

**AGENDA**  
**SUBCOMMITTEE No. 1**  
**ON HEALTH AND HUMAN SERVICES**

**ASSEMBLYMEMBER JERRY HILL, CHAIR**

**MONDAY, APRIL 27, 2009**  
**STATE CAPITOL, ROOM 127**  
**4:00 P.M.**

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## CONSENT ITEMS

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| <b>ISSUE 1 (CONSENT): GENETIC DISEASE SCREENING PROGRAM</b><br><b>--SPRING FINANCE LETTER --</b> |
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***Proposal:***

This proposal is to make a "technical adjustment" related to the restructuring of the budget of the Genetic Disease Screening Program (GDSP), specifically in the form of an increase to State Operations of \$437,000. This correction has no General Fund impact.

***Background:***

The GDSP is the largest genetic disease screening program in the world, including both newborn and prenatal screening. Annually, approximately 560,000 newborns born in California are screened for 70 genetic disorders and GDSP has stored every newborn blood specimen collected since the program's inception in 1980. According to Finance, with over 14 million specimens, California's newborn blood specimen bank is an internationally-recognized public health asset due to its size and genetic diversity. The prenatal screening program tests pregnant women for genetic and congenital disorders, and provides follow-up and diagnosis when indicated.

***Budget Impact:***

The GDSP November 2008 Estimate represents a restructuring of the GDSP budget to include a newly created Local Assistance item. Prior to this, all costs were included in one category – State Operations. The restructuring also includes realignment adjustments to remove Local Assistance expenses which should be classified as State Operations. \$437,000 were removed from Local Assistance but not added to State Operations, which this proposal corrects. This would have no General Fund impact.

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**Staff recommendation: Approve/Consent**

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**ISSUE 2 (CONSENT): ELECTRONIC DEATH REGISTRATION SYSTEM**  
**--SPRING FINANCE LETTER--*****Proposal:***

The Department of Public Health (DPH) is requesting authority to convert 13 limited-term positions into 9 permanent positions in light of increased workload associated with the statewide electronic death registration system (CA-EDRS). There would be no General Fund impact and by reducing the contract and using a portion of the contract funds for the permanent positions, the Health Statistics Special Fund would realize a savings of \$212,000.

***Background:***

CA-EDRS is used to create and register death certificates – a permanent record of the death of an individual. Information from death certificates has several valuable legal and statistical uses, particularly in the evaluation of public health programs. Death statistics are quite valuable to those working in health-related research. DPH is responsible for administrative oversight of participating Local Registration Districts and for the operation of CA-EDRS.

Chapter 857, Statutes of 2002 (AB 2550, Nation) mandated the state develop and operate a death registration system to improve the administration of vital records, prevent identity theft, and provide reliable and uniform death information on a timely basis. DPH contracted with the University of California, Davis to develop and maintain CA-EDRS. According to Finance, the CA-EDRS is in the final stages of implementation and therefore the needs of the project are changing, thereby creating a need for permanent positions in place of limited-term. For example, the need for key data entry has dramatically decreased while the need for skilled analysts grows reflecting increasing requests for data.

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**Staff recommendation: Approve/Consent**

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**ISSUE 3 (CONSENT): ENTERPRISE-WIDE ONLINE LICENSING PROJECT**  
**--SPRING FINANCE LETTER--*****Proposal:***

The DPH is requesting expenditure authority for 2.0 two-year limited term Environmental Scientist positions for the Drinking Water Program to assist with data conversion of information from external stakeholders (8,000 public water systems), as part of the Enterprise-Wide Online Licensing (OEL). As proposed, these positions would be funded from nine special funds that support the OEL, at a cost of \$219,000 (2009-10), with no General Fund impact. These positions would be based on the Drinking Water Program's need to establish new data collection processes for contact data and permitting process data.

***Background:***

Currently and historically, a mixture of technological platforms supports various licensing functions throughout DPH. Many of these platforms are difficult to maintain due to increased complexity resulting from changes over time. Technology has evolved and many of the existing operating structures are outdated and no longer operational. As a result, it is difficult for the state to recruit and retain trained and qualified staff to operate such systems and numerous workaround solutions have been used which are considered short-term solutions.

