

## Maddy EMS Fund

### Background

The term "Maddy Emergency Medical Services (EMS) Fund" refers to a funding mechanism authorized under Government Code 76000 that allows counties to generate revenue through the assessment of penalties on motor vehicle and criminal fines and forfeitures. These revenues were statutorily allowed to be used for specific purposes including supporting emergency medical services, criminal justice and courthouse construction among others.

In 1991, the Santa Barbara County Board of Supervisors passed a resolution which allocated all Maddy EMS funds collected under Government Code 76000 to the Courthouse Construction Fund and Criminal Justice Facility Construction Fund based on a recommendation from the courts and the law and justice community. The option to allocate funding to support emergency medical services was not taken.

Over the next decade, rising healthcare costs and decreasing reimbursement rates for Medicare and Medi-Cal, along with a growing population of uninsured in Santa Barbara County put hospitals and physicians under increasing financial strain. In 2003 the County Board of Supervisors directed EMS Agency staff to work with community partners to seek legislation to establish a Maddy EMS Fund to address emergency medical and trauma care needs in Santa Barbara County.

Since 2005, a Maddy EMS fund has been in place for Santa Barbara County at different levels of funding through various legislative mechanisms<sup>1</sup> (history sheet attached). Assembly Bill (AB) 412 is the most recent bill authorizing assessment of penalties on motor vehicle and criminal fines and forfeitures for a Santa Barbara County Maddy EMS fund. These Maddy EMS funds have partially funded uncompensated medical and trauma care provided by local hospitals, emergency room physicians and specialists. AB 412 will sunset on January 1, 2014.

Another source of funding to support emergency medical services through the ability to assess penalties on motor vehicle and criminal fines and forfeitures comes from Senate Bill (SB) 1236 (Padilla). All counties in California were able to establish a "Richie Pediatric Trauma Fund" which allocates 15% of the monies collected from the additional penalty assessments authorized by SB 1236 in order to support access to pediatric trauma services. SB 1236 also sunsets on January 1, 2014, however since SB1236 provides funding to counties throughout California there may be a higher likelihood the sunset date will be extended.

The Legislature in passing AB 412, stipulated it was their intent in enacting this measure to authorize the collection of a penalty assessment for the support of emergency medical services, that the County of Santa Barbara secure a permanent local funding mechanism to ensure the continuation of trauma care in the region before January 1, 2014. AB 412 further stipulates that the Board of Supervisors must report to the Legislature whether, and to the extent that, any actions are taken by Santa Barbara County to implement alternative local sources of funding.

### Funding Generated for Emergency Medical and Trauma Services

The graphs that follow illustrate the funding generated since the inception of Maddy EMS Fund in 2005 including estimated and projected totals for FY 13-14 and FY 14-15. By June 2013, \$11,306,516 will have been generated to support emergency medical and trauma care services in Santa Barbara County.

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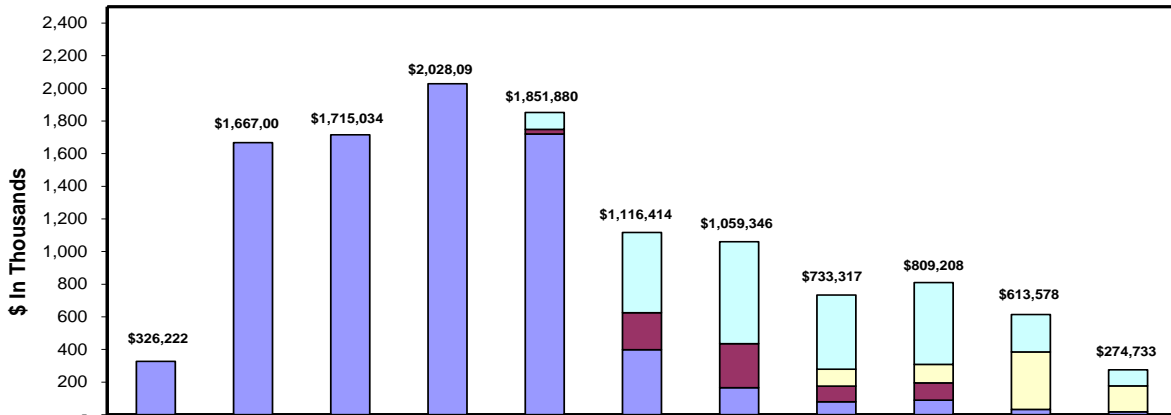
<sup>1</sup> SB 635 (Dunn), AB 2265 (Nava), AB 1900 (Nava), SB 1236 (Padilla), AB 412 (Williams)

### Maddy/Nava/Padilla/Williams Fund Revenue Summary

#### Fiscal Year 2004-05 thru 2014-15 Projected

SOURCE: Financial Information Network (FIN)

Note: Padilla and Williams sunset on 1/1/2014, due to timing of collection by courts, revenue is expected to be collected at a decreasing rate during the remainder of FY 13-14 and FY 14-15.



