ASSEMBLY BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

Assembly Member Dave Jones, Chair

MONDAY, APRIL 12, 2010
STATE CAPITOL, ROOM 444
1:30 PM

4120 EMERGENCY MEDICAL SERVICES AUTHORITY

Overall Background

The overall responsibilities and goals of the Emergency Medical Services Authority (EMSA) are to: 1) assess statewide needs, effectiveness, and coordination of emergency medical service systems; 2) review and approve local emergency medical service plans; 3) coordinate medical and hospital disaster preparedness and response; 4) establish standards for the education, training and licensing of specified emergency medical care personnel; 5) establish standards for designating and monitoring poison control centers; 6) license paramedics and conduct disciplinary investigations as necessary; 7) develop standards for pediatric first aid and CPR training programs for child care providers; and 8) develop standards for emergency medical dispatcher training for the "911" emergency telephone system. During an emergency, the role of the EMSA is to respond to any medical disaster by mobilizing and coordinating emergency medical services' mutual aid resources to mitigate health problems.

EMSA 3-YEAR BUDGET OVERVIEW

FUNDING	2008-09	2009-10	2010-11
General Fund	$11,459,000	$8,422,000	$9,016,000
Emergency Medical Services Training Program Approval Funds	324,000	400,000	440,000
Emergency Medical Services Personnel Fund	1,415,000	1,426,000	1,565,000
Federal Trust Fund	1,973,000	2,398,000	2,525,000
Reimbursements	6,578,000	8,940,000	9,226,000
Emergency Medical Technician Certification Fund	-	-	1,459,000
TOTALS, EXPENDITURES, ALL FUNDS	$21,749,000	$21,586,000	$24,231,000

STAFF COMMENT

Please provide an overview of EMSA, its programs and budget.

Issue 1: Emergency Medical Technician 2010 Project

Budget Issue
The EMSA proposes an increase of $1.2 million (from the Emergency Medical Technician Certification Fund) to implement AB 2917 (Torrico, Chapter 274, Statutes of 2008).

Specifically, the $1.2 million will be used to: 1) support four permanent positions to implement the requirements of the legislation; 2) support one two-year limited-term position to conduct research and develop reports regarding the background checks; 3) fund data processing, storage and software maintenance associated with a centralized registry; and 4) reimburse Administrative Law Judges for disciplinary hearings (about $300,000).

Background
AB 2917 established the EMSA's authority to: 1) establish fees in regulation; 2) have a centralized, statewide registry of Emergency Medical Technicians; 3) conduct background checks; and 4) reimburse Administrative Law Judges for emergency medical technician discipline hearings.

The EMSA received approval from the Office of the State Chief Information Officer (OCIO) in April 2009 for the centralized registry. Generally, this system augments the current paramedic licensing system with a web-based system.

STAFF COMMENT

Please describe AB 2917 in general terms and the overall process of implementing it.

Staff Recommendation – Approve request.

Issue 2: Workload for Paramedic Licensing Activities and Fee Adjustment

Budget Issue

The EMSA requests 1.0 Program Technician III and increased expenditure authority of $86,000 (from the Emergency Medical Services Personnel Fund) to support a Program Technician II position to address workload associated with various paramedic licensing activities. The EMSA contends additional resources are necessary in order to ensure the timely licensing of paramedics, to identify any discrepancies in reporting, and to monitor required continuing education information reported by paramedics. There are about 16,900 paramedics in California and, according to EMSA, all aspects of EMSA's licensing workload have increased. The EMSA unit is staffed with three permanent employees and three retired annuitants. This staff is charged with: 1) receiving, reviewing and processing paramedic applications; 2) issuing licenses; and 3) providing technical assistance to paramedics regarding licensing and enforcement issues. The additional position will facilitate this workload as well.

Effective July 1, 2010, the EMSA has proposed to increase paramedic fees as provided for in AB 2917 (Torrico, Chapter 275, Statutes of 2008). The law enables the EMSA to increase fees as appropriate to administer this program. The fees have not been raised since 1994 and EMSA proposes raising them $35 in 2010-11 and another $35 in 2011-12. Since 1994, the number of licensed paramedics has increased from 7,600 to approximately 16,900. According to the EMSA, public meetings were held and the rulemaking is anticipated to be completed in the spring of 2010. The proposed increase is shown in the chart below. The EMSA Commission, not the Legislature, must approve of all fee adjustments.

