

## THE VENTURA COUNTY MEDICAL CENTER

### INTRODUCTION

A county plan for consolidation and modernization of some units of the Ventura County Medical Center (VCMC) was defeated by the electorate in March 1996. Following that defeat the revelation of the amount of money spent by the primary opposition, Community Memorial Hospital (CMH), has raised questions about its motives. There was obvious concern about a future course of action by county officials. In general, the Grand Jury sensed concern, but also a lack of unbiased information. As part of the Grand Jury's civil oversight responsibility, an investigation was initiated with the objective of making an evaluation of the situation, with particular emphasis on the impact of VCMC closure.

The Grand Jury interviewed many county officials, including Supervisors, hospital administrators, legal counsel and maintenance engineers. We reviewed financial data on hospital operations and analyzed various reports on plans for facilities improvement. The facilities were inspected in detail, and we read engineering reports on various parts of the VCMC complex. We also reviewed many of the applicable statutes and regulations and read much of the expert testimony given in the unsuccessful law suit against the county charging unfair business practices in the operation of the VCMC.

This report describes the VCMC, including the clinic system, and establishes the basis for its existence. There is a discussion of supporting functions in the Health Care Agency (HCA) such as the Medical Examiner and the Public Health Department. The financial effect of closing the VCMC is analyzed. The facilities are described in detail, and the plan for consolidation and modernization is analyzed. There is also a discussion of the County hospital care market.

While some elements of our investigation are not a comprehensive evaluation of the VCMC, we have developed enough information to reach some conclusions and make recommendations.

### VENTURA COUNTY MEDICAL SYSTEM

In commencing this investigation, the question that arises is, "Why is the County involved in providing health care when there is an abundance of empty hospital beds, and more than adequate private medical facilities in the County?" It is appropriate to briefly review the history that has led to the present situation.

The need to provide medical care to the needy has been a continuing social concern. Historically, it was provided by the medical profession augmented with private financial support. As the public became more concerned about the medical needs of the community coupled with the scourge of contagious diseases that decimated populations, local and national governments became involved. In this context the responsibility placed on the VCMC is cited in the California Welfare and Institutions Code, Sections 16900 and following:

*Section 17000. Persons to whom duty extends*

*Every county and every city and county shall relieve and support all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions.*

In order to meet this requirement, the VCMC has developed a system of clinics that operates in conjunction with the hospital to provide a medical care system that has served as a model for other counties. In addition to reducing the fiscal impact due to excessive use of acute care, particularly the emergency room, the system is more responsive to the needs of the citizens of the county. There follows a brief description of the County Hospital and the system of clinics.

The County Hospital operates 149 acute care beds, and 23 newborn nursery beds. In most respects, it is comparable in terms of facilities and service to other acute care hospitals. The hospital treats many of the heavy trauma cases in the county and has one of the most complete neonatal departments in the area. Cardiovascular patients, requiring specialized procedures, are referred to another area hospital, which is better equipped for this type of care. Duplication of expensive diagnostic equipment is minimized by utilizing equipment in private facilities

VCMC has the only Residency Training Program in Ventura County; it is affiliated with UCLA. It was accredited in 1974 and accommodates 13 residents a year in a three-year Family Practice Program for a total of 39 residents on site. The program is highly rated in the nation, and in 1997, there were 800 applicants for the 13 positions available. About 40 percent of these residents who become Board Certified physicians set up practice in the area, many in the VCMC clinics.

When patients enter the County Medical System, ability to pay is assessed, and when applicable, Medi-Cal eligibility is established. There are seven employees from the Ventura County Public Social Services Agency (PSSA) on site to process Medi-Cal applications. As of November, 1996, there were 79,828 county residents on Medi-Cal and approximately 1500 new applicants are processed each month. There are also three PSSA employees who process the significantly fewer Medi-Cal applicants at the private hospitals.

The statistical data that follows in Table 1 is provided by the Office of Statewide Hospital Planning and Development (OSHDP) report, "Quarterly Individual Hospital Financial Data for California," dated October 24, 1996. Added to the data reported is a line item for county hospitals excluding VCMC. "Hospital discharges" was selected as a representative category to illustrate the distribution of patients for VCMC.

