

2012 COAST LIFE SUPPORT DISTRICT BALLOT INITIATIVES

Executive Summary

Coast Life Support District (CLSD) is placing two ballot initiatives before the voters on April 10. Measure B is to amend the current After Hours Urgent Care tax to remove the “after hours” restriction on use of the tax funds collected, and does not ask for a tax increase. Measure C is to request voter approval for a small tax increase to sustain the current level of ambulance service.

Measure B – Urgent Care

This measure asks the voters to approve an amendment to the current After Hours Urgent Care tax that will broaden applicable use of funds to provide Urgent Care without regard to time of day. No tax increase is requested. If approved, the tax funds will be used in two important areas:

- **Near-term.** In the past year, daytime urgent care (Monday – Friday) at Redwood Coast Medical Services (RCMS) has become financially unsustainable. This is largely due to RCMS status as a federally-designated facility for rural healthcare; such facilities can only charge at doctor’s office visit rates—not rates normally charged for urgent or emergency care. If this measure passes, the CLSD Board will be able to support RCMS urgent care operations, along with matching funds provided by the RCMS Board of Directors through fundraising. This is a short-term (1-2 year) solution while both boards of directors jointly seek a long-term solution.
- **Long-term.** The amendment will allow the Board of Directors of CLSD to continue to pursue negotiations with a partner in establishing a twenty-four hour urgent care service in this community. All business models for expanding urgent care, whether in conjunction with a regional medical center or a local provider, will require a tax subsidy to be financially viable. By removing the “after hours” restriction on use of funds collected, the CLSD Board will have many more options in seeking a long-term solution.

Measure C – Ambulance Service

This measure asks the voters for a \$12/unit/year parcel tax increase to sustain the current level of ambulance service in this community. For the average one-parcel homeowner, this amounts to an increase of \$36 per year, or \$3 per month. The primary need for this is a reduction in the revenues anticipated from a forecasted increase in home construction and the associated population growth—which would yield increased transport volume.

- This measure will sustain—not expand—current levels of service, which are adequate for this community. This includes personnel, ambulances, equipment, and training.
- Despite all efforts by the CLSD board to contain cost growth—lower than inflation at about three percent per year—the income side of the equation has not met expectations. The last tax increase was based on 2006 forecasts of continued economic growth, and expected to last ten years.
 - The collapse of the housing industry directly affected both the local economy, virtually freezing tax income levels.
 - The only other income source is through patient billings for ambulance transportation. There has been virtually no increase in transport volume. Even though the average cost of a transport is about \$3800, Medicare only reimburses about \$850 and Medi-Cal \$118. The collection rate for CLSD ambulance billings is about thirty-five cents on the dollar.
- Current forecasts supporting this tax increase proposal are pessimistic about continued growth and income, in order to give the clearest, and most likely, picture of need. This increase should sustain current levels of service for five years.
- All of the tax revenue collected goes only to the ambulance service, and does not support any other programs or services. More than two-thirds of the \$1.3M annual budget goes back into the local economy through payroll and purchases of local goods and services.