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VENTURA COUNTY
GRAND JURY

EXHIBIT 1

FY 2013-2014 GRAND JURY FINAL REPORT

RESPONSES TO FINDINGS (FI) AND RECOMMENDATIONS (R)

Report Number (& Date)	Report Title	Respondents (With FI and R #)
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REPORT NO. 01 May 29, 2014

Title: **Healthcare Records Processes and Procedures**

Required

Respondents: **Board of Supervisors** (Joint response with CEO)
(Response to all Facts, Findings and Recommendations)

Requested

Respondents: **Ventura County Health Care Agency**
(Response to all Facts, Findings and Recommendations)

County Executive Office

(Joint Response with Board of Supervisors)
(Response to all Facts, Findings and Recommendations)

Response to 2013-14 Grand Jury Report Form

Report Title: Healthcare Records Processes and Procedures

Report Date: 5/29/2014

Responding Agency/Dept: Board of Supervisors/County Executive Office

Response by: Terri Yanez **Title:** Program Management Analyst

FACTS

- I (we) agree with the facts numbered: **FA-01; FA-02; FA-03; FA-04; FA-05; FA-07; FA-11; FA-14; FA-16**
- I (we) disagree wholly or partially with the facts numbered: **FA-06; FA-08; FA-09; FA-10; FA-12; FA-13; FA-15**

FINDINGS

- I (we) agree with the findings numbered: **FI-03; FI-07**
- I (we) disagree wholly or partially with the findings numbered: **FI-01; FI-02; FI-04; FI-05; FI-06**

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
- Recommendations numbered _____ have not yet been implemented, but will be implemented in the future.
- Recommendations numbered _____ require further analysis.
- Recommendations numbered **R-01; R-02; R-03; R-04** are already standard Health Care Agency procedures.

Date: 8/29/14 Signed: Terri Yanez

Date: September 9, 2014 Signed: [Signature]

Number of pages attached: 8



FY 2013-14 GRAND JURY FINAL REPORT
RESPONSES TO FINDINGS AND RECOMMENDATIONS

Report Date: May 29, 2014

Report Title: Healthcare Records Processes and Procedures

Required Respondents: Board of Supervisors
(FI-01 through FI-07 plus R-01 through R-04)

Requested Respondents: Health Care Agency
(FI-01 through FI-07 plus R-01 through R-04)

County Executive Office
(FI-01 through FI-07 plus R-01 through R-04)

Response by: Board of Supervisors, County Executive Office

FACTS:

FA-01. On February 17, 2009, ARRA was passed by Congress and signed into law four days later. It included HITECH, which authorized up to \$27 billion over ten years to support adoption of EHR systems used by healthcare providers nationwide. [Ref-01, Ref-02, Ref-04, Ref-05]

RESPONSE: Agree.

FA-02. In May 2009, VCHCA issued the first RFP for an Electronic Health Records system. In September 2010, VCHCA issued a second RFP, superseding the first RFP, in response to revised ARRA requirements. The second RFP required one integrated EHR system that encompassed outpatient care, inpatient care, and federally mandated Stage 1 Meaningful Use criteria, examples of which are (as stated in ARRA) "use of electronic prescribing" and, "electronic exchange of health information to improve the quality of health care." [Ref-03, Ref-04, Ref-05] (Att-01)

RESPONSE: Agree.

As noted in the Health Care Agency's response, it is important to recognize the complexity of what VCHCA took on. The VCHCA county system spans 2 hospitals and 40 outpatient clinics as well as handling all of the financials. An integrated system that would work in both an in-patient hospital and outpatient clinic environment was required from a vendor that had the experience and resources to ensure the project was successful. The first VCHCA RFP did not include the requirement for integration resulting in several smaller, piecemeal vendors responding while none of the larger providers of integrated solutions responded.

FA-03. In July 2010, pursuant to the provisions of HITECH, the Centers for Medicare and Medicaid (CMS) announced final rules to implement provisions of ARRA to provide incentive payments for the Meaningful Use criteria for EHR technology. Additionally, those that fail to

achieve the scheduled Stage 1 standards by the end of December 2014, irrespective of the loss of any Meaningful Use incentives, are subject to federal penalties. [Ref-04, Ref-05]

RESPONSE: Agree.

FA-04. In October 2010, all bids from companies responding to the second RFP to provide an EHR for VCHCA were received, and the second RFP closed. In June 2011, Cerner was selected. (Att-01) In October 2011, the BOS approved \$32 million to acquire the required EHR system. This did not include computer hardware, staffing, or medical hardware, which were to be provided by the VCHCA. [Ref-05, Ref-06, Ref-07, Ref-08]

RESPONSE: Agree.

