

South L.A. Clinics May Lose Tobacco Settlement Funds

Shift Comes As Privatization of County Clinics Is Again Considered

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LOS ANGELES - Just four months ago, the county Board of Supervisors voted to infuse nearly \$45 million of tobacco settlement money into dozens of health clinics in South Los Angeles to address unequal government funding that has plagued one of the unhealthiest areas in the region. Now those free clinics, which treat uninsured children and adults, may receive just a sliver of that money - \$3.5 million - because county health officials say they must use the tobacco money to ease a growing budget deficit.

The Board of Supervisors is expected to weigh in on the matter today when it considers the Department of Health Services' proposed \$4.4 billion budget for the coming year.

Jim Mangia, who heads the St. Johns Well Child and Family Center, called the \$3.5 million offer "budget dust" and an insult. "That is a joke, that's not a serious response to the board's proposal," Mangia said. "The reason there are such serious health conditions in South L.A. is underfunding," Mangia added.

Mangia runs 11 community clinics in and around South Los Angeles that are called "private-public partnerships" because they rely on some government funding but are not actually county-operated. Those clinic partnerships are crucial to the county's health care safety net because they treat uninsured and Medi-Cal enrollees who would otherwise clog county hospitals and emergency rooms.

But private-partnership clinics in South Los Angeles receive the least county funding per uninsured resident - fewer than half the dollars that the same type of clinics receive in West Hollywood, according to a report released in April by a county-appointed working group. East Los Angeles, which could also see tobacco money, fares almost as poorly.

Cheri Todoroff, deputy director of planning and oversight for the Department of Health Services, said that the department was "very interested" in addressing that unequal funding, but not until "new dollars become available." Todoroff said the department could spare only \$3.5 million for the clinic proposal because "\$44 million is already part of balancing our budget, so we can't back it out."

The dispute over county payments to clinics comes at a time when health officials are trying to shift more of the burden of uninsured patients from county-run clinics to private centers as a budget fix. Though the Board of Supervisors swatted down a controversial move to close county clinics earlier this year, sources said health officials are reworking a plan to shutter some clinics as early as next year.

Health advocacy groups that focus on South L.A. said that the widening budget gap should not eclipse the county's commitment to underfunded areas. "I hope that the effort to right the imbalance isn't lost in the overall discussion of the budget shortfall," said Yolanda Vera, executive director of L.A. Health Action. Vera helped prepare the April report that documented how less money flows to South Los Angeles, despite higher health risks and shrinking health care options.

Supervisor Gloria Molina said Monday the tobacco funds offered a unique opportunity to address unequal resources by building clinic infrastructure. She said she believed the Department of Health Services could locate the money. "We are hearing even at this last minute that the CEO might be putting together a resolution to get us to that goal," Molina said on Monday.

In April, Molina proposed tapping the tobacco settlement funds as a one-time boost to private clinics in underfunded areas. The motion passed unanimously. Those funds stem from more than \$200 billion secured by state attorneys general from the tobacco industry in 1998 as part of a settlement of a nationwide lawsuit. Los Angeles County received a significant percentage of the tobacco settlement because it had separately sued the tobacco companies.

At an April 22 board meeting Molina directed officials with the Department of Health Services to "free up" the \$44.8 million to expand the private-public clinics. "The reality is this is how the tobacco settlement funds were really intended to be used, for health promotion, not to fill the department's budget holes," Molina said at that meeting.

It remains to be seen whether that directive will be followed. The tobacco settlement money flows to several current projects, health officials said. In 2008, the Department of Health Services expects to use \$141.3 million from the fund for everything from county hospital renovations to beefing up ambulatory care, according to county budget documents. By the end of 2009, the county will still have another \$186.2 million from the tobacco settlement in the bank. The department's most recent proposed budget shows \$41.6 million in "one-time funds to address the budget deficit" and the \$3.5 million for public-private partnerships.

Mangia said that amount of money was not worth even fighting over. He and other clinic managers are pushing the county to devote between \$30 and \$40 million as the board initially proposed. A formal vote on the clinic funding is expected on Oct. 7. But not all health advocates are gunning for the money.

Lark Galloway-Gilliam, executive director of Community Health Councils, said even the \$44 million falls short because it is only a one-time investment. "I don't think it solves the problem," Galloway-Gilliam said. "It perhaps puts off the fundamental question of how the county distributes its albeit limited resources and are they doing it responsibly?" She said a better approach would be to recalculate how the county doles out dollars to the various districts now - including less money for better-funded clinics on the Westside.

The health clinics themselves have opposed such a recalculation because it would essentially mean stripping money from some programs and shuffling them elsewhere, threatening patients who currently receive services. Louise McCarthy, vice president of governmental affairs for the Community Clinics Association of L.A. County, said that her group supports the push for a one-time \$44 million investment in South L.A. clinics as well as a more permanent source of new funding for all of the 125 clinics she represents countywide.

"I'm not saying it's hiding under a rock, but it is possible that this could be done," McCarthy said,

"We've gotten a commitment from the supervisors, the CEO, advocates and clinics, who say we need to address the inequity issues. We've gotten that commitment, now where is the actual budget to back it up?"

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