

FY 2007-08
Tobacco Settlement
Allocation and Spending Plan



Juliette A. Poulson, RN, MN
Director, Health Care Agency
May 15, 2007



Tobacco Settlement Allocation and Spending Plan FY 2007-08

The Health Care Agency (HCA) collected input from community representatives on a spending plan for the health care portion of the FY 2007-08 Tobacco Settlement Revenues (TSR). HCA and community advocates met throughout the year to monitor the progress of projects funded by TSR and to plan for the future uses of TSR for health related services. Participation in the Tobacco Settlement planning process was expanded through a targeted recruitment for additional community representatives in the TSR subcommittees.

Subcommittees corresponding to the Measure H categories developed the recommended allocations for TSR funded concepts and priorities. These recommendations were presented to the Tobacco Settlement Advisory Group, which in turn sends a recommendation to the HCA Director on proposed allocations of Tobacco Settlement funds in each of the Measure H categories.

Measure H Categories

In November of 2000, Orange County voters approved Measure H, which allocated Tobacco Settlement Funds in Orange County to specific purposes. This requirement took effect on July 1, 2001. The Orange County Tobacco Settlement Funds received from the Tobacco Litigation Master Settlement Agreement of 1998 are allocated and appropriated as follows according to the requirements of Measure H:

- 19% to provide health care services for seniors and persons with disabilities.
- 12% to tobacco prevention and control, including cessation services, for youth and adults to reduce smoking and the consumption of tobacco, other addiction programs, and community mental health programs and facilities.
- 20% to non-profit community clinics.
- 23% to fund emergency medical services provided by emergency room physicians and emergency room on-call physician specialists.
- 6% to hospitals within Orange County maintaining basic or comprehensive emergency services or trauma centers to cover the costs of providing charity care.
- 20% to the Sheriff's Department for public safety programs and services.

Measure H also limits the County to 1% of the funds to administer the fund. The programs will also be monitored to ensure conformance with program objectives and outcome measures.

The proposed projects totaling \$28 million for FY 2007-08 have been identified below. This total includes approximately \$3.3 million in prior year Tobacco Settlement funds and \$24.7 million in Tobacco Settlement funds expected in FY 2007-08.

In the event that prior year funds and the Tobacco Settlement Revenues received for FY 2007-08 are greater or less than the estimated amounts, the Health Care Agency in coordination with the County Executive Office may adjust the spending plan and budget in accordance with Measure H requirements.

Tobacco Settlement Proposed Allocations FY 2007-08

This spending plan describes the proposed allocations for the Tobacco Settlement Funds expected in FY 2007-08 as well as the anticipated Tobacco Settlement Funds allocated but unspent from prior fiscal years. The amount of TSR carried over from prior years is estimated in this plan. The actual amount of Tobacco Settlement Funds available in FY 2007-08 may vary slightly from the estimates due to variations in tobacco sales, but all expenditures will be consistent with Measure H requirements. Community representatives will continue to participate during the implementation of the proposed Tobacco Settlement projects.

Measure H Category	Estimated Prior Year Funds	Allocations of Projected FY 2007-08 Funds	Estimated Total TSR Allocations
Health Care Services for Seniors and Persons with Disabilities	3,283,781	5,811,425	9,095,206
• Senior Non-Emergency Medical Transportation	3,115,499	1,557,654	4,673,153
• Services for Seniors	0	1,553,412	1,553,412
• Mental Health Services for Persons with Disabilities	66,706	2,169,345	2,236,051
• Health Services for Persons with Disabilities	0	170,461	170,461
• Deferred Allocation	101,576	360,553	462,129
Tobacco Prevention/Control, Other Addictions and Community Mental Health	47,771	3,670,374	3,718,145
▪ Tobacco Prevention/Cessation	0	1,378,043	1,378,043
▪ Substance Abuse Prevention	0	263,943	263,943
▪ Substance Abuse Treatment	0	908,532	908,532
▪ Community Mental Health Programs	0	752,819	752,819
• Deferred Allocation	47,771	367,037	414,808
Community Clinics	0	6,117,290	6,117,290
Emergency Room Physicians/On-call Physician Specialists	0	7,034,883	7,034,883
Hospitals to Offset the Cost of Charity Care	0	1,835,187	1,835,187
County Administration	0	247,163	247,163
Total Proposed TSR Program Costs	3,331,552	24,716,322	28,047,874

*While \$4.7 million has been allocated to senior non-emergency medical transportation, it is anticipated that contract transportation programs will spend approximately \$3 million in FY 2007-08. The remainder will be utilized for senior non-emergency medical transportation programs in future fiscal years.

