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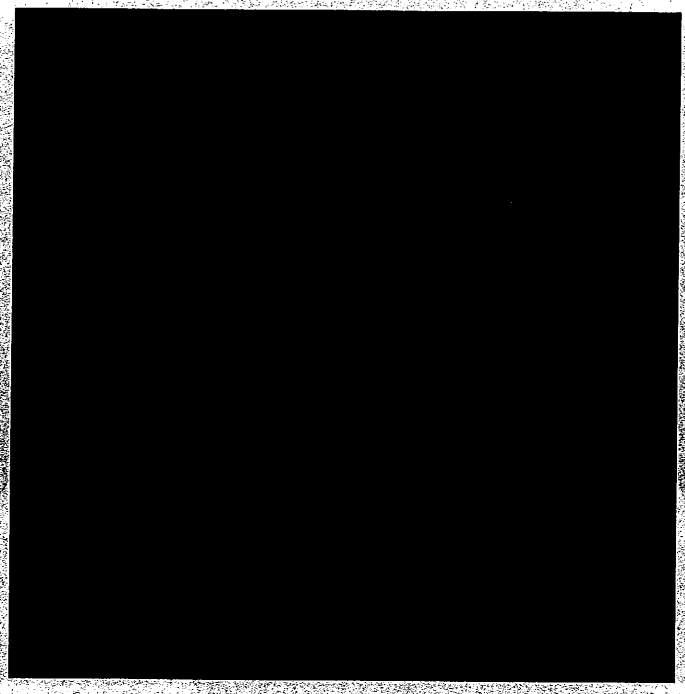

Document Place Holder Sheet / Document Tracking Sheet

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L.A. Consensus Recovery Plan

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The County of Los Angeles Consensus Recovery Plan

Presented by The Los Angeles County Delegation of the Senate and Assembly Members

September 12, 1995

SEP 12 '95 11:18 MWD OF SC - SACTO

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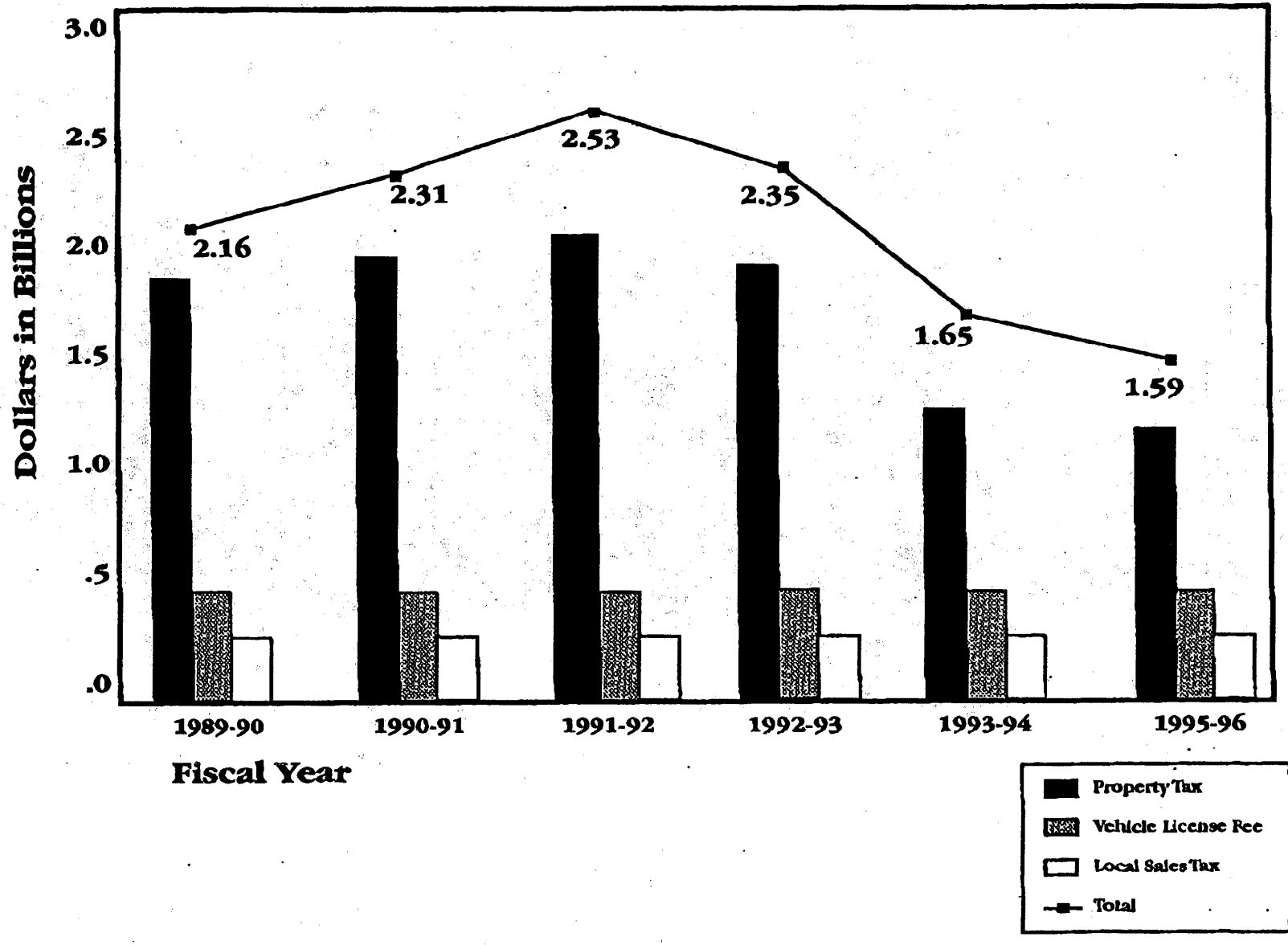
P.3/11