It is appropriate to review the patient categories. Medicare is a fee-for-service system with payment schedules that are accepted by most physicians and hospitals. Medi-Cal pays a fixed amount for each hospital day and each clinic visit. The rates are generally below costs for a hospital and substantially below prevailing rates for clinic visits. By definition, indigent care is unpaid for by the patient. Most of the "other third party payors" are covered by private insurance or HMOs and pay standard or negotiated rates. "Other payors" combine those who are none of the above and those who have limited ability to pay. The working poor that fall in this category account for most of the bad debts in all county hospitals.

It can be seen from Table 1 that the total number of the VCMC patients exceeds that of the other seven county hospitals in the Medi-Cal, indigent and "other payor" categories. They comprise 78.2 per cent of VCMC clientele compared with an average of 14.6 percent in the other acute care hospitals. It is evident that the County Hospital patients are predominately those that the private sector does not normally accept, primarily due to their inability to pay or where available reimbursement does not cover the full cost of service.

The conventional and most common method for sick people to seek treatment is to visit a doctor's office or clinic, if necessary be referred to specialized doctors or clinics, and as a last resort become a patient in an acute care hospital. The VCMC medical system provides these three layers of care: satellite clinics located in major population centers, specialized or ambulatory care clinics located in or near the

**Table 1**  
**DISCHARGES - VENTURA COUNTY HOSPITALS**  
**FOUR QUARTERS ENDING JUNE 30, 1996**

HOSPITAL	MEDI-CARE	%	MEDI-CAL	%	COUNTY INDIGENT	%	OTHER THIRD PARTY PAYORS	%	OTHER PAYORS	%	TOTAL
Community Memorial	2,851	25.2	929	8.2	4		6,725	59.3	826	7.3	11,335
Los Robles	2,526	29.4	459	5.3	38	0.4	5,429	63.1	51	1.8	8,603
Ojai Valley Community	493	31.8	100	6.5	9	0.6	825	53.2	123	7.9	1,550
Santa Paula Memorial	457	23.5	448	23.0	0	1.5	914	47.0	97	5.0	1,946
Simi Valley Hospital & Health System	1,917	30.2	10	11.1	-	-	3,516	55.4	208	3.3	6,351
St. John's Pleasant Valley	1,376	36.0	178	4.7	1	-	2,165	55.6	104	2.7	3,824
St. John's Regional Medical Center	2,974	26.4	1,712	15.2	21	0.2	6,103	54.3	439	3.9	11,249
Ventura County Medical Center (VCMC)	868	9.9	5,525	63.2	441	5.1	1,035	11.8	868	9.9	8,741
<b>TOTAL</b>	<b>13,462</b>	<b>25.1</b>	<b>10,061</b>	<b>18.8</b>	<b>544</b>	<b>1.0</b>	<b>26,712</b>	<b>49.8</b>	<b>2,816</b>	<b>5.3</b>	<b>53,599</b>
<b>TOTAL LESS VCMC</b>	<b>12,594</b>	<b>28.1</b>	<b>4,536</b>	<b>10.1</b>	<b>103</b>	<b>0.2</b>	<b>25,677</b>	<b>57.6</b>	<b>1,948</b>	<b>4.3</b>	<b>44,858</b>

VCMC campus, and the County Hospital. The system has evolved to provide early treatment, thereby minimizing the need for more expensive hospital care or emergency room visits.

Table 2 lists the clinic visits to the VCMC. The campus clinics are the Ambulatory Care units and specialty clinics. The satellite clinics are located throughout the community. There were 124,476 campus clinic visits in the 1995/96 fiscal year. There were 165,423 satellite visits in the same period. The visits in 1995/96 for all outpatient services was 289,899.