	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13 Adopted	FY 13-14 Estimated	FY 14-15 Projected
Padilla	-	-	-	-	103,769	492,027	623,812	454,889	501,709	228,544	97,939
Williams	-	-	-	-	-	-	-	103,769	113,289	353,373	159,475
Nava	-	-	-	-	27,437	226,924	271,009	96,230	105,197	-	-
Maddy	326,223	1,667,000	1,715,035	2,028,095	1,720,674	397,463	164,525	78,430	89,013	31,660	17,318

It is estimated the FY 13-14 revenue will decrease by \$195,630 from the FY 12-13 adopted budget and FY 14-15 revenue will decrease by \$338,845 from the FY 13-14 estimated budget. Over the two years a decrease of \$534,475 is estimated. Please note that, although SB 1265 and AB412 sunset on 1/1/2014, due to timing of collection by the courts, revenue is expected to be collected from penalties incurred prior to the sunset date at a decreasing rate during the remainder of FY 13-14 and FY 14-15.

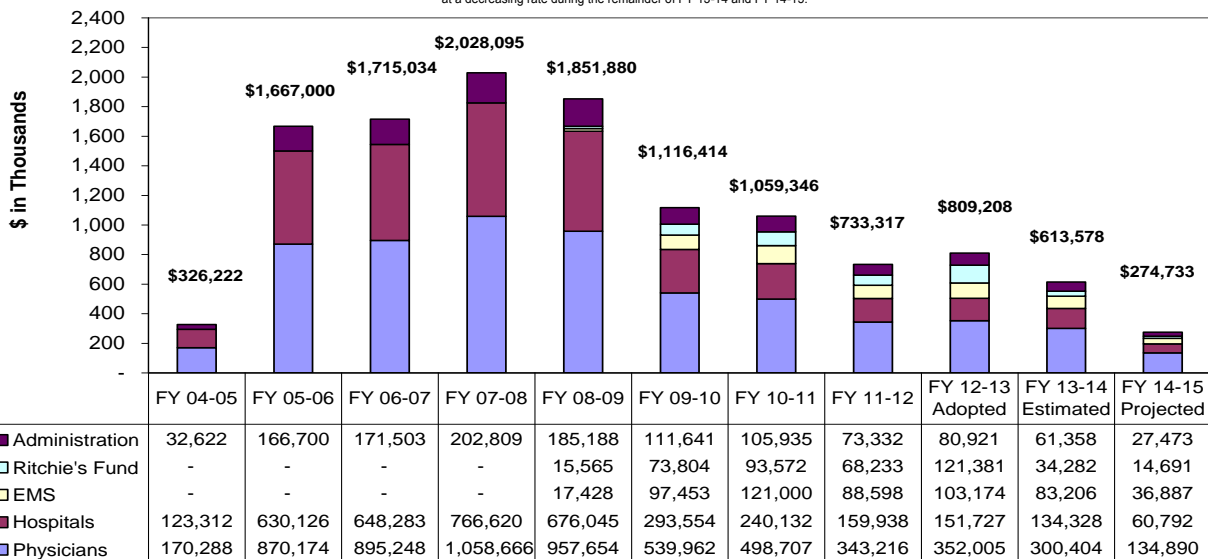
The graph below shows how Maddy funding was allocated to hospitals, physicians, pediatric trauma care, the Emergency Medical Services (EMS) Agency, and administrative costs.

### Maddy/Nava/Padilla/Williams Fund Distribution Summary

#### Fiscal Year 2004-05 thru 2014-15 Projected

SOURCE: Financial Information Network (FIN)

Note: Padilla and Williams sunset on 1/1/2014, due to timing of collection by courts, revenue is expected to be collected at a decreasing rate during the remainder of FY 13-14 and FY 14-15.



	FY 04-05	FY 05-06	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13 Adopted	FY 13-14 Estimated	FY 14-15 Projected
Administration	32,622	166,700	171,503	202,809	185,188	111,641	105,935	73,332	80,921	61,358	27,473
Ritchie's Fund	-	-	-	-	15,565	73,804	93,572	68,233	121,381	34,282	14,691
EMS	-	-	-	-	17,428	97,453	121,000	88,598	103,174	83,206	36,887
Hospitals	123,312	630,126	648,283	766,620	676,045	293,554	240,132	159,938	151,727	134,328	60,792
Physicians	170,288	870,174	895,248	1,058,666	957,654	539,962	498,707	343,216	352,005	300,404	134,890

**Funding for Emergency and Trauma Care**

The funding picture for emergency and trauma care into the future is uncertain. With the implementation of health care reform in California, coverage will be expanded to many who are currently not insured through Medi-Cal and Health Insurance Exchanges, It is not clear the impact this will have in reducing uncompensated care costs for local providers. However efforts are underway to work to quantify this amount. If sunset dates are not extended, this source of funding available to reimburse physicians and hospitals for uncompensated care will not be available.