The EOL system will integrate the licensing, enforcement and billing of the following programs:

- Food and Drug Program
- Radiation Safety Program
- Drinking Water Operator Certification Program
- Safe Drinking Water Systems Program
- Medical Waste Management Program

The EOL project for the Drinking Water Program would provide an electronic forum for the request, generation, and issuance of water system permits. The EOL system will require a change in how DPH collects stakeholder contact and water system permitting information. Currently, these operations are maintained by different program staff which leads to data redundancy and a large administrative burden. The new EOL process would call for the movement of the contact and permit datasets from the local agencies into the EOL system. To do this, the data will have to be altered and local staff will have to be trained.

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**Staff recommendation: Approve/Consent**

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## 4120 EMERGENCY MEDICAL SERVICES AUTHORITY

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**Purpose of the Department.** 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; (4) mobilize and coordinate emergency medical services in a disaster using EMSA and mutual aid resources; (5) establish standards for the education, training and licensing of specified emergency medical care personnel; (6) establish standards for designating and monitoring poison control centers; (7) license paramedics and conduct disciplinary investigations, as necessary; (8) develop standards for pediatric first aid and CPR training programs for child care providers; and (9) develop standards for emergency medical dispatcher training for the “911” emergency telephone system.

**Summary of Funding for EMSA.** The 2009-10 budget includes expenditures of approximately \$25.4 million (approximately half General Fund) for EMSA, as compared to an estimated \$24.3 million in the current year (2008-09 budget).

***Comments and Questions:***

The Subcommittee has asked EMSA to provide an overview of EMSA and its budget.

**ISSUE 1: MOBILE FIELD HOSPITALS' PHARMACEUTICAL CACHE (BCP)*****Proposal:***

The Emergency Medical Services Authority (EMSA) is requesting an augmentation of \$448,000 (2009-10, and annually thereafter, General Fund) in order to maintain pharmaceutical supplies in its Mobile Field Hospital (MFH) Program. Currently, the MFHs could respond to a major public health disaster, however they lack the pharmaceuticals necessary to treat patients. EMSA therefore is proposing to contract with Amerisource-Bergen (the state's preferred provider) to purchase the pharmaceutical cache in advance of any disaster. This Budget Change Proposal (BCP) was removed from the 2009-10 budget package adopted in February without prejudice.

***Background:***

EMSA maintains three MFHs in the state, located in the central valley, coastal region and in Southern California. The MFHs consist of approximately 30,000 square feet of tents, hundred of beds, and sufficient medical supplies to respond to a major disaster in the state, such as a major earthquake in a densely populated area. According to EMSA, to respond effectively to any major disaster it is likely that all three MFH would be deployed. The 2006 Budget Act allocated \$18 million in one-time funds and \$1.7 million in on-going General Fund funding for the staffing, maintenance, storage, and purchase of pharmaceutical drugs, annual training exercises, and required medical equipment for the MFHs.

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. Utilize 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. Request 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.

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. Under this proposal, the EMSA would contract with Amerisource-Bergen (the state's preferred provider) to keep the necessary supplies on hand at all times. Amerisource-Bergen would regularly replace and refresh drugs as they reach their expiration dates.

***Questions and Comments:***

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, though, fortunately, in most years would never have to be used.

It also should be noted that \$448,000 would buy the state a limited supply in an amount estimated by EMSA to be sufficient for a major disaster. However, if it turns out that more drugs than anticipated are needed, the state would have to spend additional funds to acquire the necessary additional drugs.

The Subcommittee has asked EMSA to respond to the following questions:

1. Please describe any disasters that have occurred in California where significant loss of life occurred in the absence of MFHs, particularly substantial supplies of pharmaceuticals.
2. Please explain the basis for needing many different types of medications for MFHs, in the context of examples, such as a major earthquake.

