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I have reviewed the Grand Jury Report, and I would like first to express my appreciation for the tremendous amount of work, thought and research the Grand Jury put into their review of our Agency and of the particular issues surrounding the need for a building replacement program for the VCMC system. Generally, I agree with the Grand Jury's suggestions in this report, with only a few areas in which I feel some clarification would be of merit.

As the Grand Jury noted, the County's purpose in developing a health care system tailored to the needs of the County poor has been, and remains, the intent to save taxpayer dollars while fulfilling the County's Section 17000 obligations. Providing primary and preventative care prevents the development of minor illnesses into catastrophic healthcare needs, and discourages the use of expensive emergency facilities when a less expensive healthcare setting is appropriate.

It is true, also, that the County Health Care Agency makes every prudent endeavor to reduce expenses by sharing equipment and/or facilities with other hospitals when this alternative is both fiscally and medically sound. However, private facilities are not bound by this policy. For example: (1) Formerly, the Neo-Natal Intensive Care (NICU) unit in VCMC was the only such unit in the County. The revenues from this unit helped to offset other costs. Now, however, area private hospitals, noting the revenue potential of the NICU, have added these units to their hospitals as well. (2) Again, when the private hospitals saw that operating a clinic system tended to result in clinic patients being admitted to the affiliated hospital, they began to establish clinics (generally prenatal clinics). (3) This parallels the situation with regard to normal, uncomplicated childbirth. Hospitals which formerly would not accept pregnant patients with no ability to pay saw that the VCMC/VCAC system was able to assist patients in qualifying for Medi-Cal coverage. Because the Medi-Cal reimbursement for normal delivery is good as compared to the costs, private hospitals began to accept Medi-Cal patients with uncomplicated normal deliveries, although those with a likelihood of expensive complications were still expected to go to VCMC. The clinics established by private



formed in order to direct patients in and to help fill unused hospital beds - in other words, a means of competing in the health care market.

That which the County Health Care Agency did in order to reduce costs to taxpayers was later done by private hospitals in order to increase their own revenues. The difference is that the purpose of the County health care system is to offset costs and reduce the reliance on taxpayer dollars, while providing care to patients regardless of financial status. VCMC has always been the hospital of choice for high-risk pregnancy/ high-risk delivery, and we are glad to provide these services and to reassure, comfort and care for those who need them. However, the situations which developed indicated that the private hospitals regarded the County health care system as a sort of "steam valve" on a pressure cooker, through which cases costing money could be released while the private hospitals kept the "meat" of the healthcare revenues in Ventura County. Because of private hospital advertising, petition signature-gathering, and other methods utilizing high-pressure techniques and misleading information, the public became convinced that their tax dollar expenditure on healthcare would increase if the County were to construct replacement buildings, while the facts clearly indicated the opposite.

The Grand Jury states that "The deplorable state of some VCMC facilities reflects years of poor maintenance planning and an inadequate building replacement program." In fact, I think the condition of the facilities reflects (1) the poor financial condition of the HCA and VCMC prior to 1987, (2) the formerly popular philosophy of public service, which held that the provision of services for the poor necessitated the acceptance of inadequate facilities, and (3) the public belief, not yet changed by exposure to the facts, that government facilities should not be as attractive and functional as those belonging to private business. The financial efficiency of the HCA has been greatly improved over the past ten years. Attitudes of those in government service are gradually changing as people realize that efficiency and effectiveness can be better nurtured in facilities which are adequate, functional, and amenable to improvement of "customer service" to the public. However, plans have been in place for over six years. The Board of Supervisors approved building replacement plans, more than once, for the Health Care Agency. Parts of the building replacement and remodeling plan approved by the Board in 1987 have already been implemented: (1) Parts of the hospital building, including the fourth floor and the Emergency room, have been modernized. (2) A new Medical Examiner's building was constructed to relieve the space pressure and other problems that resulted from the ME offices formerly being housed - for twenty years - in a metal trailer. (3) A new Behavioral Health inpatient unit has been constructed. (4) Some of the antiquated and condemned buildings are now in the process of demolition. The building replacement plan as approved by the Board of Supervisors in 1987 has been refined and modified over the years, with permitting and approvals from other regulatory bodies kept up-to-date. Were it not for the legal actions and PR campaigns conducted by CMH, the Board-approved ambulatory care center and the parking structure would be completed by now.

Nevertheless, the Grand Jury is right in suggesting that we must do more to provide information to the public regarding the need for a replacement building program for the

Ventura County health care system. In the coming months, as antiquated, unsafe buildings are removed, and as we address the recommendations made by the Grand Jury, I suggest that attentiveness to opportunities to inform the public is key. Within the parameters of what the County is able to say, I hope that we can provide information in a way which will interest and engage the population of our County, encouraging them to think about the issues involved and come to an informed conclusion.

In conclusion, here are my specific responses to each of the Recommendations made by the Grand Jury:

1. Develop a plan for maintenance and replacement of VCMC care facilities that will prevent continuation of the present state of disrepair and overcrowding.

The buildings we are currently using are well-maintained, with the limitation that it would not be prudent to spend a great deal of money on leased or temporary facilities. When the SB1732 funds were available (before the CMH lawsuit, anti-building campaign and referendum) - we had developed a comprehensive plan which would still serve the needs of the County very well. These plans have been amended due to the lack of funding, since the SB1732 funds are no longer available. Our plans are dynamic, in that we are continually reviewing potential changes in the system and can adjust our plans as needed. CMH has successfully blocked Board approved actions twice, and federal funds have been lost because we were not able to implement plans due to CMH opposition.

2. Urgently pursue correction of the facility problems that imperil operation of the County Hospital, specifically the Dietary Unit, the utility tunnels and the laboratory.

I fully agree with this recommendation. The condemned structures are in the process of demolition at this time. Whenever financing becomes available we stand ready to construct the necessary buildings to resolve the problems in these specific areas. The plans have been approved by all parties (JCAHO, OSHA, etc.) and we have an excellent manager assigned full-time to Facilities Maintenance and Improvement. However, CMH opposition to the Board-approved plans remains vehement.

3. Consider replacing the Bard Building, consolidating and modernizing the ambulatory and special clinics, and building a parking structure.

This recommendation is excellent and will be implemented as soon as possible. The Bard Building, currently housing staff from several HCA departments, is being regularly monitored for air quality problems. In the meantime, several sites are being considered for the relocation of the staff. Once the staff is relocated and the financing obtained, we can demolish the Bard Building.

4. 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.

Within the boundaries of what the County may legally do, we are happy to write statements, press releases, flyers, brochures, or other forms of written communication to help inform the public of the issues. We have appeared and are willing to appear on television or on radio to discuss the issues and answer questions from the public. Any informational program needs to be both effective and entirely appropriate, since the County's efforts to inform the public have been in the past, and will certainly be in the future, scrutinized with a hostile eye.

5. The Board of Supervisors and other County officials should clearly and simply state their plans and programs to address County responsibilities.

It is difficult to discuss these matters without being drawn into publicly-viewed conflict by those who oppose the County's efforts. Our Board of Supervisors has shown great self-control, tact and diplomacy in fielding the attacks, sometimes personal, that have been leveled against them. On behalf of the Health Care Agency, we are extremely grateful to the Ventura County Board of Supervisors for their professionalism and their resoluteness to do the right thing in the face of such determined opposition.

The Grand Jury Report is, I believe, another vote of confidence stating that the elected representatives of the people, the Ventura County Board of Supervisors, have the right to govern and to make decisions regarding the fulfillment of the County's responsibilities.