PARAMEDIC LICENSE FEES					
Fee	**Number of Applicants**	**Current Fee**	**Proposed Revised Fee (2010-11)**	**Current Revenue**	**Revised Revenue**
Renewal Application	8,450	$125	$160	$1,056,250	$1,352,000
New Applicant Licensure	1,300	$125	$160	$162,500	$208,000
In-State Initial	1,200	$50	$50	$60,000	$60,000
Out-of-State Initial	100	$100	$100	$10,000	$10,000
State Licensure Match	8,450	$5	$5	$42,250	$42,250
Late Fee	400	$50	$50	$20,000	$20,000
TOTAL REVENUE				**$1,351,000**	**$1,692,250**

STAFF COMMENT

Staff Recommendation – Approve.

Issue 3: Pharmaceutical Cache (Stand By) for Mobile Field Hospitals

Budget Issue

The EMSA requests an increase of $448,000 (General Fund) to fund a pharmaceutical cache for the Mobile Field Hospitals (total of three). The EMSA states that this funding would ensure a fresh supply of pharmaceuticals to be on hand and delivered within 48 hours of the deployment of a Mobile Field Hospital (MFH). Pharmaceutical caches consist of medications, treatment kits, intravenous solutions, and other medical supplies. An allocation of $18 million (General Fund, one-time only) was provided in 2006 for the purchase of pharmaceutical drugs, maintenance, medical supplies and related materials. In addition, $1.7 million (General Fund, ongoing) was provided for pharmaceutical drugs, storage, staff and maintenance. The EMSA contends that only $24,000 of the $1.7 million (General Fund) is available for ongoing pharmaceutical supplies.

EMSA states that an integral part of the operational readiness, response and successful deployment of each MFH is a pharmaceutical drug cache, for which the original budgeted amount was $23,000. Now, EMSA estimates the cost of the cache to be $471,000, and therefore is requesting the difference of $448,000. EMSA states that the original estimate of $23,000 was simply a very inaccurate under-estimate.

EMSA has explored various ways that the state might be able to secure sufficient pharmaceutical supplies within 72 hours of a disaster, and has concluded that this proposal represents the only viable option. They considered:

1. Obtaining the supplies at the time of need. They found that it was impossible to guarantee that adequate supplies could be obtained on an immediate basis.

2. Utilizing the existing MFH vendor (Blu-Med) to assemble the cache at the time of need from out-of-state resources. As with the previous, there would be no guarantee that sufficient supplies would be on hand when needed.

3. Requesting assistance from the federal government to supply pharmaceuticals from the Strategic National Stockpile (SNS). EMSA learned that the SNS does not have the capacity to provide varying amounts of many different types of medications; rather they stock only large quantities of a few items.

EMSA also states that local governments lack stores of pharmaceuticals that could be used in a disaster and that efforts to enlist the help of private pharmacies would present the state with significant logistical challenges in situations when time will be critical to saving lives.

Given this, EMSA believes that purchasing drugs in advance is the only viable option for ensuring an adequate and immediate supply during a major disaster. Potentially under this proposal, the EMSA would contract with Amerisource-Bergen (the state's preferred provider) to have the necessary supplies on hand at all times. Amerisource-Bergen would regularly replace and refresh drugs as they reach their expiration dates.

EMSA's proposal could be viewed much like the state buying an insurance policy. The state would be spending close to half a million dollars per year to have a supply of drugs ready and available for a disaster that, fortunately, in most years would never have to be used. This same request has been denied for the past two-years due to the state's fiscal crisis.

STAFF COMMENT

EMSA and DGS are in on-going discussions with the state's preferred vendor about what they can do for the state and at what cost to the state. It is possible that EMSA will have more detailed cost information as part of May Revise.

Please describe your discussions with Amerisource-Bergen and what and when you anticipate additional information from them.

Please explain the actual anticipated physical location of the drug supply if this were approved.

Staff Recommendation – Keep Open and revisit at May Revise with the hope of having additional cost information.

Issue 4: Federal Reimbursements for the California Poison Control System

Budget Issue

In response to state budget cuts and direction from the Legislature to seek out alternative sources of funding, over the past year the EMSA successfully coordinated with the Managed Risk Medical Insurance Board (MRMIB) to secure approval from the federal government for a federal match to be provided for the Poison Control Centers through the federal Children's Health Insurance Program (CHIP). California's CHIP program is the Healthy Families Program operated by MRMIB. Federal financial participation (FFP), through CHIP, is available for Poison Control Center services provided to low-income, uninsured children (the same population served by Healthy Families), amounting to $5.4 million which is based on California's regular federal CHIP match of 65 percent FFP. The EMSA has submitted a Spring Finance Letter to the Legislature seeking expenditure authority for this increase in federal funds of $5.4 million. Expenditure of current year funds was handled through a Section 28 letter.