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**Staff recommendation: Hold open**

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**ISSUE 2: EMERGENCY MEDICAL TECHNICIAN REGISTRY**  
**--SPRING FINANCE LETTER--*****Proposal:***

The EMSA is requesting the establishment of two permanent positions and a \$1.5 million General Fund loan to be repaid between 2011 and 2018 from revenue generated by fees.

***Background:***

In 1995, EMSA was established in law as the single entity responsible for the licensing and discipline of paramedics in California. Nevertheless, the state still has a bifurcated system of certification of emergency medical technicians (EMT), EMT-Is and EMT-IIs, by 70 EMT certifying entities, including 31 local EMS agencies, 3 statewide public safety agencies, and 36 local public safety agencies. EMSA licenses paramedics. Certification by these many different agencies leads to inconsistencies throughout the state. EMSA states that California is the only state that does not certify EMT-Is and EMT-IIs at the state level.

Chapter 274, Statutes of 2008 (AB 2917, Torrico) sought to address these inconsistencies by requiring EMSA, by July 1, 2010, to establish and maintain a centralized registry for monitoring and tracing EMT-I and EMT-II certification status and EMT-Paramedic licensure status to be used by certifying entities. AB 2917 also created the EMT Certification Fund and grants authority to the EMSA to establish fees in order to fund the costs associated with the "EMT 2010 program."

***Comments and Questions:***

EMSA notes that it is possible that the agency will be able to repay the loan in full before 2018 depending on the rate of receipt of fee revenue.

The Subcommittee has asked EMSA to respond to the following:

1. Please explain the problem that this proposal and AB 2917 address? (i.e., how do patients suffer as a result of inconsistencies in certification?)
2. Has EMSA explored increasing fees as a way to fully fund this program?

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**Staff recommendation: Hold open**

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## 4265 DEPARTMENT OF PUBLIC HEALTH

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**Purpose of the Department.** The Department of Public Health (DPH) delivers a broad range of public health programs. Some of these programs complement and support the activities of local health agencies in controlling environmental hazards, preventing and controlling disease, and providing health services to populations who have special needs. Others are solely state-operated programs, such as those that license health care facilities.

According to the DPH, their goals include the following:

- Promote healthy lifestyles and appropriate use of health services
- Prevent disease, disability and premature death
- Protect the public from unhealthy and unsafe environments
- Provide and ensure access to critical public health services
- Enhance public health emergency preparedness and response

DPH is comprised of five public health centers, as well as the Health Information and Strategic Planning section, and the Public Health Emergency Preparedness Program. The five public health centers are as follows: (1) Center for Chronic Disease Prevention and Health Promotion; (2) Center for Environmental Health; (3) Center for Family Health; (4) Center for Health Care Quality; and (5) Center for Infectious Disease.

**Summary of Funding for the Department of Public Health.** The budget proposes expenditures of almost \$3.3 billion (\$348.9 million General Fund) for the DPH as noted in the Table below. Most of the funding for the programs administered by the DPH comes from a variety of federal funds, including grants and subventions for specified areas (such as water, emergency preparedness and Ryan White CARE Act funds). Many programs are also funded through the collection of fees for specified functions, such as for health facility licensing and certification activities. Several programs are funded through multiple sources, including General Fund support, federal funds and fee collections.

Of the amount appropriated, \$637.7 million is for state operations and \$2.647 billion is for local assistance. The 2009-10 budget reflects a decrease of \$210.1 million as compared to the revised 2008-09 budget.

***Comments and Questions:***

The Subcommittee has asked DPH to provide an overview of the department and its budget.

