


VENTURA COUNTY  
HEALTH CARE AGENCY  
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MEMORANDUM



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**Date:** June 21, 2001  
**To:** John F. Johnston, CEO   
**From:** Pierre Durand, HCA Director/VCMC Administrator  
**Subject:** Grand Jury Response - Mental Health Billing Follow-Up Report

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The Health Care Agency response to the above titled 2000-2001 Ventura County Grand Jury report is as follows:

Findings:

F – 1 The Integrity Agreement was intended to correct Medicare Outpatient Mental health billing problems. The Agreement covers the five- year period, which commenced on November 4, 1999.

*We concur.*

F – 2 The Integrity Agreement consists of two key elements:  
1. Compliance Training  
2. Production of a Policy and Procedures Manual

*We concur.*

F – 3 Ernst and Young, a consulting firm, was hired to conduct the mandated independent review of compliance and to audit billing.

*We concur.*

F – 4 Compliance Training started November 4, 1999, and trained 2,300 people during the first four months. Those trained included reimbursement personnel, providers, and contractors.

*We concur.*

F – 5 All contractors and employees are being screened and are removed from consideration if any fraudulent activity is uncovered in their background.

*We concur.*

F – 6 A Policy and Procedures Manual was developed as a result of the Integrity Agreement and is referred to as the Compliance Program Manual. This manual does not replace Ventura County's General Administrative Manual, the Human Resources Manual, County and Health Care Agency Policies, applicable labor agreements or any other policies of VCMC that give specific guidance to the daily activities of VCMC and its departments. The Compliance Program Manual sets forth the key elements needed to implement VCMC's obligations under the Integrity Agreement. The Table of Contents of this manual is shown in Attachment 1.

*We concur.*

F – 7 A confidential Hotline that guarantees no retaliation has been established; it documents all complaints and responses and utilizes specialized health care counseling for complaints.

*We concur.*

F – 8 A Utilization Review Committee was established to review patient record charts. During the year 2000, 60% of all patient charts were reviewed which is double the industry standard. An example of a utilization review procedure is shown in Attachment 2.

*We concur.*

F – 9 A summary chart for the outpatient 5% billing chart review is shown in Attachment 3.

*We concur.*

F – 10 An example of a Master Treatment Plan, which was developed as part of the Policy and Procedure Manual, is shown in Attachment 4.

*We concur.*

F – 11 The error rate in chart preparation uncovered by the first review has been 40%.

*We concur.*

F – 12 The Problem Oriented Record computer program used for outpatient billing has been significantly improved to facilitate outpatient billing for Medicare.

*We concur.*

John F. Johnston, CEO

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F – 13 Onsite training is being provided by outside experts from Ernst and Young, a consulting firm.

*We concur.*

F – 14 Billing charts have been updated. (See example in Attachment 5).

*We concur.*

F – 15 Staffing of open positions is still a problem. Certain staff skills are difficult to find. Human Resources hiring procedures can be lengthy.

*We concur.*

R – 1 Revamp County hiring procedures so that appropriate priorities are established by Human Resources for filling critical vacancies.

*We concur. We will support and work with Human Resources in any way we can.*

c: Honorable Bruce A. Clark, Presiding Judge of the Superior Court  
Charles M. Malone, Foreman Ventura County 2000-2001 Grand Jury