HEALTH CARE SERVICES FOR SENIORS AND PERSONS WITH DISABILITIES:

- **Senior Non-Emergency Medical Transportation \$4,673,153**

This proposed allocation includes approximately \$3.1 million in prior year TSR funds dedicated for non-emergency transportation purposes in addition to \$1.6 million of continued support for non-emergency medical transportation for seniors.

This year the Office on Aging (OoA) will continue to streamline the contracted community-based transportation programs to address a portion of the unmet non-emergency medical trip needs of poor older adults in Orange County. OoA projections show contracted transportation programs expending approximately \$3 million in FY 2007-08.

- **Services for Seniors \$1,553,412**

The projects to provide health services for older adults include the continuation of the Senior Health Outreach Programs for high-risk elderly with health and mental health needs; in-home, mental health treatment for older adults with depression; a Friendly Visitor Coordination Program for isolated homebound seniors and a program using community health workers to connect isolated frail elderly Latinos to existing services.

- **Mental Health Services for Persons with Disabilities \$2,236,051**

The proposed mental health programs in this category include continuing partial funding for a rehabilitation program for seriously and persistently mentally disabled adults, a dedicated clinical team to respond and provide assessments of high risk mentally ill persons throughout the County, a special treatment program with an intensive outpatient program to help individuals integrate more rapidly into the community, and a project to provide intensive outpatient services to consumers who are frequently hospitalized and/or incarcerated.

- **Health Services for Persons with Disabilities \$170,461**

The proposed allocations for persons with disabilities include continued implementation of a Health Care Access project to assist persons with disabilities in obtaining appropriate health care and a pediatric screening for disabilities program.

TOBACCO PREVENTION/CONTROL AND OTHER ADDICTION PROGRAMS AND COMMUNITY MENTAL HEALTH PROGRAMS:

- **Tobacco Prevention and Cessation Programs \$1,378,043**

These proposals include the continuation of Tobacco-Free Communities, (TFC) a community-school linked tobacco education and cessation program, and countywide tobacco cessation services that will include no cost cessation classes, phone and in person counseling and self-help seminars for youth and adults who wish to quit smoking.

- **Substance Abuse Prevention \$263,943**

Substance abuse prevention plans include the continuation of Community and School-Based Programs intended to reduce: alcohol and drug use by youth, the incidence of drunk driving in selected communities, binge drinking among the high risk 18-24 year old college student population, and the production and use of methamphetamine. These projects are ongoing prevention efforts for FY 2007-08.

- **Substance Abuse Treatment \$908,532**

Substance Abuse Treatment proposals include the continuation of funding for residential substance abuse treatment for pregnant or parenting women and their children, Alcohol & Drug Abuse Services for families involved in Domestic Violence, and psychiatric services at contracted and County operated substance abuse treatment facilities for clients with co-occurring mental illness and substance abuse diagnoses.

- **Community Mental Health \$752,819**

The community mental health proposal is to continue funding for inpatient psychiatric beds to partially address the need for beds dedicated to patients with acute medical and psychiatric symptoms.

COMMUNITY CLINICS: \$6,117,290

For FY 2007-08 the Coalition of Orange County Community Clinics plans to fund direct patient care or other service programs as follows: \$5.2 million will be available to continue existing TSR-funded projects including Core Operating Support Services and a Public Health Project that includes the referral of selected public health patients living within a clinic's service area to that clinic for increased access to breast health for women. The remaining Tobacco Settlement funds will support monitoring activities, developing a system of care, strengthening operational capacity, and collaborations among the clinics.

EMERGENCY ROOM AND ON-CALL PHYSICIAN SPECIALISTS: \$7,034,883

This allocation provides funding to compensate emergency room physicians and emergency room on-call physician specialists for services for non-paying patients.

HOSPITALS PROVIDING CHARITY CARE: \$1,835,187

Orange County hospitals providing emergency medical services will receive payments proportionate to the level of uncompensated care each provides. Hospitals shall maintain basic or comprehensive emergency services to receive funding.