| <b>Summary of Expenditures for Department of Public Health</b> |  | <b>2009-10</b>         |
|----------------------------------------------------------------|--|------------------------|
| <b>Public Health Emergency Preparedness</b>                    |  | <b>\$103,230,000</b>   |
| <b>Public and Environmental Health</b>                         |  | <b>\$3,019,360,000</b> |
| Chronic Disease Prevention and Health Promotion                |  | 317,001,000            |
| Infectious Disease                                             |  | 665,288,000            |
| Family Health                                                  |  | 1,686,298,000          |
| Health Information and Strategic Planning                      |  | 25,999,000             |
| County Health Services                                         |  | 47,648,000             |
| Environmental Health                                           |  | 277,126,000            |
| <b>Licensing and Certification Program</b>                     |  | <b>\$162,058,000</b>   |
| Licensing and Certification of Facilities                      |  | 151,432,000            |
| Laboratory Field Services                                      |  | 10,626,000             |
| <b>Total Expenditures for Department of Public Health</b>      |  | <b>\$3,284,648,000</b> |
| <b>Funding Sources</b>                                         |  |                        |
| General Fund                                                   |  | \$348,873,000          |
| Federal Funds                                                  |  | \$1,605,401,000        |
| Genetic Disease Testing Fund                                   |  | \$115,019,000          |
| Licensing and Certification Fund                               |  | \$81,060,000           |
| WIC Manufacturer Rebate Fund                                   |  | \$329,901,000          |
| AIDS Drug Assistance Program Rebate Fund                       |  | \$234,467,000          |
| Water Security, Clean Drinking Water, Beach Protection Fund    |  | \$23,422,000           |
| Safe Drinking Water Account                                    |  | \$13,641,000           |
| Drinking Water Treatment and Research Fund                     |  | \$5,088,000            |
| Childhood Lead Poisoning Prevention Fund                       |  | \$22,072,000           |
| Birth Defects Monitoring Fund                                  |  | \$3,595,000            |
| Radiation Control Fund                                         |  | \$25,093,000           |
| Food Safety Fund                                               |  | \$6,732,000            |
| Reimbursements                                                 |  | \$203,572,000          |
| Other Special Funds                                            |  | \$266,712,000          |
| <b>Total Expenditures</b>                                      |  | <b>\$3,284,648,000</b> |

**ISSUE 1: FEDERAL STIMULUS**

The American Recovery and Reinvestment Act (ARRA) included \$1 billion nationally for health-related prevention and wellness efforts, including:

- \$50 million for prevention of health care-associated infections
- \$300 million for grants to state and local health departments to increase vaccinations
- \$650 million for clinical and community-based strategies to reduce chronic disease rates

The Legislative Analyst's Office (LAO) states, in their *2009-10 Budget Analysis Series* on the federal stimulus package that California can expect to receive \$34 million of the \$300 million for vaccinations. The state, through DPH, will apply for these funds through a grant process.

The federal government has provided very little information thus far on when and how the balance of the \$1 billion will be made available to states or communities.

***Comments and Questions:***

The Subcommittee has asked DPH to respond to the following:

1. Please provide an overview of the federal stimulus funds in this area and what detail the department has learned since the passage of ARRA.
2. What will DPH attempt to fund through the vaccinations-related grants?
3. How much of these funds will flow through the state, and when?
4. How will the department work with the Legislature on a spending plan, given that the timing may mean that decisions will be made during the Legislative interim?

**ISSUE 2: CONVERSION OF CONTRACT POSITIONS TO STATE STAFF (BCP)**

**Summary of Budget Appropriation.** Several proposals were *excluded* from the February budget package “without prejudice” in order to provide for additional information and clarification. As such, these proposals would need *to be amended into* any future budget bill for inclusion in 2009-10. Within the DPH, there were four “without prejudice” proposals regarding the establishment of state civil service positions, in lieu of contracting out. There are savings, and no increased costs, associated with these BCPs. A summary of these four proposals is shown in the Table below.