The distribution of clinic patients into the various categories, i.e. Medicare, Medi-Cal, etc., is similar to that presented for the hospital because the hospital population is normally processed through the clinics. No similar extensive clinic system exists in the County, therefore no comparison can be made with a private clinic system, but it can be concluded that the County system percentages of Medi-Cal, indigent, and "other payors" categories exceeds that of private providers.

In the Grand Jury's contacts with the managers and professional staff at the VCMC, we found a commitment to efficiency and compassion for the needs of their clientele. In those areas where facilities are often inadequate or scattered, we found a level of commitment and enthusiasm that was surprising. We believe the VCMC delivers care that meets state and federal mandates with a rare combination of frugality and effectiveness.

*Table 2*

**VENTURA COUNTY MEDICAL CENTER CLINIC VISITS  
FISCAL YEAR 1995/96**

<u>CAMPUS CLINICS</u>		<u>SATELLITE CLINICS</u>	
Women's	7,053	Los Flores	272
Family Care	21,821	Mandalay Bay	8,378
Pediatric	11,415	Las Islas	40,391
Orthopedic	10,795	West Ventura	38,634
Medical Specialties	6,897	Santa Paula	20,705
Immunology	1,369	Sierra Vista	32,165
Infusion Center	2,108	Conejo Valley	10,903
Surgi-Clinic	5,836	Moorpark	6,543
Tower Surgical	5,326	Magnolia	7,432
Facility Medical Group	6,004		
Employee Health Services	6,312		
Emergency Room	37,726		
Rapid Care	1,814		
<b><u>TOTAL</u></b>	<b><u>124,476</u></b>		<b><u>165,423</u></b>

## SUPPORT FUNCTIONS OF THE SYSTEM

The VCMC does more than treat the sick and injured. It uses its capabilities to support several County functions as part of overall services within the Ventura Health Care Agency.

The Health Care Agency (HCA) includes the Medical Examiner, Public Health, Emergency Medical Services, Behavioral Health, and Alcohol and Drug Programs. There is mutual support between these departments and a close relationship with the VCMC, which is also a part of the HCA.

### **Medical Examiner - Coroner**

The Medical Examiner-Coroner's purpose is encapsulated in its mission statement which states in part, "*The purpose of the Medical Examiner-Coroner is to investigate and determine the cause, manner and circumstances of death in those cases reportable to the Coroner in accordance with the Government Code.*" The VCMC supports this operation with approximately 25 private autopsies per year, histology slides, tumor pathology, cytology and chemical analysis. Costs for these services are built into the structure of the VCMC. Therefore, if the hospital were to close the Medical Examiner would be responsible for those costs in an arrangement with another hospital.

### **Public Health Service**

Public Health Service's (PHS) mission is "*.. to optimize the health of the community by promoting healthy life-styles and preventing and controlling disease, injury and disability. In carrying out its mission, Ventura County Public Health Services will: measure and make public the factors that influence the community's health, lead and assist in the development of sound and comprehensive policies in matters related to health, and assure that appropriate public health activities are carried out in the community.*" The VCMC provides public health services through its ambulatory clinic system, thereby removing the need for duplication of services and reducing the costs. Over 50 percent of the funding for the PHS comes from state and federal grants.

### **Emergency Medical Services**

Emergency Medical Services monitors and regulates the four ambulance services of Ventura County. This organization administers contracts with the ambulance companies who are equipped to respond quickly and professionally to transport individuals to the proper medical facility. The County has designated VCMC, Simi Valley, Los Robles and St. John's as base hospitals, determined by their location and capability for emergency treatment. Individuals requiring identified special care are directed to the appropriate hospital. No financial relationship exists with the hospitals.

### **Behavior Health**

The Behavioral Health Department's purpose is defined in the following mission statement: "*To improve the quality of life of individuals experiencing a severe crisis or who have a severe and persistent mental illness,*" and "*To empower clients served to achieve their personal goals necessary to enjoy independent, productive, and satisfying lives in the community.*" The treatment of mentally disordered children and youth and mentally ill/high risk adults and seniors is a successfully run program under the auspices of the VCMC. The new psychiatric hospital was financed under a legislative program

which ties the debt to the Medi-Cal patients seen at VCMC, thus reducing the debt service obligation. At present there is a pilot program in Oxnard, staffed by a part time registered nurse, that accepts referrals from a satellite clinic. It is the intention of Behavioral Health to add alcohol and drug counseling to this program. If the support provided by VCMC were not available, these programs would need to be restructured using the private sector.