FA-05. Over a four-year period beginning July 1, 2013, VCHCA expects to earn \$20 million in scheduled Meaningful Use incentive payments from the federal government.

RESPONSE: Agree.

FA06. In April 2012, VCHCA hired an independent Information Technology (IT) consultant to oversee the EHR implementation; however, he was not authorized to be project manager. For this implementation, VCHCA did not use a formal structured project management plan based on best practices, such as those shown in the Project Management Institute's *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. Instead, they used Cerner's event-based methodology-a simplified milestone checklist. [Ref-12, Ref-13] (Att-01)

RESPONSE: Disagree The County Executive Office has conferred with the County of Ventura Health Care Agency (HCA) and confirmed that the independent IT consultant hired to oversee the EHR implementation was authorized to be the project manager. This project manager reported directly to the HCA director and had full authority to manage the Cerner contract and oversee all aspects of the implementation related to HCA staff, resource planning and implementation. Further, the project manager was required to adhere to the County negotiated contract with Cerner and all decisions were made jointly by Cerner and the HCA project management team.

HCA did use a formal structured policy management plan for the Cerner System Implementation. The plan followed was required by Cerner in the contract and followed an Event Driven Project Management methodology.

FA-07. In December 2011, VCHCA decided to use contract staff (supplemental nurses and other healthcare support) to assist in all aspects of the EHR deployment. However, VCHCA did not seek funding approval for contract staff until July 2012. [Ref-09, Ref-10] (Att-01)

RESPONSE: Agree. HCA utilized contract staff to assist in EHR deployment and funding was properly approved. This use of contract staff for large system implementations is common practice and preferable as it provides multiple benefits, including reduced staff acquisition time and the flexibility to meet peak project staffing requirements, among other benefits. Attempting to hire sufficient resources on staff would have required an extended period of time (6 to 12 months) and likely resulted in less skilled individuals on the project.

FA-08. In August 2012, the hiring of contract staff began, without a staffing plan based upon a project schedule. (Att-01)

RESPONSE: Disagree. The County Executive Office has confirmed that HCA did have a staffing plan which adhered to staffing requirement specified in the contract with Cerner. The contract and HCA staff were assigned to specific tasks to meet the required timeline.

FA-09. Between May and June 2013, hardware (laptops, servers) was ordered. [Ref-09] VCHCA computer hardware arrived in late June 2013. [Ref-10] The hardware was not configured until the weekend before the go-live date of July 1, 2013. IT personnel were mobilized from throughout the VCHCA to complete the task. Once completed, computer hardware was available for staff use. (Att-01)

RESPONSE: Disagree.

While HCA acknowledges that certain hardware (workstations, laptops, printers and scanners) was ordered and arrived in this time frame, and some of it was configured the weekend before, much of the hardware arrived and was configured earlier.

Also as confirmed with HCA, the Agency purchased Cerner recommended, standard, off-the shelf hardware in all cases. Samples of each device were delivered early for testing in accordance with the Cerner methodology. No issues were found and further testing of this same standard, off the shelf equipment was not required.

FA-10. On July 1, 2013, go-live occurred with the conversion from multiple "legacy" systems to the single Cerner EHR system. To meet Meaningful Use standards as set by HITECH, the final date to convert to a new system is by the end of December 2014. To achieve Meaningful Use incentive payments, go-live had to occur 90 days prior to October 1, 2013. Therefore, VCHCA chose to go live July 1, 2013, to qualify for full Meaningful Use funding and to avoid federal penalties. [Ref-05] (Att-01)

RESPONSE: Partially Agree. The project was day forward implementation with limited historical data converted and the requirement to upgrade VCHCA's systems known and planned in advance of the availability of Meaningful Use funds. Additionally, It should be noted that VCMC's Meaningful Use was achieved in an unusually rapid manner as Cerner has worked with many organizations to achieve Meaningful Use.

FA-11. VCHCA underestimated the number of users who would be on the system simultaneously. The capacity of the servers to accommodate simultaneous users was insufficient at go-live, creating a demand the system could not sustain. VCHCA requested nominal capacity for 600 users; 800 was the maximum capacity. After go-live, Cerner provided an additional 400 user licenses (up to 1,200) so all users could log on without system problems.

RESPONSE: Agree.

FA-12. VCHCA staff training on the new EHR system was less than recommended by Cerner. Cerner's recommended minimum for training at its facility was 120 VCHCA staff; approximately 40 VCHCA staff attended training at the Cerner campus.