**Summary of Proposals to Shift from Contracting to State Support**

| <b>Program Area</b>             | <b>Description</b>                                                                                                                                                                                                                                                    | <b>State Position to Establish in 2009-10</b> | <b>Proposed 2009-10 Adjustment</b> |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------|
| Occupational Lead Program       | Shifts \$805,000 from external contracts to fund new state positions. State staff would maintain surveillance system, investigate cases of lead poisoning, collect fees from users of lead, and provide administrative support.                                       | 9.0                                           | -\$25,000 (Special)                |
| Richmond Laboratory Complex     | Shifts a total of \$1.034 million from external contracts to provide janitorial services to fund new state positions for this function. The Richmond Laboratory complex consists of about 700,000 sq ft of space with eight laboratories and various other buildings. | 23.0                                          | --                                 |
| Information Technology Division | Shifts a total of \$852,000 from external contracts to fund new state positions. State staff would conduct various data processing functions, including software development, database development, and related program support.                                      | 6.0                                           | -\$95,000 (Federal)                |
| Genetic Disease Program         | Shifts \$1.106 million from external contracts to fund new state positions. State staff would assist with customer service workload, including completing forms, assist with fee collection, and various accounting functions.                                        | 15.0                                          | -\$242,000 (Special)               |

The DPH states that these requests are in response to recent rulings by the State Personnel Board (SPB) that ruled that DPH had failed to meet its obligation to establish that there were no civil service job classifications to which it could appoint employees with the requisite expertise needed to perform the required work of the contracts in question.

Specifically, the Service Employees International Union (SEIU) challenged the DPH regarding: (1) the janitorial contract at the Richmond Laboratory; and (2) the information technology contract. Therefore, in order to respond to the SPB's ruling and to mitigate any future litigation, the DPH came forward with the above proposals to shift from the use of contractors to permanent state civil service classifications. It should be noted that the DPH will be phasing in the state civil service positions over a period of time (i.e., from two to three years, commencing in 2008-09). In addition, no increased costs have been identified, only cost savings.

***Comments and Questions:***

These four DPH proposals appear to be consistent with the SPB's ruling and would potentially mitigate future litigation in this area. The requested staff adjustments appear reasonable and have no affect on the state's General Fund.

The Subcommittee has requested the Department to respond to the following questions:

1. Please provide a brief summary of the need for these requests and a brief description of each request.
2. What are the benefits of using state civil service classifications?

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**Staff recommendation: Approve proposals**

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**ISSUE 3: PROP 99 AUGMENTATION (BCP)*****Proposal:***

The Department of Public Health (DPH) is requesting a *one-time* increase of \$6.8 million (Health Education Account, Cigarette and Tobacco Produce Surtax Funds) for the Tobacco Control Program. This one-time appropriation request would be funded using a portion of the reserves from the Health Education Account, Cigarette and Tobacco Produce Surtax Funds. Even with this appropriation, the Health Education Account would still have an overall reserve of \$19.3 million; a prudent reserve is necessary due to the fluctuation in these revenues. Of the requested increase, \$4.5 million would be provided to the Media Campaign and \$2.3 million for Competitive Grants. This increase would provide total funds of \$20.2 million (Health Education Account) for the Media Campaign and \$17.7 million (Health Education Account) for the Competitive Grants Program. The DPH states the proposed augmentations would be used as follows:

- The Media Campaign would increase “target rating points” to a 500 per three-week flight in the top four media markets and maintain the target rating points in the remaining eight media markets.
- The Competitive Grant Program would add six to nine projects to be funded at \$200,000 to \$300,000 each. These projects may include, smoke-free multiunit housing, tobacco use in the movies, tobacco industry sponsorship, free tobacco product sampling, and tobacco cessation training and technical assistance services. Additionally, there are populations with high rates of smoking who would be focused on as well in an effort to reduce smoking in various population groups.

***Background—The Tobacco Control Program:***

The purpose of this program is to decrease tobacco-related diseases and deaths in California by reducing tobacco use across the state. The program focuses on changing the broad social norm around the use of tobacco by indirectly influencing current and potential future tobacco users by creating an environment in which tobacco is less desirable (socially and legally where applicable). Specifically, the program focuses its tobacco control activities on:

- Countering pro-tobacco influences in the community by working to curb tobacco product retail advertisements and marketing practices;
- Reducing the exposure to secondhand smoke and tolerance of exposure;
- Reducing tobacco availability; and
- Promoting tobacco cessation services.

The DPH states that these strategies are achieved through a comprehensive infrastructure such as the *Media Campaign*, grassroots coalition efforts managed by non-profit community-based organizations, and projects funded by the *Competitive Grants Program*. In addition, the DPH supports an educational materials clearinghouse, training and technical assistance services, and the California Smokers' Helpline.