### **Alcohol and Drug Programs**

The Alcohol and Drug Programs Department provides drug and alcohol prevention, education, consultation, intervention and treatment services. Curtailment or elimination of VCMC would have a direct impact on several programs now in existence under the supervision of the Alcohol and Drug Programs. Examples are the two full time alcohol and drug specialists assigned to VCMC treatment programs. For two years a successful outpatient detoxification program has been in existence at VCMC. Within the past six months, a program for pregnant addicts has been established in conjunction with prenatal services available through VCMC. A support system of the private sector would need to be established for the continued operation of these programs.

### **Summary**

It is apparent that although VCMC does not have direct responsibility for these departments, its support is an intrinsic element in the operational economics and success of their programs. Loss of this VCMC resource would significantly detract from the efficiency of each individual department in both economic and care giving areas.

## **FINANCIAL CONSIDERATIONS**

One of the serious concerns of County officials is the possibility that they will be forced to close the VCMC. There are two basic elements that must be addressed to assess the impact of VCMC closure. The first is an examination of financial reports to determine the effect of closure on VCMC revenue. The second is the possible costs to the County if it had to negotiate with private facilities in order to maintain hospital care for patients in the safety net.

Audited financial data for fiscal years 1988/89 through 1995/96 shows a steady decline in contributions from the County General Fund from a high of \$8.7 million to \$5.9 million.

In reviewing the financial data for the operation of the VCMC, it became apparent that hospital closure would result in the loss of available state and federal funds. The most significant elements in financial support are its qualifying as a Disproportionate Share Hospital (DSH) and being a teaching institution. SB855 relating to supplemental Medi-Cal payments appears to be a critical factor in qualifying for available state and federal health care funding.

VCMC is the only DSH in Ventura County. To qualify, a hospital must have a high patient load of Medi-Cal, low income, and indigent (MIA) patients. Funding for DSH facilities is granted if more than 50 percent of the gross patient care revenue is generated by Medi-Cal, self-pay, and MIA patients. The total amount available depends upon hospital bed capacity and status as a teaching hospital. A teaching

hospital gets additional DSH funding. The Ambulatory Care Clinics affiliated with the VCMC are included in the revenue amounts submitted to the state for calculating the disproportionate share funding.

If current year funding remains at approximately the same levels as fiscal years 1994/95 and 1995/96 Table 3 shows what could have been lost if VCMC did not provide health care services and if no other hospital in the county had a DSH status.

In addition, there would have been a loss in fiscal year 1995/96 of \$4.3 million for "treatment room" outpatient visits by Medi-Cal qualified clientele. There is no other hospital in Ventura County with a clinic system that matches the VCMC capability to provide outpatient care. No other hospital in the county has a DSH status and it is doubtful any would qualify even if the VCMC were closed.

In summary, we conclude that the county could lose about \$14.0 million each year in state and federal funds to support its health care obligation if the VCMC did not exist.

*Table 3*

**LOST REVENUE ON CLOSURE OF VENTURA COUNTY MEDICAL CENTER**

<u>FUND</u>	<u>FY94/95</u>	<u>FY95/96</u>
Tobacco Tax	\$ 1.6M	\$ 1.6M
DSH Funds	\$10.1M	\$ 6.1M
<b>Total</b>	<b>\$11.7M</b>	<b>\$ 7.7M</b>

Ventura County has established the Ventura County Health Care Plan, a managed care plan, as a health care option for eligible county employees. As of February 13, 1997, the plan had 2,346 enrollees. The annual cost to each subscriber for 1997 will be \$990 less than the nearest competitor. The operation of the plan resulted in net revenue of \$63,000 to the VCMC in fiscal year 1995/96.

