

BOARD of SUPERVISORS



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MEMORANDUM

TO: Dr. Grant Colfax, Director, Department of Public Health
Greg Wagner, City Controller, Office of the Controller

FROM: Brent Jalipa, Assistant Clerk, Budget and Appropriations Committee

DATE: June 3, 2024

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Budget and Appropriations Committee has received the following proposed legislation, introduced by Mayor London Breed:

File No. 240606

Ordinance amending the Administrative Code to repeal Sections 8.42 and 10.100-195, known as the Maddy Emergency Services Fund, and thereby repealing certain reimbursement payments to physicians who provide emergency medical services to indigent patients.

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Dr. Naveena Bobba, Department of Public Health
Sneha Patil, Department of Public Health
Ana Validzic, Department of Public Health
Todd Rydstrom, Office of the Controller

1 [Administrative Code - Repealing Maddy Emergency Medical Services Fund]

2

3 **Ordinance amending the Administrative Code to repeal Sections 8.42 and 10.100-195,**
4 **known as the Maddy Emergency Services Fund, and thereby repealing certain**
5 **reimbursement payments to physicians who provide emergency medical services to**
6 **indigent patients.**

7 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
8 **Additions to Codes** are in *single-underline italics Times New Roman font*.
9 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
10 **Board amendment additions** are in double-underlined Arial font.
11 **Board amendment deletions** are in ~~strikethrough Arial font~~.
12 **Asterisks (* * * *)** indicate the omission of unchanged Code
13 subsections or parts of tables.

11

12 Be it ordained by the People of the City and County of San Francisco:

13

14 Section 1. Background and Findings.

15 (a) Under Section 1797.98a of the California Health and Safety Code and Section
16 76104 of the California Government Code, counties are authorized, but not required, to
17 establish an emergency medical services fund, known as the Maddy Emergency Medical
18 Services Fund (“Maddy Fund”), to reimburse certain physicians and surgeons who provide
19 emergency medical service to uninsured individuals. In addition, under Sections 76000 and
20 76000.5 of the California Government Code, counties are authorized to levy additional
21 penalties upon every fine, penalty, or forfeiture imposed and collected for criminal offenses
22 related to the control of alcoholic beverages and all offenses involving violation of the
23 California Vehicle Code or a local ordinance adopted pursuant to the Vehicle Code.

24 (b) In 2000, the City enacted Administrative Code Section 10.100-195 to establish
25 its Maddy Fund, the “Public Health Emergency Medical Services Fund,” for receiving money

1 for penalties assessed through Section 76000, and in 2007, the City enacted Administrative
2 Code Section 8.42 to levy an additional penalty, authorized by Section 76000.5, of \$2 for
3 every \$10 on every fine, penalty, or forfeiture imposed and collected for criminal offenses
4 including violations of the Vehicle Code or local ordinances adopted under the Vehicle Code.
5 Section 10.100-195 requires the Department of Public Health (“DPH”) to administer the City’s
6 Maddy Fund by determining reimbursements for physicians who render emergency care to
7 indigent patients.

8 (c) In 2018, the City amended Section 8.42 to limit assessment of the penalty to
9 non-misdemeanor and non-felony violations of the Vehicle Code or local ordinances adopted
10 under the Vehicle Code. Since 2019, the amount of money assessed and collected through
11 Sections 76000 and 76000.5 has significantly decreased. The City’s Maddy Fund now
12 receives approximately \$400,000 annually, of which not more than 10% can be used for
13 administrative expense. But it costs DPH approximately \$120,000 annually to administer the
14 fund. DPH has paid for the deficit using accumulated savings from the program, but future
15 administration of the Maddy Fund will require a general fund subsidy.

16 (d) The City’s Maddy Fund is also complex to administer. DPH contracts with a
17 third-party administrator to receive claims from individual physicians and physician groups and
18 then adjudicate and pay according to the prorated reimbursement scheme established by
19 Section 10.100-195.

20 (e) The City’s Maddy Fund no longer takes in sufficient revenue to support its own
21 costs, and is complex to administer. The Board of Supervisors therefore finds that it is
22 appropriate and in the public interest to repeal Sections 8.42 and 10.100-195 of the
23 Administrative Code.