SEP 12 '95 11:18 MWD OF SC - SACTO

THE ROOT OF THE PROBLEM

Declining Tax Revenues in L.A. County



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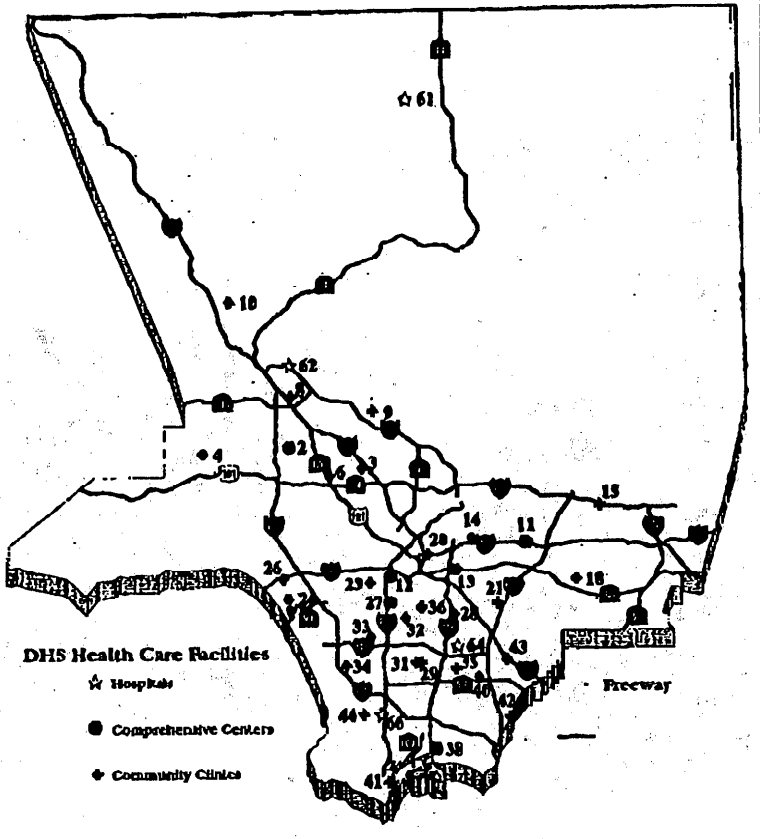
Los Angeles Clinic & Hospital Closures



- 4 Hospitals
- 6 Comprehensive Care Facilities
- 28 Community Clinics

$ CLOSED

By the County Health Facilities Curtailment Plan.