Background

The Poison Control Centers are a statewide network of experts that provide free treatment advice and assistance to people over the telephone in case of exposure to poisonous or hazardous substances. It provides Poison help and information to both the public and health professionals and is accessible, toll-free, 24 hours a day, 7 days a week, and every day of the year. All fifty states have poison control systems.

The program was initially established in 1987 in ten different hospitals which operated independently and served different geographic regions, without guidance or regulation by the state. This system was eventually consolidated into seven regional poison centers required to meet minimum operational standards. In 1997, a new statewide system was created to provide uniform poison control services, and EMSA contracted with the University of California San Francisco to administer the program. The system maintains interpreting services in over 100 languages.

The General Fund support for the program was reduced by $1 million in 2008-09 and by $2.95 million in 2009-10, from $6.9 million in 2007-08 to $2.95 million in 2009-10. During last year's budget hearings, several physicians testified in support of funding the Poison Control Centers citing the Centers' expertise that exceeds that of other health professionals, as well as the cost savings in emergency care. The EMSA indicated that, without this new federal funding, the poison control centers would have ceased operations in January 2010.

Poison Control Centers Budget		
	2009-10 Budget	**2010-11 Projected**
General Fund	$2,950,000	$2,950,000
HRSA Federal Stabilization Grant	$2,600,000	$2,600,000
Medi-Cal	$800,000	$800,000
Miscellaneous	$218,000	$218,000
MRMIB (CHIP)	-	$5,279,000
TOTAL FUNDING	**$6,568,000**	**$11,847,000**

STAFF COMMENT

Staff Recommendation – Approve.

4140 OFFICE OF STATEWIDE HEALTH PLANNING & DEVELOPMENT

Overall Background
The Office of Statewide Health Planning and Development (OSHPD) develops policies, plans and programs to assist healthcare systems in meeting current and future health needs of the people of California by ensuring the ongoing safety of healthcare facilities, evaluating the ability of healthcare facilities to provide continued operation and necessary health services in the event of a disaster, and improving the overall delivery and accessibility of healthcare in the state.

OSHPD has a total budget of $98.8 million ($126,000 GF) in 2009-10 and a proposed budget of $102.2 million ($75,000 GF) in 2010-11. Please see the chart below for additional detail.

OSHPD BUDGET			
Fund	**Actual 2008-09**	**Estimated 2009-10**	**Proposed 2010-11**
General Fund	$299,000	$126,000	$75,000
Hospital Building Fund	47,023,000	51,157,000	55,852,000
California Health Data and Planning Fund	22,654,000	26,223,000	28,465,000
Registered Nurse Education Fund	1,579,000	2,047,000	2,119,000
Health Facility Construction Loan Insurance Fund	13,238,000	4,529,000	4,826,000
Health Professions Education Fund	1,124,000	1,852,000	1,291,000
Federal Trust Fund	1,197,000	3,527,000	1,238,000
Reimbursements	384,000	1,916,000	1,120,000
Mental Health Practitioner Education Fund	440,000	482,000	519,000
Vocational Nurse Education Fund	41,000	146,000	224,000
Mental Health Services Fund	3,022,000	3,929,000	3,583,000
Medically Underserved Account for Physicians, Health Professions Education Fund	157,000	2,855,000	2,861,000
Total Expenditures (All Funds)	**$91,161**	**$98,789**	**$102,173**

STAFF COMMENT

Please provide an overview of OSHPD, its programs and budget.

Issue 1: Medical Information Reporting (MIRCal) System

Budget Issue
OSHPD requests budget authority of $343,000 (from the California Health Data and Planning Special Funds (CHDPF)) to transition some of the existing staffing for maintenance and enhancement of the Medical Information Reporting (MIRCal) system from contracted vendor services to three new, permanent state positions. The total CHDPF budget for 2009-10 is $26.2 million (all special funds from health facilities fees). The total MIRCal external contract budget for 2009-10 includes $482,200 of these funds.

Background
OSHPD implemented the MIRCal system in 1998 to collect and disseminate data on patients discharged from California's licensed hospitals, Emergency Departments, and Ambulatory Surgery Centers. Up to five contract staff at a time currently program and administer the system. OSHPD states that it struggles each year with the time it takes to procure and manage a sole source vendor contract and that the state would benefit from a stronger knowledge base among its own staff.

