

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

431



**FROM:** Executive Office

**SUBMITTAL DATE:**  
April 10, 2012

**SUBJECT:** Assembly Bill 2096 (Perez) which would reduce Safety Net Care Pool Uncompensated Care Pool (SNCP) funds to county hospitals and University of California (UC) hospitals

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Oppose Assembly Bill 2096; and
2. Authorize the chairman of the Board to forward a letter of opposition to our Sacramento based advocates and the bill's author.

**BACKGROUND:** AB 2096 (Perez) would reduce the amount of limited funding available for county/University of California (UC) hospitals to care for uninsured in their communities. The bill would allow district hospitals to receive existing Safety Net Care Pool Uncompensated Care Pool (SNCP) funds which are currently allocated only to county owned/operated and University of California (UC) hospitals. The SNCP is a declining revenue source and it should be concentrated in general acute facilities which either have a statutory obligation to care for the uninsured or who provide such care to significant numbers of these individuals.

*Alex Gann*

ALEX GANN  
Principal Management Analyst

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE  
BY: *Christopher M. Hans*  
County Executive Office Signature

Policy  
 Policy  
 Consent  
 Consent

Department Recommendation:  
 Per Executive Office:

**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Tavaglione, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley  
 Nays: None  
 Absent: None  
 Date: April 17, 2012  
 xc: EO, State Rep's.

Kecia Harper-Ihem  
 Clerk of the Board  
 By: *Kecia Harper-Ihem*  
 Deputy

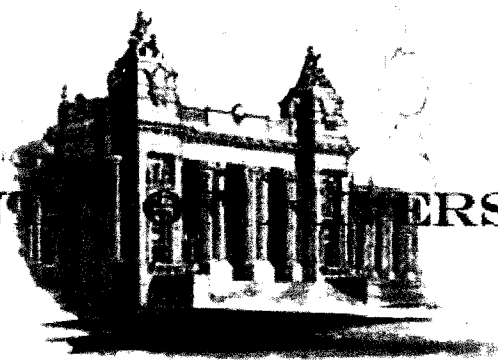
**BACKGROUND continued:** SNCP funds are an essential component of a larger program to transform care for low-income populations in California. There are currently 21 hospitals which are receiving SNCP funds. These hospitals are either county owned/operated or University of California (UC) hospitals and are known as the Designated Public Hospitals (DPH), which represent 6% of the hospitals state-wide but provide nearly half of all hospital care to California's 7 million uninsured. District hospitals or non-designated public hospitals (NDPHs) have more than double the number of facilities as DPHs, but provide less than 8% of total uninsured care among DPH and NDPH facilities.

Due to the economic downturn, public hospital systems have seen the number of uninsured in their systems increase, making SNCP funds ever more critical to help with the growing number of low- and middle-income individuals in public hospital systems that are uninsured.

Designated Public Hospitals provide a unique role:

- **All patients served.** County owned public hospitals are obligated, pursuant to Section 17000 of the Welfare and Institutions Code, to accept all patients regardless of ability to pay. Non designated hospitals do not share this Section 17000 obligation.
- **Specialized Care.** Public hospitals operate more than half of California's top-level trauma centers; operate almost half of California's burn centers.
- **High Impact.** The limited Safety Net Care Pool funds should remain allocated to health care delivery systems that serve the largest percentage of uninsured and vulnerable patients.

# COUNTY OF RIVERSIDE



## Board of Supervisors

- |                             |   |
|-----------------------------|---|
| District 1                  | <b>Bob Buster</b><br>951-955-1010         |
| District 2<br>Chairman      | <b>John F. Tavaglione</b><br>951-955-1020 |
| District 3                  | <b>Jeff Stone</b><br>951-955-1030         |
| District 4<br>Vice Chairman | <b>John Benoit</b><br>951-955-1040        |
| District 5                  | <b>Marion Ashley</b><br>951-955-1050      |

April 12, 2012

The Honorable V. Manuel Pérez  
Member, California State Assembly  
State Capitol, Room 4117  
Sacramento, CA 95814

**Subject: AB 2096 (V.Manuel Pérez) – OPPOSE**

Dear Assembly Member Pérez:

On behalf of the Riverside County Regional Medical Center (RCRMC) and the monthly average number of 24,000 uninsured patients we serve, I am writing to respectfully oppose AB 2096, which would allow non-designated public hospitals (NDPHs) to claim funding from the Safety Net Care Pool Uncompensated Care Pool (SNCP). The SNCP is intended to provide some funding assistance to offset the cost of uncompensated care to the uninsured. It is a diminishing revenue source that should remain with those public hospital systems that serve extraordinarily large numbers of low-income and uninsured patients and that provide specialty services that NDPHs do not provide.

RCRMC is one of 21 hospitals that receive SNCP funds. We are county-owned and operated and known as a designated public hospital (DPH). The SNCP allows us to provide to these 24,000 indigent patients who have no ability to pay for the service they receive.

Designated public hospitals such as ours play several unique roles in the state. We are obligated, pursuant to Section 17000 of the Welfare and Institutions Code, to accept all patients regardless of ability to pay. NDPHs do not share this Section 17000 obligation. For our system, the financial burdens of caring for the uninsured are significant, and the SNCP is a key source of revenue in meeting this need. Spreading the Safety Net Care Pool to a larger number of hospitals would undermine the efforts currently underway to focus limited resources where there is a largest need, and to expand coverage to the uninsured in preparation for health reform in 2014. Designated public hospitals also provide highly specialized care that is not available at other facilities. RCRMC provides services such as the Infusion Center, which is very unique in nature. RCRMC is also a Level II Trauma Center. It is the largest volume Trauma Center in Riverside County and the only designated Pediatric Trauma Center.

The Honorable V. Manuel Pérez  
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We operate the only California Childrens Services (CCS) approved Pediatric Intensive Care Unit in the County. Additionally, we operate the unique services of a Detention (jail) Unit, Sexual Assault Response Team, Child Abuse and Neglect Team, and the only locked Psychiatric Emergency and Inpatient Acute Hospital units in the County. We also operate extensive physician residency training programs in numerous medical specialties, the only hospital in Riverside County to do so. No other hospital in Riverside County provides this array of services.

As one consequence of operating these services, we do not have very many insurance or Medicare patients, as almost all of our space is required for the populations described above. By having a very low mix of insurance and Medicare, we do not enjoy these revenue sources that constitute the vast majority of revenues for Non Designated Public Hospitals. It is therefore critical that Safety Net Care Pool dollars remain allocated solely to the Designated Public Hospitals, as the NDPHs in no way provide services comparable to those in DPH's, and there are no other revenue sources to replace the SNCP revenues that would be lost by the DPHs if AB 2096 were to pass.

AB 2096 (V. Manuel Pérez) would reduce the amount of limited funding available for county/UC hospitals to care for the uninsured in their communities. The SNCP is a declining revenue source, with reductions scheduled for each year of the Waiver, and it should be concentrated in general acute facilities which either have a statutory obligation to care for the uninsured or who provide such care to significant numbers of these individuals. Non-designated public hospitals do not meet either test.

For these reasons, we must respectfully oppose AB 2096. These funds are critical to our mission of providing care to the uninsured and improving the delivery of high quality care. If you have any questions regarding our concerns, please contact Doug Bagley at (951) 486-4470. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John Tavagione", written over a circular stamp or mark.

John Tavagione  
Chairman, Board of Supervisors

cc: Doug Bagley, Hospital Director  
Jay Orr, Assistant County Chief Executive Officer  
California Association of Public Hospitals and Health Systems