The responsibility for the County to provide a safety net for the medically needy would remain if VCMC closed. The care would have to be provided by contracting with private hospitals. Those contracts could be rather complex because in addition to accommodating VCMC patients, they would have to include the support that VCMC provides to other Health Care Agency departments. The County would have to increase its contract administration functions to monitor those contracts.

In our study we found no indication that area private hospitals were more or less efficient than VCMC. However, the private institutions must operate at a profit or surplus. That need would cause pressure to increase costs to the County. In addition, the County would be contracting in a quasi-monopolistic market because each private hospital in the county has a distinctive market area. In such a situation the County would have little leverage to control costs. The Grand Jury had no data source available that would allow an assessment of the costs of private contracting.

It is unlikely that any of the private hospitals in the county would want to jeopardize their status with current clientele by serving a preponderance of Medi-Cal, indigent and MIA patients. Without such a commitment, qualification as a DSH would not occur. Therefore, it can be concluded that federal and state support that averaged \$14 million in fiscal year 1994/95 and 1995/96 would be lost and would have to be replaced by an equivalent amount from the County General Fund.

## FACILITIES

### **Current Facilities**

It might well be asked, "Why did the County embark on a major construction for the VCMC?" The answer lies in the physical condition of the facilities and the working conditions within the facilities. The question is answered more fully below.

The VCMC campus is made up of 30 buildings. They are of differing sizes, construction and conditions. Six of the buildings are abandoned and another is mostly abandoned except for a small engineering office. These buildings were abandoned because of asbestos and lead contamination and the high cost of maintenance. Six buildings are portable/modular units, only one of which is modern and is fully compliant with the building code. Four buildings need near-term replacement, and one, the old hospital, will probably have to be razed in the long term (20 years). In short, over half the buildings are, or should be abandoned, demolished, and replaced with modern, code compliant, structures.

This is not an unfamiliar problem for most California county hospitals. Our information indicates that the decision to close many public hospitals in less populated areas was driven by the high cost of modernizing and keeping facilities current with rapidly changing technology.

The more populated counties, including Ventura, have retained public hospitals because they represent the lowest cost solution to their legislative mandate to assure a health care safety-net. Exceptions are San Diego, Orange and Sacramento counties, where the public health care function has been transferred to university hospitals that are operated in conjunction with medical schools. Many larger counties are currently involved in major building projects to upgrade aging hospital facilities or are making changes to meet new health care delivery methods.

The VCMC has de-emphasized inpatient care, including high cost emergency room services, and reached out to the communities to serve its client base in satellite clinics. There are now nine such clinics, all operated as public/private partnerships on a contract basis with the operating physicians. The West Ventura Family Center has about 20,000 square feet. The Los Islas Clinic in Oxnard has about 10,000 square feet. The Simi Valley Sierra Vista Clinic is slightly smaller. The other clinics are about 5,000 square feet in size.

Presently thirteen clinics are an integrated part of VCMC. The Family Care Center in a leased facility on Loma Vista Avenue is a key element in the medical internship program in conjunction with the UCLA Medical School. The Women's Clinic is in a leased facility on Loma Vista. The Family Care Annex, Immunology, and medical specialty clinics are scattered on the campus in whatever usable space can be found in buildings that aren't condemned and abandoned. The proposed Ambulatory Care Center would have consolidated the clinics in or adjacent to the VCMC campus, improving effectiveness, efficiency and training capability.



The old hospital, built in 1923, abuts the main hospital and is used for medical administration offices and technical support services. This building was upgraded in 1977, and should last another 15 to 20 years.

The medical laboratory, which is housed in the old hospital, has been the subject of several reports. As far back as 1986/87 the Ventura County Grand Jury noted the lack of space to efficiently perform the laboratory function and recommended remedial action. Our inspection also noted an urgent need for more space and a concern for the impact a lack of space might have on performance. The laboratory processes over 300,000 specimens a year and accuracy is essential. Crowding and its effect on performance was noted in the last hospital certification report. Our visit also revealed a need for compliance with OSHA and hospital facilities requirements (Cal. Code Regs., Titles 17 and 22).

