other community organizations to ensure coordination with public health for surveillance and response to biothreats and dangerous infectious diseases.

- Public Health Lab – Provides clinical testing capabilities to assess for presence of biologic agents and dangerous infectious diseases in clinical and environmental samples.

Recommendation No. 2 authorizes a total of $6.286 million of additional Measure B revenue to be allocated to DPH to support the continuation of critical emergency and disaster-related services.

Programs with Existing Ongoing Measure B Allocations

In FY 2024-25, the following entities and programs received ongoing Measure B funding. Beginning FY 2025-26, these same entities and programs will receive a prorated share of the new ongoing Measure B funding based on the previous year's allocation percentage.

Existing Ongoing Measure B Program	Additional Annual Amount Beginning FY 2025-26 (in millions)	% Allocation
County DHS Hospitals	$56,648,361	70.29%
Non-County Trauma Hospitals	$14,941,580	18.54%
Department of Public Health	$4,811,863	5.97%
Physician Services for Indigents Program	$1,439,831	1.79%
Trauma Access Expansion (Fire, Sheriffs, LA City)	$1,195,330	1.48%
EMS Agency	$922,509	1.14%
Human Relations Commission / Anti-Hate Initiative – **To be Reallocated to DPH Public Health Emergency Preparedness*	$283,890	0.35%
City of Long Beach	$271,666	0.34%
City of Pasadena	$81,500	0.10%
Total Allocation for Existing Ongoing Programs	**$80,312,640**	**100.00%**

County Hospitals

In FY 2023-24, unreimbursed trauma and emergency costs at County hospitals totaled an estimated $293.904 million. Measure B funding to County hospitals covered approximately 72 percent of the unreimbursed trauma and emergency costs. DHS hospital enterprise funds were

used to balance the budget shortfalls, including funding gaps for unreimbursed trauma and emergency costs. Recommendation No. 3 will provide approximately $56.648 million in ongoing Measure B revenue to DHS starting in FY 2025-26, to fund unreimbursed trauma and emergency costs at County hospitals.

Non-County Trauma Hospitals

Recommendations No. 4 and No. 5 provide $14.942 million in new annual ongoing Measure B funds starting in FY 2025-26, and authorizes the use of these funds to maximize Federal matching available to eligible non-County trauma hospitals. Costs to operate and maintain trauma centers have increased significantly. Trauma admissions require resource-intensive levels of care, and adequate and stable funding to support the trauma network is vital. These funds will assist in offsetting a portion of the growing cost of trauma and emergency are provided by the non-county trauma hospitals.

Department of Public Health – Violence and Trauma Prevention

In recognition of the impact of violence on individuals, families, and communities, on February 19, 2019, the Board approved the establishment of the Office of Violence Prevention (OVP) within DPH. OVP is included in the County's overall Trauma Plan. The mission of OVP is to strengthen coordination between county and community partners, build capacity to address and prevent violence through the provision of resources, training and technical assistance, and creating partnerships among county and community entities.

Recommendation No. 6 provides $4.812 million in new ongoing revenue starting in FY 2025-26 to support DPH's trauma and violence prevention services in communities with a high incidence of trauma. If needed, a portion of this funding would be approved for reallocation within DPH's Measure B programs, such as those outlined in Recommendation No. 2, depending on actual funding losses under the Public Health Emergency Preparedness grant.

Physician Services for Indigents Program

Recommendation No. 7 provides $1.440 million in new annual ongoing revenue starting in FY 2025-26 to support non-County physician trauma services provided to eligible indigent patients within the County and non-County physician emergency services provided to eligible indigent patients with non-trauma, emergency conditions.

Trauma Access Expansion to Underserved Areas (County Fire, City of LA Fire, County Sheriffs)

Recommendation No. 8 provides $1.195 million in new annual ongoing Measure B funds starting in FY 2025-26 to maintain expanded access to trauma services and to 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 for these areas due to distance, traffic, weather conditions, etc. This funding allocation will be distributed to County Fire for maintaining and expanding the delivery of paramedic air squad services to County areas; County Sheriffs for staffing and operational costs related to air search and

rescue services in the Antelope Valley; and City of Los Angeles Fire for providing trauma air transport services in the San Fernando Valley and surrounding communities.

Trauma and Emergency Services Coordination (County Emergency Medical Services Agency)

Recommendation No. 9 provides $0.923 million in new annual ongoing revenue starting in FY 2025-26 to support the overall coordination of trauma and emergency services related to prehospital and emergency care, including care provided in, en route to, from or between acute care hospitals and other health care facilities. This allocation includes the cost of maintaining the Trauma and Emergency Medicine Information System (TEMIS) in future years.