The CHDPF receives revenue from assessment fees on hospitals and long-term care institutions to pay for OSHPD functions. Typically the fund has a balance, $12 million of which has been loaned to the General Fund.

STAFF COMMENT

Staff Recommendation – Approve.

Issue 2: Song-Brown Program General Fund Support

Budget Issue

OSHPD requests, for 2010-11, to once again shift funding for the Song-Brown Program to special funds from the California Health Data and Planning Fund (CHDPF), instead of using General Fund. Total Song-Brown funding is $5 million ($4.7 million for local assistance and $349,000 for state operations). Again, the total CHDPF budget for 2009-10 is $26.2 million (all special funds from health facilities fees). This same shift occurred in both of the past two years.

Background

The Song-Brown Program's goal is to increase the number of family practice physicians, primary care physician assistants, family nurse practitioners, and registered nurses in areas of the state that are medically underserved (e.g., rural and low-income communities). Song-Brown funding goes to support professional health educational programs, such as family practice residency programs, that provide appropriate training opportunities to their students. Providers with Song-Brown training and education deliver primary care services through the University of California's teaching hospitals, 61 percent of county facilities, and a number of community health centers. Approximately 60 percent of family practice physicians and registered nurses trained in Song-Brown funded programs choose to serve in underserved communities.

STAFF COMMENT

Staff Recommendation – Approve.

Issue 3: Vocational Nurse Education Fund

Budget Issue
OSHPD requests an increase in Vocational Nurse Education Fund (VNEF) expenditure authority of $40,000 in 2010-11 and future years to fund additional scholarships and loan repayment awards. The total VNEF revenue is approximately $165,000 annually (all fee based).

Background
The VNEP is one of the programs administered by the Health Professions Education Foundation, which is a non-profit foundation housed at OSHPD. The Legislature created the Foundation to encourage individuals from underrepresented communities to become health professionals. The Foundation's programs are supported by grants, donations, licensing fees, and special funds. Grant funding for this program has not been renewed and therefore, going forward, scholarship and loan repayment awards will be paid with fee revenue.

The VNEP, in particular, is supported by a $5 license renewal fee that OSHPD collects from the Board of Vocational Nursing and Psychiatric Technicians and from private foundation grants. Since its inception, VNEP has awarded 62 scholarships and loan repayments to vocational nurses who agree to work in medically underserved areas of the state for two years. The requested spending authority would allow OSHPD to fund approximately 10-14 additional scholarships and loan repayment awards.

STAFF COMMENT

Staff Recommendation – Approve.

Issue 4: Staffing for Health Care Data Requests

Budget Issue
OSHPD is requesting an increase of $144,000 in California Health Data and Planning Fund (CHDPF) expenditure authority and to redirect two positions for a two-year limited term in response to anticipated increased workload resulting from SBX5 2 (Chapter 1, Statutes of 2010) which allows non-profit entities to request health data from OSHPD.

Background
OSHPD collects confidential patient-level data from California licensed hospitals, emergency departments and ambulatory surgery centers. State statute allows for the release of limited portions of this data to California hospitals, local public health officers and local public health departments, and specified federal public health agencies. Prior to passage of SBX5 2, confidential patient level data for research purposes could be shared, upon request, only with the University of California and similar nonprofit education institutions. SBX5 2 expanded this to include non-profit entities in general.

All research requests for OSHPD's confidential patient-level data must include a project protocol approved by the Committee for the Protection of Human Subjects (CPHS), thereby necessitating CPHS review of these data requests. CPHS is housed within OSHPD and has federal and state mandates to protect the rights of human subjects involved in research. OSHPD expects a substantial increase in the CPHS workload as a result of SBX5 2.

STAFF COMMENT

SBX5 2 was a bill addressing education issues, and specifically the federal Race To The Top (RTTP) program. The bill seeks to facilitate educational data sharing in order to make California eligible for additional RTTP funding. In order to meet RTTP requirements, SBX5 2 requires CPHS to enter into an agreement with an Institutional Review Board (created by SBX5 2 to review requests for educational data). One of the goals of the bill was to make educational data available to various non-profit entities that are likely to engage in educational research. The unintended effect of the bill is to make not only educational data, but also confidential patient-level health data, available to all "nonprofit entities." This was not the intent of the Legislature and it's a health policy change that received no review or public discussion by the health committees of the Legislature.

Staff Recommendation – Deny and adopt place-holder trailer bill language to narrow the provision in SBX5 2 to its intended purpose which is only to affect the accessibility of educational data, and not health data.