In the Dietary Unit the floor is seriously degraded due to age, steam leaks and penetration of kitchen salts through cracks to the reinforcing steel. It no longer has any significant supporting capacity and is shored up with wooden posts in the underlying tunnels. The concrete and wood roof structure is sagging badly. In short, a minor earthquake would probably result in collapse of the building. The building is currently on a 90 day re-inspection cycle to determine its safety. In addition, the unit is substantially out of compliance with Titles 17 and 22 of the California Code of Regulations relating to hospital dietary units.

The tunnels under the Dietary Unit, which was the original steam plant for the old hospital, go under the hospital complex and were originally intended to be a runway and access for steam and hot water. They have been a convenient place to put other utility services and are badly contaminated with asbestos. The concrete has suffered accelerated deterioration due to steam leaks. If the Dietary Unit were to collapse, the underlying tunnels would also collapse cutting off utility services to the hospital unit.

Correction of the conditions that exist in the laboratory, Dietary Unit, and the utility tunnels is essential to the continued operation of the hospital.

The Bard Building houses the administrative management functions of the Ventura County Health Care Agency. The building is badly contaminated with asbestos and lead and is occasionally evacuated when the asbestos is disturbed. There is no permanent heating system in the building and the plumbing and electrical systems are marginal, at best. A recent evaluation of the building indicated that the cost to refurbish it would be the same as constructing a new building. Noncompliance with building codes and health and safety regulations make prompt replacement essential.

Over the years several studies have pointed out the need for more parking space on the VCMC campus. The hospital is staffed on a 24 hour basis which creates a need for night time personnel security. In addition, many patients are not fully ambulatory. Perhaps more to the point is the fact that if any new construction is attempted on the VCMC campus the current parking space will fall far short of need.

#### **Moderization Program**

In 1995, the Board of Supervisors proposed a modernization project for the VCMC which would have included demolition of abandoned buildings, removal of most mobile/modular units, a new Dietary Unit, replacement of the utility network, space for a medical laboratory, consolidation of the adjacent clinics and a parking

structure. This "Ambulatory Care Center" concept was studied in some detail and funding was approved by the Public Facilities Corporation. The Public Facilities Corporation is a nonprofit benefit corporation set up to arrange financing of new facilities through the use of Certificates of Participation. A lease/ purchase analysis made at that time showed that leasing a suitable facility for forty years would cost \$64.3 million as opposed to a purchase cost of \$58.6 million. The most substantial benefit to a purchase was the prospect of state financing assistance.

California Welfare and Institutions Code, sections 14,085.5 and following (SB1723), provide a basis for state sponsored, capital improvement financing assistance to those hospitals that serve a disproportionate share of the indigent, the poor, and the uninsured. VCMC is a qualifying hospital. It is estimated that this subsidy could cover up to 65 percent of the debt service payments on the Ambulatory Care Center Project. The lease/purchase analysis shows the prospective Ambulatory Care Center direct cost savings with full state support to be \$41.7 million over a forty year period. In addition, indirect cost savings resulting from operational efficiencies were estimated to be \$50.3 million over the forty year amortization period. A combination of direct and indirect cost savings would range from \$56.0 to \$92.0 million, depending on the level of state funding. This cost saving would have relieved General Fund annual payments for public health care by \$1.0 to \$2.0 million.

Funding for the Ambulatory Care Center Project was denied by Ventura County voters on Proposition X. The argument made against the project was incorrectly characterized as an unnecessary expansion of hospital capacity. The Grand Jury supports the Ambulatory Care Center Project because of its long term cost saving potential by providing more effective and efficient medical care to citizens in need, and assuring the long term operation of the hospital.

## VENTURA COUNTY HOSPITALS

In Ventura County there are eight acute care hospitals, all operating with varying degrees of excess capacity, depending upon historical clientele and market environment. This situation is not unique to Ventura County. On the national scene, hospitals are being acquired by "for profit" organizations such as Columbia and Tenet who attempt to develop more cost efficient systems. "Not for profit" hospitals are making close knit alliances. All these changes, including associated hospital closures, are driven by the need for hospitals to remain financially solvent in a market where the need for acute care hospital beds is diminishing.