Human Relations Commission – Anti-Hate Initiative (Additional Measure B Funding to be Reallocated to DPH)

In 2018, the Board created the anti-hate campaign that has become the LA vs. Hate program, which is under the Los Angeles County Commission on Human Relations (HRC). The LA vs. Hate program is a collaboration among County and community organizations to support residents of the County with a focus on developing programming to reduce and prevent hate crimes and related violent trauma incidents throughout the County, including services provided through community-based service providers such as prevention messaging and other interventions.

Based on prior year's allocation percentage, the Anti-Hate Initiative would have received $0.284 million in additional Measure B funding starting in FY 2025-26. Since the program has unspent funds from the prior year and does not anticipate any federal or state funding reductions, this additional annual revenue will be reallocated to DPH in Provision No. 2 to help mitigate DPH's anticipated reduction in the Public Health Emergency Preparedness grant. The Anti-Hate Initiative would continue to receive its usual allocation of ongoing Measure B funds at the same level as prior years.

Bioterrorism, and Trauma and Violence Prevention (City of Long Beach and City of Pasadena)

Recommendations No. 10 and No. 11 provide the new annual ongoing Measure B allocations to support the City of Long Beach ($0.272 million starting in FY 2025-26) and the City of Pasadena ($0.082 million starting in FY 2025-26), both of which operate and maintain their own public health departments. This new allocation will support the provision of Emergency Medical Services, Bioterrorism and Trauma and Violence Prevention programs at each of these public health departments.

Recommendation No. 12 provides delegated authority to the Director, or designee, to amend existing agreements or execute new agreements, subject to prior review and approval by County Counsel, to fulfill the provisions of Recommendation No. 2 through No. 11.

<u>Allocation of One-Time Measure B Funding</u>

In addition to the $86,599M in new annual ongoing Measure B funding generated by the rate increase, there is a total of approximately $28.000M of unallocated funds remaining in the

Measure B fund balance, subject to final reconciliation at year end. These funds may be redistributed per the Board's approval and any recommendations by the Measure B Advisory Board (MBAB) for one-time, qualified Measure B purposes.

From this one-time fund balance, Board approval is being requested for two Measure B-related allocations: 1) Catalina Island Health Emergency Department Stabilization and 2) Los Angeles General Medical Center Emergency and Disaster Warehouse.

Catalina Island Health

On April 8, 2025, the Board approved a motion to allocate $3.000 million in one-time Measure B funding, allocated in FY 2024-25 to Catalina Island Health (CIH), to help stabilize the County's only Critical Access Hospital (CAH) and ensure continued access to emergency medical care for its community.

Recommendation No. 13 will provide a total of $6.000 million in one-time Measure B funding to CIH to be allocated over two years, in FYs 2025-26 and 2026-27, for qualified Measure B purposes. This funding will continue support of critical emergency services as CIH plans for and implements strategies to stabilize its hospital and maintain emergency department operations in the long term.

Recommendation No. 14 provides delegated authority to the Director, or designee, to carry forward any unspent amounts allocated for CIH in Recommendation No. 13, from any year(s) to one or more subsequent fiscal years through the end of FY 2026-27 after which any remaining amounts shall be returned to the Fund.

Recommendation No. 15 provides delegated authority to the Director, or designee, to amend existing, or enter into new, agreements with CIH, subject to prior review and approval by County Counsel, to fulfill the provisions of Recommendation No. 13 and No. 14.

Los Angeles General Medical Center (Emergency and Disaster Supply Warehouse)

LA General is currently working to relocate its warehouse as part of an overall hospital stabilization and clean-up effort. As part of this relocation to a new building, emergency medical supplies and emergency vehicles that are currently stored on the campus of LA General will need to be rehoused in this new building that will begin construction in early 2026. Emergency supplies include Centers for Disease Control (CDC) chempack, prophylactic antibiotic cache, and local EMS pharmaceutical cache. Emergency vehicles include two 20' trailers, a 12' trailer, a truck, and a portable 10' x14' generator. These supplies and vehicles will account for 15,736 sq feet of the proposed space, which equates to approximately 3.0% of the overall dimensions of the new facility. The $2.000 million in one-time Measure B funding is equivalent to 2.8% of the construction costs, currently estimated to be $70.000 million in total. Recommendation No. 16 would provide $2.000 million in one-time Measure B funding allocation for FY 2025-26 to support the construction of a warehouse to house emergency and disaster supplies.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions are consistent with the principles of the Countywide Strategic Plan, North Star 1: Make Investments that Transform Lives, Focus Area Goal A – Healthy Individuals and Families, via Strategy II: Improve Health Outcomes; and Focus Area Goal D – Support Vulnerable Populations, via Strategy VIII: Interpersonal Violence

FISCAL IMPACT/FINANCING

The Measure B rate increase will generate additional annual ongoing revenue of approximately $86.599 million beginning in FY 2025-26, which will be allocated to existing Measure B services and programming as follows:

- $6.286 million to DPH, to support DPH's public health emergency preparedness efforts
- $56.648 million to DHS, to support the County's trauma and emergency medical services system.
- $14.942 million to non-County Trauma Hospitals
- $4.812 million to DPH, to support trauma and violence prevention activities.
- $1.440 million to support the Physician Services for Indigents Program
- $1.195 million to support LA County Fire, LA City Fire, and LA County Sheriffs
- $0.923 million to support LA County Emergency Medical Services Agency
- $0.272 million to the City of Long Beach, to support emergency medical services, bioterrorism and violence prevention activities.
- $0.082 million to the City of Pasadena, to support emergency medical services, bioterrorism and violence prevention activities.