- **Over 1,000,000 patient visits will be lost during a year if all of these health facilities are closed.**
- **Prenatal care - Women's health services - Immunizations - Seniors annual check-ups & flu shots - *all these will vanish in the health crisis.***

P.5/11

SEP 12 '95 11:19 MWD OF SC - SACTO

The Consensus Plan

A Consensus Plan has been reached between the Members of the Los Angeles County delegation in the Legislature, based on extensive discussion with officials of Los Angeles County who share a common interest in resolving the current-year County financial crisis.

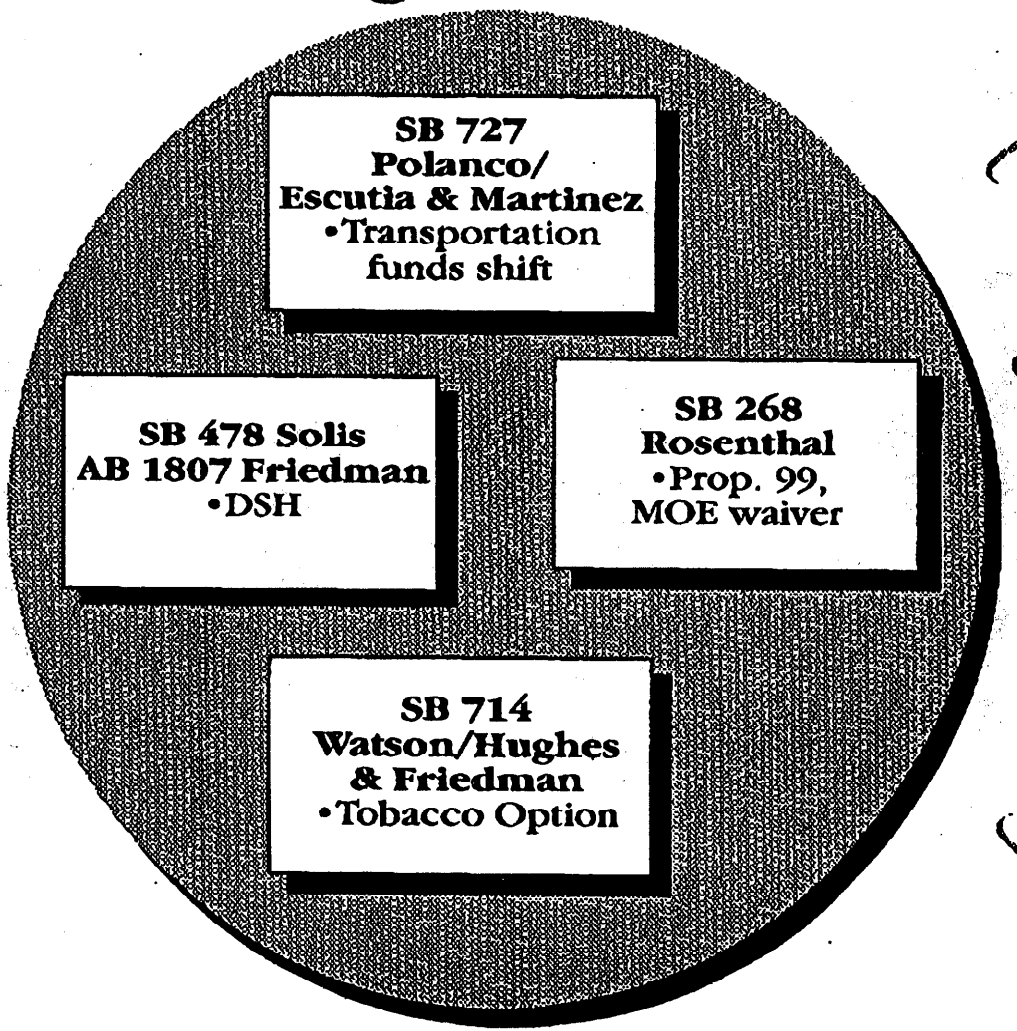
The following measures have been agreed upon to provide immediate financial assistance to the County, with the intent that health care programs, including clinics and hospitals, receive the highest priority in funding from the County's General Fund:

Summary of Measures

Source	Total (in millions)
•Disproportionate Share **(AB 1807, Friedman; SB 478, Solis)**	**$43**
•Metropolitan Transportation Authority **(SB 727, Polanco, Escutia)**	**$325**
•Local Option, Public Vote/Cigarette Increase **(SB 714, Watson, Hughes & Friedman)**	**$451**
•Maintenance of Effort **(SB 268, Rosenthal)**	**$50**
•County's Fiscal Accountability **(Martinez: SB 727, Polanco/SB 714, Watson)**	**$0**
TOTAL	**$869 (over 5 years)**

LOS ANGELES COUNTY RELIEF

Core Package



Additional relief

- **SB 1354**
  - •Probation Camps
- **AB 1055**
  Caldera
  - •Property Tax Assessment appeals
- **SB 1147**
  Watson
  - •Distressed hospitals
- **SB 229**
  Polanco & Katz
  - •MWD & CRA

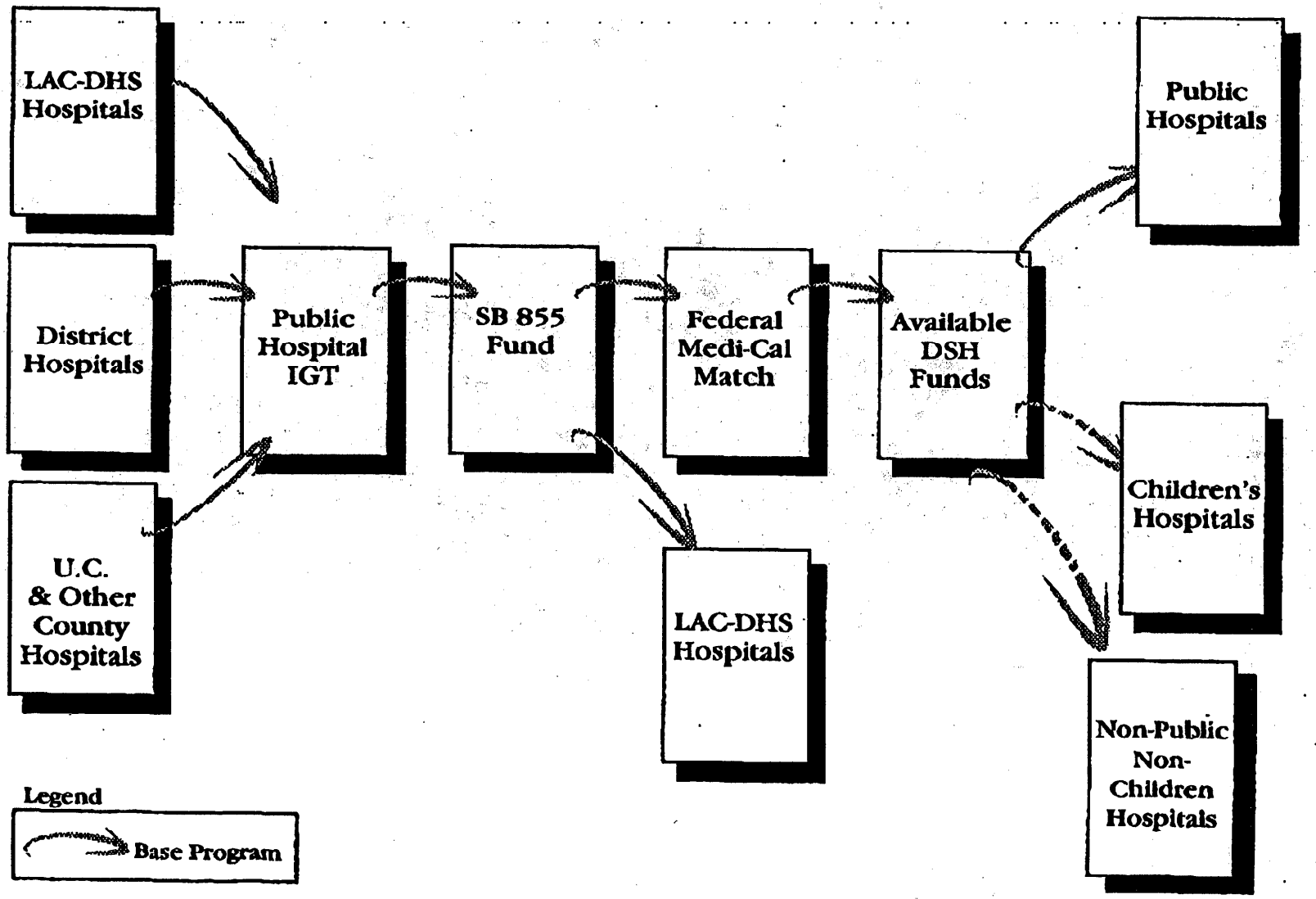
SEP 12 '95 11:20 MWD OF SC - SACTO P.7/11