This overcapacity of hospital beds has occurred over the past few years because of more stringent health insurance eligibility criteria, restrictions on the length of in-hospital care, and the advent of managed care exemplified by the Health Maintenance Organizations. The result is that health care, and hospital services in particular, is now an extremely competitive industry. Hospitals are now concerned with cost control and market share. The competitive environment is a management challenge. The administrators of health care, doctors and nurses are affected, but it would be wrong to imply that their dedication to patient care is adversely affected.

A large proportion of patients at the VCMC are those which the private hospitals choose not to treat because reimbursement, if any, is below costs. In effect, there is competition between hospitals for patients, but at present there is virtually no

competition for those patients treated at the VCMC. In recognition of this environment, we undertook a survey of seven privately operated, acute care hospitals in Ventura County. Our objective was that the responses received would permit us to put forward an alternative system of care, to accommodate VCMC patients if the hospital closed. This system of care would have to address the financial impact to the County, and the service the VCMC, including its extensive clinic system, provides to other health related county departments.

Only one hospital, CMH, responded and their response did not unconditionally endorse any capital investment in VCMC. We contacted some of the administrators who did not respond and they stated that they did not wish to get involved in what has become a contentious issue. We did not choose to pursue this issue with interviews because it would not contribute to this study which is predominately based on data available in the public domain. The lack of input from the private sector results in the Grand Jury's being unable to present a viable alternative to continued operation of the VCMC.

## CONCLUSIONS

The following conclusions can be drawn as a result of this investigation:

1. The Ventura County Board of Supervisors is legally mandated to provide health care services to those unable to pay.
2. The system of care provided by VCMC meets the health care obligation with a well managed, efficient, and compassionate system.
3. The VCMC is the core element that effectively maximizes the efficiency of the other units of the Ventura Health Care Agency.
4. The County would stand to lose \$14.0 million a year in Federal and State funding which would have to be replaced from the County General Fund if the VCMC closes and the County contracts with private hospitals to meet its health care obligation.
5. The deplorable state of some VCMC facilities reflects years of poor maintenance planning and an inadequate building replacement program.
6. The continued operation of the hospital is threatened by structural problems in the Dietary Unit and utility tunnels, and overcrowding in the laboratory. In addition, replacement of the management unit (Bard Building) is mandatory.
7. A construction program has been identified that corrects the facilities' problems, provides needed parking, and combines the clinics around and on the VCMC campus into a single unit. This program could save the County substantial rental costs, would qualify for state debt service funding, and would increase efficiency.
8. In addressing the issues raised by the campaign to prevent capital improvements to VCMC the Board of Supervisors is prohibited by law from spending public funds in rebuttal.
9. The Board of Supervisors, the Ventura Health Care Agency, and the Auditor's department did not provide enough information to the electorate which would have laid the groundwork for acceptance of the planned capital improvements to the VCMC.

**RECOMMENDATIONS**

1. The Board of Supervisors must develop a plan for maintenance and replacement of VCMC care facilities that will prevent continuation of the present state of disrepair and overcrowding.
2. The Board of Supervisors should urgently pursue correction of the facility problems that imperil operation of the County Hospital, specifically the Dietary Unit, the utility tunnels and the laboratory.
3. The Board of Supervisors should consider replacing the Bard Building, consolidating and modernizing the ambulatory and special clinics, and building a parking structure.
4. The Board of Supervisors and other County officials should be consistent in offering substantiated, readily available and understandable data to the general public in support of their plans for meeting County health care needs and obligations.
5. The Board of Supervisors and other County officials should clearly and simply state their plans and programs to address County responsibilities and avoid the traditional political harangue associated with debating the issues as defined by opponents.

**RESPONSE REQUIRED**

Board of Supervisors  
Chief Administrative Officer  
Director of Health Care Agency