***Background—Proposition 99 Funds:***

Proposition 99, the Tobacco Tax and Health Protection Act of 1988, established a surtax of 25 cents per package on cigarettes and other tobacco products, and provided a major new funding source for health education, indigent health care services, and resources programs. Under the provisions of Proposition 99, revenues are allocated across six accounts based on specified percentages. These are: (1) Health Education Account—20 percent, (2) Hospital Services Account—35 percent, (3) Physician Services Account—10 percent, (4) Research Account—5 percent, (5) Unallocated Account—25 percent; and (6) Public Resources Account—5 percent.

***Comments and Questions:***

Funds are available for this purpose from the reserves in the Health Education Account, and the Media Campaign and Competitive Grants Program are core components to the overall Tobacco Control Program.

The Subcommittee has requested the Department to provide a brief summary of the request and how both the increase for the media campaign and the local lead agencies would be used.

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**Staff recommendation: Approve proposal**

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**ISSUE 4: RICHMOND LABORATORY CAPITAL OUTLAY PROJECT*****Proposal:***

The Administration is proposing an augmentation of \$3.1 million (General Fund) for the construction of modifications at the Viral and Rickettsial Disease Laboratory which is part of the DPH's Richmond Laboratory complex. The Budget Act of 2009 provides an appropriation of \$3.1 million (General Fund) for this purpose

***Background:***

The DPH states that changes are desired for this laboratory to meet newly established guidelines for "enhanced" bio-safety Level III laboratories as determined by the U.S. Department of Agriculture, federal Centers for Disease Control and Prevention (CDC) and National Institutes for Health (NIH). The DPH contends that compliance with these "enhanced" guidelines is essential for the safe *growing*, handling and examining of potentially high pathogenic influenza viral agents, thereby continuing the state's ability to respond quickly and control a potential outbreak of pandemic flu. In essence, the DPH states that this level of "enhanced" bio-safety is for *growing* the virus to have a clinical specimen to then compare any suspected samples. Presently the Viral and Rickettsial Disease Laboratory meets bio-safety Level III preparedness but not the new "enhanced" level.

***Comments and Questions:***

The DPH submitted this request last year and it was deferred due to the fiscal crisis. Though the Budget Act of 2009 provides an appropriation of \$3.1 million (General Fund) for this purpose, the Subcommittee may desire to amend this request for several reasons:

1. It is unclear at this time if federal stimulus or other funds will become available for this purpose.
2. Given that California continues to experience a decline in revenues, this proposal should be considered in the context of other potential priorities for the State, such as direct health care services or services to "core" health and human services programs.

According to the DPH, presently there are no states in the nation that meet "enhanced" guidelines, but a few states, such as New York, may be proceeding with changes. The only laboratories presently certified to safely handle the Avian ("bird") Influenza viruses are the federal CDC laboratories located in Atlanta, Georgia, Ames, Iowa, and Fort Collins, Colorado. The DPH states that in the event that a case of Avian Influenza is suspected here in California, the general protocol is to use the federal CDC laboratories to conduct confirmatory testing. Further, in the two instances that have already occurred, potential Influenza samples were sent to the federal CDC by the DPH for confirmation. *In both instances, the initial testing was conducted at the Richmond*



*Laboratory complex with the federal CDC conducting the confirmatory analysis.*

In light of the state's fiscal situation and the availability of federal CDC "enhanced" bio-safety Level III laboratories to California for the specified purposes, it is recommended to keep this issue "open" until the May Revision.

The Subcommittee has requested that the Department respond to the following:

1. Please provide a brief summary of the request.
2. Please explain the disadvantages to California of not going ahead with this.