RESPONSE: Disagree. This fact is inaccurate in that the "hands-on" training was never intended to occur at the Cerner Facility but rather system review; design review; system validation; and maintenance training occurred in Kansas City. The recommended "120 staff" was an estimate from Cerner and HCA determined the appropriate staff to travel to the Cerner Facility. All staff/user training occurred in Ventura County as was planned from the beginning.

FA-13. Hardware testing performed by VCHCA was inadequate. Implementation time constraints did not allow for site testing throughout all areas of the hospital. For example, electro-magnetic interference in a wing of the hospital interfered with use of the new EHR system. New computers and tablets, as well as medical equipment that was not compatible with the Cerner System such as IV pumps and cardiac monitors, had to be replaced at an additional cost. [Ref-11] (Att-01)

RESPONSE: Disagree. As detailed in HCA's response, HCA extensively tested all hardware prior to implementation. Extensive testing does not mean there will not be issues upon go-live in a project of this magnitude.

The example identified with the Electromagnetic interference was quickly resolved. This type of interference is not homogenous throughout the hospital.

The Executive Team made an informed decision to not utilize the IV pumps and cardiac monitors prior to implementation. As such, this component was postponed as it was not a critical part of implementation.

The new computers and tablet were compatible with the system. Clinical staff opted to use the tablets for real time charting and the tablets were not meant for that function. Those tablets were promptly replaced by laptops.

FA-14. In October 2013, the first Meaningful Use incentive attestation document for \$600,000 was sent by VCHCA to the federal government for payment. (Att-01)

RESPONSE: Agree. As previously noted, meaningful use was achieved in an exceptionally rapid manner.

FA-15. As of December 2013, there had been no resolution of problems regarding the new EHR system and its ability to produce financial reports. For example, diagnostic coding (ICD-9) had to be reviewed on all billing, requiring additional time and resources. Reports that should have been automatically generated had to be manually produced from multiple systems.

RESPONSE: Disagree

The statement "there had been no resolution of problems regarding the EHR system" is categorically incorrect.

Problems with the system were reported on the first day and resolutions to these problems were implemented starting the next day. As with any new system many problems have been reported and many have been corrected. For example the system performance issues, equipment issues, training issues, have all been substantially addressed. All the major issues were reported to the Board of Supervisors on March 18th

in a detail and comprehensive Cerner Update presentation. Ongoing project updates were also provided to the VCHCA Oversight Committee and County Executive Office.

Upon recognition of the revenue issues, a team was assembled to review the issues and substantial progress had been made by February. This team is continuing to review revenue related issues and make recommendations. Reporting is always an issue on IT projects and Cerner was no exception. The project team has worked with Cerner to identify and standard reports that were not producing the correct outcome. There were also a large number of reports that Cerner does not produce that the HCA IT group is working on producing.

FA-16. In February 2014, the first of two major updates to the EHR system was implemented by Cerner, resolving approximately 200 issues, as part of the contract with VCHCA. [Ref-06] (Att-01)

RESPONSE: Agree. This is a significant milestone and attests to the efforts and results associated with problem resolution.

FINDINGS:

FI-01. ARRA requirements led VCHCA to begin transitioning from multiple legacy and paper record systems to a single compliant EHR system. It began by selecting the company to deliver and implement the EHR system that met the federal government's requirements. Cerner provided the software; VCHCA was responsible for planning the implementation and for the acquisition of staff and hardware. (FA-01, FA-02, FA-03, FA-04, FA-06, FA-07, FA-08, FA-09)

RESPONSE: Disagree

We agree that ARRA requirements led VCHCA to begin transitioning from multiple legacy and paper record systems to a single compliant EHR system; that it began by selecting the company to deliver and implement the EHR system that met the federal government's requirements; and, that Cerner provided the software.

However, we disagree in that Cerner was responsible for planning the implementation. This was inclusive in the contract signed by the County Board of Supervisors on October 4, 2011. Cerner was responsible for the acquisition of the servers and Cerner specific end user hardware (See Cerner System Schedule No. 1, Attachment II, Equipment in original contract). HCA was responsible for generic end user hardware such as workstations, laptops and printers. The equipment that HCA purchased met the required system compatibility provided by Cerner.

FI-02. VCHCA did not procure hardware in a timely manner. This led to time compression and inefficiency in the EHR implementation. (FA-09)

RESPONSE: Disagree

As previously noted, while HCA acknowledges that certain hardware (workstations, laptops, printers and scanners) was ordered and arrived in this time frame, and some of it was configured the weekend before, much of the hardware arrived and was configured earlier.