1 Section 2. The Administrative Code is hereby amended by deleting Sections 8.42 and
2 10.100-195, as follows:

3
4 ***SEC. 8.42. PENALTY ASSESSMENT FOR EMERGENCY MEDICAL SERVICES.***

5 ~~*—Pursuant to California Government Code Section 76000.5, there is hereby established an*~~
6 ~~*additional penalty of \$2 over that currently levied under California Penal Code Section 1464 for every*~~
7 ~~*\$10 or fraction thereof upon every fine, penalty, or forfeiture imposed and collected by the courts for*~~
8 ~~*non-misdemeanor and non-felony violations of the California Vehicle Code or local ordinances*~~
9 ~~*adopted pursuant to the Vehicle Code, as authorized by Penal Code Sections 1464 and 1465, with the*~~
10 ~~*exceptions noted therein. The revenues from this assessment shall go to the Public Health Emergency*~~
11 ~~*Medical Services Fund established in Section 10.100-195 of this Code. Pursuant to Government Code*~~
12 ~~*Section 76000.5(b), these increased penalties shall not offset or reduce the funding of other programs*~~
13 ~~*from other sources, but shall result in increased funding to those programs.*~~

14
15 ***SEC. 10.100-195. PUBLIC HEALTH EMERGENCY MEDICAL SERVICES FUND.***

16 ~~*—(a) Establishment of Fund. Pursuant to Government Code Section 76104 and Resolution No.*~~
17 ~~*713-92 of the Board of Supervisors of the City and County of San Francisco, the Public Health*~~
18 ~~*Emergency Medical Services Fund is established as a category six fund for the purpose of receiving*~~
19 ~~*money obtained from the penalty assessment provided in Government Code Section 76000. This fund*~~
20 ~~*shall also receive money obtained from the additional penalty assessment imposed under Section 8.42*~~
21 ~~*and Government Code Section 76000.5.*~~

22 ~~*—(b) Use of Fund. Pursuant to Government Code Section 76104, the moneys in such fund,*~~
23 ~~*together with any interest earned thereon, shall be payable only for the purposes specified in Chapter*~~
24 ~~*2.5 (commencing with Section 1797.98a) of Division 2.5 of the Health and Safety Code. The*~~
25 ~~*administration and use of the fund shall be consistent with the requirements of Health and Safety Code*~~

1 ~~Section 1797.98a through 1797.98g now in effect or as hereafter amended. Up to, but no more than, 10~~
2 ~~percent of the amount of the fund may be used for the costs of administering the fund.~~

3 ~~—Thereafter, (1) 58 percent of the money in the fund shall be used to reimburse claims from~~
4 ~~physicians for payment for emergency services provided by all physicians, except those physicians~~
5 ~~employed by county hospitals or district hospitals, in general acute care hospitals that provide basic or~~
6 ~~comprehensive emergency services up to the time the patient is stabilized, when such services would~~
7 ~~otherwise be uncompensated, (2) 25 percent of the money in the fund shall be distributed only to~~
8 ~~hospitals providing disproportionate trauma and emergency medical care services, and (3) 17 percent~~
9 ~~of the money in the fund shall be distributed for other emergency medical services as determined by the~~
10 ~~Director of Public Health. Interest earned on the 83 percent portion of the fund to be used to reimburse~~
11 ~~claims shall be used for the same purpose. Interest earned on the 17 percent portion of the fund to be~~
12 ~~used for other emergency medical services shall be used for the same purpose. If, of the 83 percent~~
13 ~~portion of the fund, money remains after reimbursing all appropriate and approved, claims for a~~
14 ~~disbursement period, that money shall only be used to reimburse claims in one or more future~~
15 ~~disbursement periods.~~

16 ~~—(c) Exceptions to Fund Category. Any expenditures in excess of \$5,000 for any one payee~~
17 ~~shall require the approval, by appropriation ordinance, of the Board of Supervisors.~~

18 ~~—(d) Administration of Fund. The Director of Public Health shall determine which claims~~
19 ~~shall be reimbursed by the fund and the appropriate amount of reimbursement, provided that no~~
20 ~~physicians shall be reimbursed greater than 50 percent of their losses in accordance with Health and~~
21 ~~Safety Code Section 1797.98c. Since it is anticipated that the fund will only be sufficient to reimburse a~~
22 ~~fraction of requests for reimbursement from physicians, the Director shall equitably prorate payments~~
23 ~~so that the amount of payments from the fund is based upon the magnitude of a physician's losses. The~~
24 ~~Controller shall be responsible for all other administrative duties with respect to the fund, including,~~
25 ~~but not limited to, establishing procedures and time schedules for the submission and processing of~~