SEP 12 '95 11:21 MWD OF SC - SACTO

SB 855 Flow of Payments

1995 DSH Creates 3 months of funding for Public Hospitals statewide.

Statewide, public hospitals gain $50 million.
Los Angeles County public hospitals gain $43 million.



P.8/11

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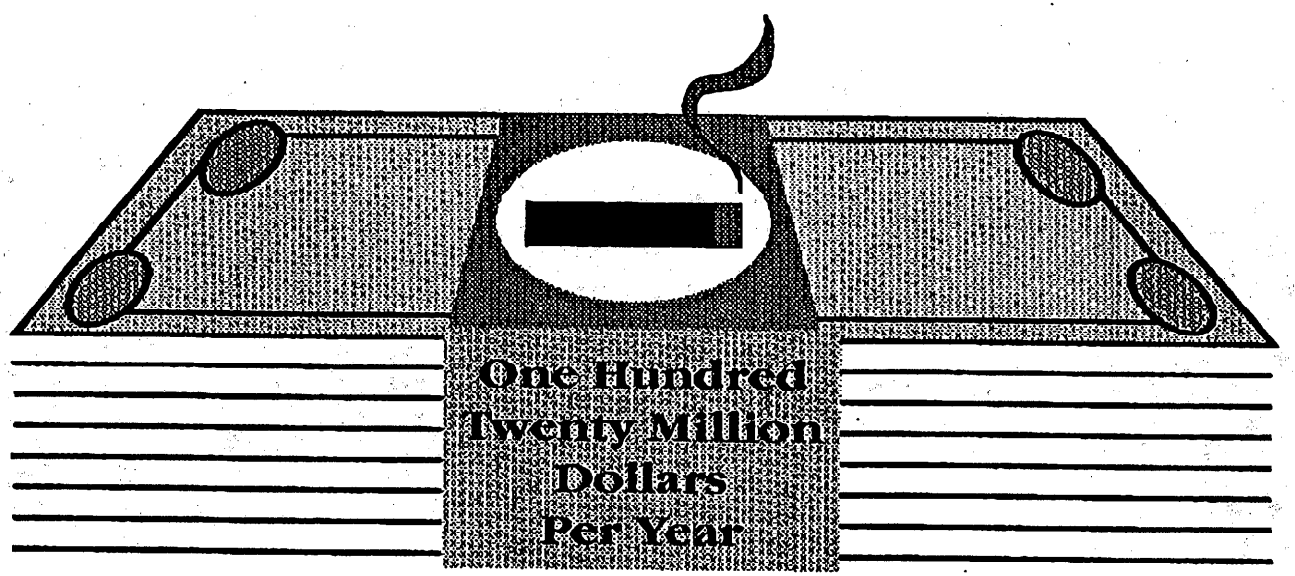
L.A. County residents will spend more than $1.2 billion on cigarettes this year alone.

A voter approved, 25¢ extra per pack will generate $120 million a year. That's enough to keep the clinics and hospitals operating for the rest of the fiscal year.



If approved by the voters, SB 714 - to raise cigarette taxes - would take effect in January 1997. In just 4 years, the county would receive ***$480 million*** to fund vital medical services.

P.9/11

SEP 12 '95 11:22 MWD OF SC - SACTO

Proposition 99/Maintenance of Effort Waiver

Proposition 99 requires counties to provide a minimum level of health care to the uninsured to receive certain Prop 99 funds.