Additionally, an estimated total of $28.000 million in unallocated one-time funds remain in the Measure B Fund Balance, with the final amount subject to reconciliation at year end. From this fund balance, a total of $6.000 million will be allocated to CIH over two years - $3 million each in FYs 2025-26 and 2026-27. In addition, a total of $2.000 million will be allocated from this fund balance to LA General for FY 2025-26.

DHS will work with Chief Executive Office to include this additional funding and appropriation in the recommendations for the Board's consideration during the FY 2025-26 Supplemental Budget Resolution process. There is no net cost to the County.

For property owners who have lost their homes in the recent fires, a disaster relief waiver was granted for FY 2024-25, which allows for 100% disaster relief for the Measure B Direct Assessment charges on all impacted parcels that are identified. This disaster relief waiver is applicable to the overall Measure B assessment, including the rate increase portion, for these impacted parcels. DHS will request the Auditor-Controller to process a disaster relief waiver for those property owners who lost their homes in the recent fires for FY 2025-26.

ACTS AND PROVISIONS/LEGAL REQUIREMENTS

On November 5, 2002, County voters approved the Measure B Trauma Property Tax Assessment, a special parcel tax on building improvements of three cents ($0.0300) per square

foot, excluding parking, to provide revenue to support trauma and emergency services and bioterrorism preparedness efforts Countywide. Measure B allows the Board to increase the rate of three cents ($0.0300) per improved square foot annually, as adjusted by the cumulative increase to the medical component of the Western Urban CPI since July 1, 2003.

On August 12, 2008, the Board approved a rate adjustment to increase the initial Measure B property assessment rate from three cents ($0.0300) per improved square foot to three and seventy-two hundredths of a cent ($0.0372) per improved square foot. The rate was adjusted by the cumulative increase to the medical component of the Western Urban CPI from July 1, 2003, to May 30, 2008. This action provided an additional $45.2 million in annual ongoing revenue beginning in FY 2008-09 and additional funding for the Countywide system of trauma centers, emergency medical services, and bioterrorism response activities.

On August 24, 2010, the Board approved a rate adjustment to increase the Measure B property assessment rate from three and seventy-two hundredths of a cent ($0.0372) per improved square foot to three and ninety-nine hundredths of a cent ($0.0399) per improved square foot. The rate was adjusted by the cumulative increase in the medical component of the Western Urban CPI from June 1, 2008, to June 30, 2010. This action provided an additional $17.5 million in annual ongoing revenue beginning in FY 2010-11 and additional funding for the Countywide system of trauma centers, emergency medical services, and bioterrorism response activities.

On August 21, 2012, the Board approved a rate adjustment to increase the Measure B property assessment rate from three and ninety-nine hundredths of a cent ($0.0399) per improved square foot to four and twenty-four hundredths of a cent ($0.0424) per improved square foot. The rate was adjusted by the cumulative increase in the medical component of the Western Urban CPI from July 1, 2010, to June 30, 2012. This action provided an additional $15.7 million in annual ongoing revenue beginning in FY 2012-13, and additional funding for the Countywide system of trauma centers, emergency medical services, and bioterrorism response.

On September 13, 2022, the Board approved a rate adjustment to increase the Measure B property assessment rate from four and twenty-four hundredths of a cent ($0.0424) per improved square foot to five cents ($0.500) per improved square foot. The rate was adjusted by the cumulative increase in the medical component of the Western Urban CPI from July 1, 2012, to March 31, 2022. This action provided an additional $50.2 million in annual ongoing revenue beginning in FY 2022-23, and additional funding for the Countywide system of trauma centers, emergency medical services, and bioterrorism response.

The Board has the option to approve the requested increase of one and thirty hundredths of a cent ($0.0130), or any increment up to a maximum of one and forty-one hundredths of a cent ($0.0141). The requested increase represents the portion of the escalation in the medical component of the Western Urban CPI through April 2025 that has not previously been included in the rate.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended Measure B rate increase will provide additional funding to support to the trauma and emergency hospital network, DPH programs, and other related and allowable activities.

Respectfully submitted,

Christina R. Ghaly, M.D.
Director

CRG:AW

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller
Department of Public Health