

4260 Department of Health Care Services

Issue	Description	Difference (dollars in thousands)	Conference Action
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4260-101-0001 Medi-Cal Program, Department of Health Care Services

New	Maximize Federal Funds Through Use of Emergency Medical Services Fund.	-\$55,000	
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\$55,000
Special Fund

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Existing law authorizes collection of assessments on certain traffic and criminal violations, and revenue from traffic school fees. These funds are deposited in the Emergency Medical Services Fund (known as the “Maddy Fund”). These funds are used to compensate physicians and hospitals that provide emergency medical services to the uninsured and cannot pay for their medical care. This fund does *not* presently obtain a federal match.

To maximize federal funds, and offset \$55 million in General Fund support in Medi-Cal, the State could direct the use of the Emergency Medical Services Fund for expenditure in the Medi-Cal Program, where the State would obtain a federal match of \$55 million (federal funds).

Under the State’s recently approved 1115 Medicaid Waiver, uncompensated care provided by physicians and hospitals will be less since Counties are able to obtain a federal match for their low-income, uninsured adult programs.

Therefore, federal funds are being maximized to a full extent.

March 9, 2011

Assembly Member Das Williams
Assembly Member Katcho Achadjian
Senate Member Sam Blakeslee

Re: Oppose Cuts to Local Maddy Funding

The Honorable Assembly Member Williams:

Santa Barbara County is very concerned about how the potential loss of the Maddy Funds (as agreed to by the Budget Conference Committee last week) would impact our local Emergency Medical Services (EMS) systems and the EMS system in California. We urge you to do all you can to help reverse this decision and reject this proposal.

Since the inception of the Maddy fund for Santa Barbara County in 2005, \$8,769,795 in revenue has been generated to support the emergency medical system. The funding goes to partially reimburse physicians, hospitals and trauma centers for uncompensated emergency medical care, and to the local EMS agency to support the overall local EMS systems.

Maddy funding ensures that when the 9-1-1 system is activated for a medical emergency, highly trained paramedic level ambulance personnel respond to the call and the individual in need is taken the most appropriate hospital to meet the specialized needs of the patient. The EMS agency system provides:

1. Oversight and coordination of ambulance providers and EMS first responders
2. Medical direction to provide clinical oversight of pre-hospital emergency care
3. Certification and discipline of Emergency Medical Technicians (EMTs)
4. Specialty EMS programs such as trauma, acute cardiac care, EMS for children
5. Disaster medical response

Although the rationale for this shift of funding from the local level to the state level appears to be to help acquire federal matching dollars, these dollars will go into the general Medi-Cal fund and not be allocated by county in support of emergency medical care. It is also important to note that the assumption of the 1115 Waiver/Low Income Health Program (LIHP) significantly reducing the uninsured burden is misleading. Our LIHP, as in most other jurisdictions, will cover only a very small percentage of the uninsured – likely less than 2,000 enrollees out of 60,000 to 70,000 uninsured in Santa Barbara County. The 1115 Waiver / LIHP program is terribly inadequate to offset the loss of Maddy funds that ensure access to emergency medical care.

The Maddy fund is the only mechanism to fund physicians and hospitals for uncompensated emergency medical care. The Maddy fund also supports physician on-call panels at specialty care centers (trauma and cardiac receiving hospitals). Reduction or elimination of this critical source of funding for local emergency medical care will negatively impact the 9-1-1 safety net. Maddy Funds are critical for funding these services at the county level and their loss would destabilize our local EMS system in California.

We urge you to help stop this transfer of local Maddy fund revenues and to ensure that the unintended consequences of this legislative action are fully evaluated and reversed. We understand that you have very difficult decisions to make to close the budget deficit and support of the Medi-Cal program is vitally important to counties as well. However, the loss of Maddy funding at the local level will make a bad situation even worse.

Thank you for your support and prompt consideration to this important matter.

Sincerely,