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**Staff recommendation: Hold open**

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**ISSUE 5: EPIDEMIOLOGY AND INJURY CONTROL (EPIC)****Issue:**

When the Governor signed the 2008 Budget Act, he vetoed \$841,000 General Fund in salaries for staff in the Epidemiology and Injury Control (EPIC) section of DPH. EPIC is responsible for the state's injury prevention efforts, including intentional and unintentional injuries, as well as surveillance and epidemiology. DPH was able to maintain the program through 2008-09 by shifting some federal and grant funds to replace the vetoed General Funds; however, DPH states that this is not viable on a long-term basis and therefore all injury control activities will discontinue as of July 1, 2009.

**Background:**

Intentional (violence) and unintentional injuries represent a more significant health threat, and cost to the state, than many people realize. Each year, injuries in California cause 17,000 deaths, 248 hospital visits, and 2,000,000 emergency room treatments. For people 1 – 44 years of age, injury-related deaths outnumber those from all natural causes combined.

Only one quarter of all people hospitalized for injuries have private insurance. Approximately 22,000 brain and spinal cord injuries per year result in permanent disabilities requiring support from Medi-Cal or Medicare. 126,000 seniors are taken to emergency rooms each year for fall-induced injuries, 40 percent of whom are injured so severely that they are never able to return home. The federal Centers for Disease Control and Prevention (CDC) estimates that the total cost of injuries in California in 2006, including both direct medical costs and lost productivity, was \$67 billion.

EPIC's nationally recognized and respected work covers the following:

- Child passenger safety
- Violence prevention (including child abuse, domestic violence, sexual assault)
- Elder fall prevention
- Pedestrian safety
- Safe and active communities conducive to walking and biking
- Alcohol and drug surveillance to assist alcohol-related programs across the state interpret and apply data,
- California Violent Death Report System, a nationally recognized child abuse and neglect surveillance program
- Web-based, user-friendly injury surveillance table-builder
- Administers the Office on Disability and Health (OHD) to increase health promotion opportunities and prevent secondary conditions for people with disabilities.

Recent EPIC activities have included:

- Development of accurate methods to track sexual violence rates
- Training of local health departments on land use and transportation policy
- Launching of project to include faith leaders in domestic violence prevention
- Expansion of network of trained child safety seat technicians in rural and underserved areas of the state

***Comments and Questions:***

The Subcommittee has asked DPH to respond to the following:

1. What has happened to the state's injury prevention activities since the Governor's veto?
2. What will happen to EPIC on July 1, 2009?
3. Has DPH explored all possible federal and grant funds to keep EPIC operating?
4. Has DPH explored all possible General Fund shifts within the Department in order to restore the program?

**ISSUE 6: LEAD-RELATED CONSTRUCTION PROGRAM**  
**--SPRING FINANCE LETTER--*****Proposal:***

The DPH is requesting \$500,000 General Fund to support five new positions for the Lead-Related Construction Program within the Childhood Lead Poisoning Prevention Program. This would restore half of the General Fund that was eliminated in the Budget Act of 2008.

***Background:***

Lead poisoning continues to be a significant environmental health threat, particularly to children as it can result in impaired neurological development, decreased IQ, and learning and behavioral problems. In 2006 and 2007, 8,110 children in California were found to have elevated blood lead levels. The majority of lead exposures by children come from deteriorated lead-based paint and lead-contaminated dust and soil. Adults also can be harmed by lead exposure, which can lead to chronic diseases including cardiovascular disease, kidney disease, and cancer.

The Lead-Related Construction (LRC) Program was created in 1993 to protect children, families, and workers by preventing lead exposure from housing and public buildings. The LRC was recognized by the U.S. Environmental Protection Agency as an authorized state program in 1999, which makes California eligible to receive federal funds.

The LRC accredits training providers that teach others how to identify and correct lead hazards and certifies individuals who are qualified to identify and correct lead hazards. In order to obtain the state certification, an individual must pay a \$75 fee. There are approximately 6,800 DPH-certified lead professionals in California.

***Budget Impact:***

California receives two different grants as a result of having the LRC which is a U.S. EPA recognized program:

1. The LRC, within DPH, typically receives between \$300,000 and \$600,000 annually; and
2. The Department of Community Services and Development has received approximately \$22 million over the last decade.