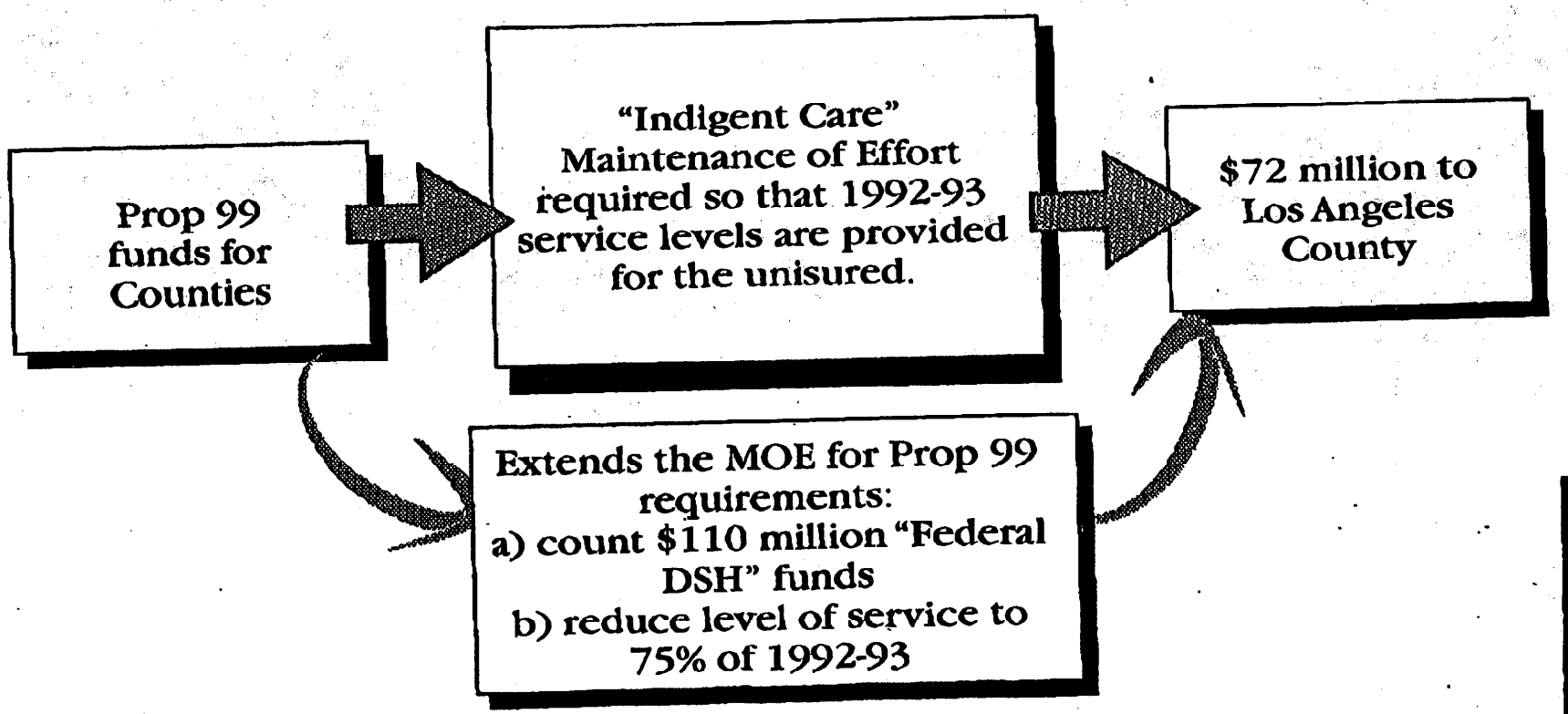
SB 268 allows Los Angeles County to continue, for 1 more year, to:

a) lower "service levels" to 75% of what would otherwise be required;

and

b) count $110 million in federal DSH funds toward meeting the MOE requirement

These two provisions will save Los Angeles County $50 million which would otherwise have to be spent on health care for the uninsured.



P.10/11

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Consensus Plan 5-Year Cash Flow

Revenue Analysis
(Dollars in Millions)

Potential Revenue Source	Annual Revenue in Years 1	2	3	4	5	Gross Value	Present Value
DSH	$ 43	0	0	0	0	$43	
MTA	125	75	50	50	25	325	
Local Option/Cigarette Revenue	0	120	116	110	105	451	
MOE Relief	50	0	0	0	0	50	
			TOTAL			$869	$691.02

P.11/11