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September 18, 2000

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Honorable Charles W. Campbell, Jr.
Presiding Judge of the Superior Court
Ventura County Hall of Justice
800 South Victoria Avenue
Ventura, California 93009

Re: Response of County Counsel to Grand Jury Report: "Mental Health Billing Irregularities in Ventura County Behavioral Health Department"

Dear Judge Campbell:

The 1999-2000 Grand Jury has asked the County Counsel to respond to one of its recommendations in its report entitled "Mental Health Billing Irregularities In Ventura County Behavioral Health Department." Specifically, in section C. of the report entitled "C. TRANSAMERICA OCCIDENTAL INSURANCE COMPANY," the Grand Jury requires my response to Recommendation R-1 which provides:

That, although Ventura County may have no recourse against Transamerica Occidental Insurance Company for their possible failure to provide some contracted services to the Health Care Financial Administration (HCFA), the Chief Administrative Officer should continue to explore all avenues to mediate the fines and penalties that have been assessed for billing errors in the Behavioral Health Department.

I concur in the Grand Jury's conclusion that Ventura County has no legal recourse against Transamerica Occidental Insurance Company for any contractual failure to provide training or detect billing errors by the Behavioral Health Department. These

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contractual undertakings and duties were owed to the Health Care Financial Administration who may or may not have a remedy for their breaches.

Although I have concluded that there is no legal avenue to pursue to compel the United States Attorney's Office or the Department of Health and Human Services to forgive all or any portion of the settlement amount, this office has participated with the Chief Administrative Office in discussions concerning mitigation measures with both our congressional representatives and the Department of Health and Human Services.

Negotiations have not been successful to date but we continue to urge the federal government to recognize both the fact that the settlement reimburses for services that were in fact rendered to County clients and the loss of such funds will reduce funds available to serve our target mental health population and other general fund programs.

Very truly yours,



JAMES L. McBRIDE
County Counsel

JLM:csb

pc: Marvin J. Reeber, Foreman, 1999-2000
Ventura County Grand Jury

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