The Administration asserts that without this additional General Fund funding, California will be ineligible for both of the lead-related federal grant funds mentioned above.

Prior to 2008-09, the LRC had an annual budget of \$1,042,000 General Fund. When this funding was eliminated, the LRC received permission from the U.S. EPA to temporarily utilize federal funds, yet it is unknown whether additional federal funding will be available beyond September 30, 2009. The certification fees raise approximately \$500,000 per year, but are deposited into the General Fund.

***Comments and Questions:***

The Subcommittee has asked DPH to respond to the following:

1. Please explain why the revenue generated by the fees does not go into a special fund to support this program, rather than into the General Fund? Doesn't the law require fee revenue to be used to pay for regulation of the industry paying the fee, or for mitigating the harm done by the product or industry?
2. Has DPH explored raising the fee? Would that be possible and a viable alternative to using General Fund dollars?
3. Finance states that the program will be self supporting, by raising \$510,000 in 2009; if that's accurate, why is there a need for General Fund?

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**Staff recommendation: Hold open**

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**ISSUE 7: INFECTION SURVEILLANCE, PREVENTION, AND CONTROL**  
**--SPRING FINANCE LETTER--*****Proposal:***

The DPH is requesting \$1.4 million in special funds (no General Fund impact) to support 11 permanent full-time positions to establish an Infection Surveillance, Prevention and Control Program in order to reduce healthcare-associated infections (HAI), consistent with three pieces of legislation: Chapter 526, Statutes of 2006 (SB 739, Speier); Chapter 294, Statutes of 2008 (SB 158, Flores); and Chapter 296, Statutes of 2008 (SB 1058, Alquist).

***Background:***

HAI are recognized to be a significant health threat. Just in California's 450 General Acute Care Hospitals (GACHs), HAI account for an estimated 240,000 infections, 13,500 deaths, and \$3.1 billion dollars in excess health care costs annually. Infections also occur in California's hundreds of nursing homes, long term care facilities, intermediate care facilities and other healthcare facilities.

The three pieces of legislation mentioned above together establish a comprehensive statewide infection surveillance, prevention and control program in order to reduce both the financial and human toll of HAI. This program will undertake many different tasks in order to further the goal of minimizing HAI, including but not limited to requiring DPH to:

- Investigate the development of electronic reporting
- Revise existing reporting methods and incorporate CDC guidelines and standards
- Collect data on HAI
- Appoint a HAI Advisory Committee to make recommendations related to methods of reporting cases, national guidelines and public reporting of measures for preventing HAIs
- Make available to the public annual reports from GACHs on their efforts and progress
- Incorporate infection prevention activities into its Licensing and Certification Program

The program will require GACHs and other facilities to:

- Develop a process for evaluating the judicious use of antibiotics
- Report annually to DPH on implementation of infection surveillance and prevention process measures
- Develop policies and procedures for the prevention of surgical site infections and ventilator associated pneumonia
- Report quarterly to DPH all cases of specified infections

- Establish patient safety plans and hand hygiene programs
- Test patients upon admission, who meet certain criteria, for the presence of infection

***Budget Impact:***

The requested expenditure authority (\$1.4 million) and positions would be funded entirely through an increase in licensing fees paid by affected health facilities and deposited in the Licensing and Certification Program Fund. This would have no General Fund impact.

The following table shows the increases in the fees that are being proposed.

| <b>FACILITY TYPE</b>         | <b>2008-09 FEE AMOUNT</b> | <b>PROPOSED INCREASED FEE</b> | <b>PROPOSED INCREASE</b> | <b>PERCENT INCREASE</b> |
|------------------------------|---------------------------|-------------------------------|--------------------------|-------------------------|
| General Acute Care Hospitals | \$257.76                  | \$276.34                      | \$18.58                  | 7.2%                    |
| Acute Psychiatric Hospitals  | \$257.76                  | \$257.97                      | \$0.21                   | 0.1%                    |
| Skilled Nursing Facilities   | \$287                     | \$287.83                      | \$0.83                   | 0.3%                    |

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**Staff recommendation: Approve proposal**

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