Also as confirmed with HCA, the Agency purchased Cerner recommended, standard, off-the shelf hardware in all cases. Samples of each device were delivered early for testing in accordance with the Cerner methodology. No issues were found and further testing of this same standard, off the shelf equipment was not required.

FI-03. VCHCA significantly underestimated the total number of simultaneous users the EHR system had to accommodate. This led to insufficient availability of user licenses, which only became evident at go-live when the system could not accommodate all users. (FA-11)

RESPONSE: Agree. This issues was identified shortly after implementation and immediately addressed.

FI-04. From the authorization of the Cerner contract in October 2011, the absence of a dedicated and experienced project manager to oversee, track, and report all tasks contributed to staff being inadequately prepared for using the new system, as well as to a problematic EHR system implementation by VCHCA. (FA-06, FA-07, FA-08, FA-11)

RESPONSE: Disagree

The County Executive Office confirmed there was always a project manager that had full authority to manage the Cerner contract and oversee all aspects of the implementation related to HCA staff, resource planning and implementation. Further, the project manager was required to adhere to the County negotiated contract with Cerner and all decisions were made jointly by Cerner and the HCA project management team.

FI-05. The VCHCA ordered the user hardware in May and June 2013, too late to allow proper time for site testing, configuring of computers, hardware testing, and user familiarization. When the testing did occur it was discovered that the current IV pumps and cardiac monitors were not compatible with the Cerner system. (FA-09, FA-12, FA-13)

RESPONSE: Disagree

As previously noted, while HCA acknowledges that certain hardware (workstations, laptops, printers and scanners) was ordered and arrived in this time frame, and some of it was configured the weekend before, much of the hardware arrived and was configured earlier.

Also as confirmed with HCA, the Agency purchased Cerner recommended, standard, off-the shelf hardware in all cases. Samples of each device were delivered early for testing in accordance with the Cerner methodology. No issues were found and further testing of this same standard, off the shelf equipment was not required. The Executive Team made an informed decision to not utilize the IV pumps and cardiac monitors prior to implementation. As such, this component was postponed as it was not a critical part of implementation. All other equipment was tested and configured prior to implementation.

FI-06. Staff training on the new equipment was insufficient, leading to a lack of experience with and knowledge of components of the EHR system. There was a period of inefficient and

delayed patient care. Billing processes were significantly impacted, requiring manual intervention and additional time. (FA-12, FA-13, FA-15)

RESPONSE: Disagree

The Cerner project implementation adhered to a training schedule to ensure that all staff were prepared for the new system. Training schedules were prepared for each department with the clinical managers input. The schedules were posted well in advance of the actual training date and the training was mandatory for all front line staff impacted by the Cerner system. Training was provided to 3,000 staff members at 9 training centers across all shifts. Nursing, ambulatory, and ancillary staff received 16 hours of training and physicians received 12 hours. Also, over 200 employees were trained as "super-users". These super-users were able to assist and provide prompt responses and solutions as issues arose after the go live date.

HCA purposefully reduced patient appointments in clinics for the first 2 months (except Oncology) in order to allow more time for staff to adopt the new EHR. Additional staffing was put into the Urgent Care unit to deal with urgent medical needs where patients were unable to get an appointment with their clinic physician.

Billing processes were resolved and did not have an impact on patient care.

FI-07. VCHCA chose to go live July 1, 2013, to qualify for full Meaningful Use funding. (FA-03, FA-10, FA-14)

RESPONSE: Agree.

RECOMMENDATIONS:

R-01. The Grand Jury recommends that VCHCA institute a standard, PMI - recognized project management plan for capital projects, for example, a Gantt chart-type software program that includes a master work plan, tasks, and statuses. (FI-02, FI-04, FI-05, FI-06)

R-01: Health Care Agency follows PMI standard practices for all of its significant IT projects as put forth by the IT Department of the County of Ventura. The Cerner project did not use the PMI standard practices as the Cerner contract required that we utilize the Cerner Event Driven Project Management methodology. Although this methodology differs from the PMI methodology, it is a valid and standard protocol with system implementation.

R-02. The Grand Jury recommends that VCHCA have an experienced, dedicated project manager in place throughout the life of capital projects. (FI-02, FI-03, FI-04, FI-05, FI-06, FI-07)

R-02: The recommendation to have an experienced project manager with any large capital project is mandatory already. Although there was a transition in the project manager during the Cerner implementation, this was unanticipated and resolved immediately.

R-03. The Grand Jury recommends that VCHCA allocate and incorporate the required time and