On a statewide level, funding for all counties will be reduced with the sunset of SB 1236. Legislation to extend or eliminate the sunset provision of SB 1236, would likely receive support across all California counties.

Local emergency room physician groups have approached Assembly Member Das Williams urging him to propose legislation to extend or remove the sunset date on AB 412. His willingness to sponsor such legislation is unclear. A parcel tax specific to emergency and trauma care was put to Santa Barbara County voters in 2008 and was not passed. The 2/3 super majority required to pass a specific tax coupled with the economic climate has worked against bringing a new tax proposal on emergency and trauma system funding to the local voters.

One local option that was pursued was the leveraging of tobacco settlement funding in an Intergovernmental Transfer (IGT). While this ultimately did not move forward for emergency room physicians, an IGT would have allowed expanded care for Medi-Cal patients through matching a local funding source with federal funds. This would not provide funding for uninsured patients; however, it would expand funding for Medi-Cal patients and a portion of those who are uninsured will become eligible for Medi-Cal with the implementation of health care reform in 2014.

**Options Moving Forward**

There are a number of alternatives that could reduce the impact of uncompensated care to local emergency room physicians, hospitals, and specialists. Tax measures such as sales, parcel, or transient occupancy or luxury taxes are possible; however achieving the required super majority is likely to continue to prove difficult. There is limited understanding on the part of voters of the complex issues of health care funding and the public may be unlikely to vote to increase taxes without this understanding or some other compelling reason. Inclusion of funding on a broader county-wide revenue measure for consideration may be a more feasible option.

Since tobacco settlement dollars have been decreasing, funding to emergency room physicians could be maintained through an IGT process, if this option continues to be made available from the State Department of Health Care Services.

A plan of action will need to be determined prior to Jan 1, 2014 and alternatives be reported to the Legislature.

## MADDY EMS FUND HISTORY

**1991** – Based on a recommendation from the Courts and the Law and Justice Community, the Santa Barbara County Board of Supervisors passed Resolution # 91-682 which allocated all funds collected under Government Code 76000 to the Courthouse Construction Fund and Criminal Justice Facility Construction Fund. The option to implement Maddy Emergency Medical Services (EMS) Fund was not taken at that time.

**2003** – Board of Supervisors directed EMS Agency staff to work with other interested parties to seek legislation to establish a Maddy EMS Fund.

**2005** – SB 635 was signed into law allowing the County to establish a Maddy EMS Fund by increasing surcharges on fines and forfeitures under GC76000, for Santa Barbara County only, with a sunset date of January 1, 2007.

**2007** – AB 2265 extended the sunset date to January 1, 2009 and required the County to place an appropriate tax measure on the ballot on or before November 2008.

**2008** – Measure S, a parcel tax of \$35.15 per parcel of property was placed on the February 5, 2008 election, but failed to gain the required 2/3 votes to pass.

**2008** – AB 1900 was proposed with the stipulation that “should AB1900 be signed and chaptered into law, it is the clear understanding of the legislature and the Governor that the County would not pursue another legislative bill to further extend or remove the sunset date of the Maddy EMS Fund”.

**2009** – AB1900 went into effect providing Maddy EMS funding based on fines and forfeitures on alcohol and drug related violations only. It reduced the funding from \$1.9 million to \$600,000 annually. AB 1900 extended the sunset date until January 1, 2011. It stipulated that the County would address Maddy funding through a local mechanism.

**2009** – SB 1265 statewide legislation provided an increase in fine and forfeitures on GC 76000 to enhance Maddy funds and to fund pediatric trauma care. Santa Barbara County passed a resolution in December, 2008 that provided access to these funds, which will sunset January 1, 2014.

**2011** - Assembly Member Williams proposed legislation to continue Maddy funding in Santa Barbara County. The bill indicated the County would place a tax measure before voters to generate ongoing funding to support the Maddy EMS Fund.

**2012** – AB 412 signed into law continues limited fines and forfeitures to alcohol and drug related violations to authorize a Maddy EMS Fund for Santa Barbara with sunset date of January 1, 2014, with the stipulation that the County would address Maddy funding through a local mechanism.