1 ~~claims. The Controller shall report to the State Legislature on the implementation and status of the fund~~
2 ~~as required in Health and Safety Code Section 1797.98b. The Controller and Director of Public Health~~
3 ~~shall separately or jointly issue rules and regulations governing any matters relating to the fund and~~
4 ~~the reimbursement procedures and limitations, consistent with the requirements of Health and Safety~~
5 ~~Code Sections 1797.98a through 1797.98g. Before issuing or amending any regulations, these officers~~
6 ~~shall provide a 30-day public comment period by providing published notice in an official newspaper of~~
7 ~~general circulation in the City of the intent to issue or amend the regulations. The Director of Public~~
8 ~~Health shall provide a quarterly report to the Budget Analyst of all expenditures made from this fund~~
9 ~~during the immediately preceding three months.~~

10 ~~—(e) Use and Administration of Funds Derived from Section 8.42. Pursuant to Health and~~
11 ~~Safety Code Section 1797.98a, as amended by Chapter 841 of the Statutes of 2006, and notwithstanding~~
12 ~~subsections (b) and (d) of this Section, the money deposited into the Fund pursuant to Section 8.42 of~~
13 ~~this Code and Section 76000.5 of the Government Code shall, after reimbursement of costs associated~~
14 ~~with administering the EMS Fund, which amount shall not exceed ten percent (10%) of the money~~
15 ~~collected, be distributed as follows:~~

16 ~~—(1) Of the total amount collected, fifteen percent (15%), known as Richie's Fund, shall be~~
17 ~~to improve access to, and coordination of, pediatric trauma and emergency services in the City and~~
18 ~~County, with preference given for funding to be given to hospitals that specialize in services to~~
19 ~~children, and physicians and surgeons who provide emergency care for children; and,~~

20 ~~—(2) The balance of the remaining seventy five percent (75%) of the funds collected shall be~~
21 ~~distributed as follows: Fifty eight percent (58%) of the money in the fund shall be used to reimburse~~
22 ~~claims from physicians for payment for emergency services provided by all physicians, except those~~
23 ~~physicians employed by county hospitals or district hospitals, in general acute care hospitals that~~
24 ~~provide basic or comprehensive emergency services up to the time the patient is stabilized, when such~~
25 ~~services would otherwise be uncompensated, twenty five percent (25%) of the money in the fund shall~~

1 ~~be distributed only to hospitals providing disproportionate trauma and emergency medical care~~
2 ~~services, and seventeen percent (17%) of the money in the fund shall be distributed for other emergency~~
3 ~~medical services as determined by the Director of Public Health.~~

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5 Section 3. Effective Date. This ordinance shall become effective 30 days after
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
8 of Supervisors overrides the Mayor's veto of the ordinance.

9
10 APPROVED AS TO FORM:
11 DAVID CHIU, City Attorney

12 By: /s/ Henry L. Lifton
13 HENRY L. LIFTON
14 Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - Repealing Maddy Emergency Medical Services Fund]

Ordinance amending the Administrative Code to repeal Sections 8.42 and 10.100-195, known as the Maddy Emergency Services Fund, and thereby repealing certain reimbursement payments to physicians who provide emergency medical services to indigent patients.

Existing Law

Administrative Code Section 10.100-195 provides for the “Public Health Emergency Medical Services Fund” or the “Maddy Fund” for receiving money for penalties assessed through Section 76000 of the California Government Code. Administrative Code Section 8.42 authorizes the City to levy an additional penalty, authorized by Section 76000.5 of the California Government Code, of \$2 for every \$10 on every fine, penalty, or forfeiture imposed and collected for criminal offenses including violations of the Vehicle Code or local ordinances adopted under the Vehicle Code. Section 10.100-195 requires the Department of Public Health (“DPH”) to administer the City’s Maddy Fund by determining reimbursements for physicians who render emergency care to indigent patients.

Amendments to Current Law

The proposed ordinance would delete Sections 8.42 and 10.100-195 in their entirety.

Background Information

In 2018, the City amended Section 8.42 to limit assessment of the penalty to non-misdemeanor and non-felony violations of the Vehicle Code or local ordinances adopted under the Vehicle Code. Since 2019, the amount of money assessed and collected through Sections 76000 and 76000.5 has significantly decreased. The City’s Maddy Fund now receives approximately \$400,000 annually, of which not more than 10% can be used for administrative expense. But it costs DPH approximately \$120,000 annually to administer the fund. DPH has paid for the deficit using accumulated savings from the program, but future administration of the Maddy Fund will require a general fund subsidy. The City’s Maddy Fund is also complex to administer. DPH contracts with a third-party administrator to receive claims from individual physicians and physician groups and then adjudicate and pay according to the prorated reimbursement scheme established by Section 10.100-195.