

**FY 2019-2020 GRAND JURY FINAL REPORT
RESPONSES TO FINDINGS (F1) AND RECOMMENDATIONS (R)**

Report Number Respondents (& Date)	Report Title	(With F1, C and R#)
REPORT NO. 01	April 2, 2020	
Title:	<u>Financial Relationship Between Ventura County Medical Center and Ventura County General Fund</u>	
Required Respondent:	Board of Supervisors (Joint response with the Health Care Agency) (C-01, C-02, C-03, C-04, C-05, C-06, C-07, R-02 and R-03)	
Requested Respondent:	Ventura County Health Care Agency (Joint response with Board of Supervisors) (C-01, C-03, C-04, C-05, C-06, C-07, and R-03)	

Response to Grand Jury Report Form

Report Title: Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund

Report Date: April 2, 2020 (Delivered May 21, 2020)

Response by: William Foley Title: Director – Health Care Agency

FINDINGS / CONCLUSIONS

- I (we) agree with the Facts / Conclusions numbered: C-01, and C-07
 - I (we) disagree wholly or partially with the Facts / Conclusions numbered: C-04 (no response), C-03, C-05, and C-06. (Attach a statement specifying any portions of the Findings / Conclusions that are disputed; include an explanation of the reasons.)

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.
(Attach a summary describing the implemented actions and date completed.)
- Recommendations number _____ have not yet been implemented but will be implemented in the future.
(Attach a time frame for the implementation.)
- Recommendations numbered _____ require further analysis.
- Recommendations numbered R-03 will not be implemented because they are not warranted or are not reasonable.

Date: August 26, 2020

Signed: _____



Number of pages attached: 2

Response to Grand Jury Report Form

Report Title: Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund

Report Date: April 2, 2020 (Delivered May 21, 2020)

Response by: William Foley Title: Director – Health Care Agency Date: August 26, 2020

FINDINGS/CONCLUSIONS

C-01. The Grand Jury concluded that State's lengthy process to make full payment of the amounts owed to the Medical Center under the Medi-Cal incentive programs has been the underlying factor in creating the need for advances from the General Fund.

Response: Agree. The current policies that govern the financing of public health systems and safety net hospitals require a lengthy review processes by the State, Department of Health Care Services as well as from the federal department for the Center of Medicare and Medicaid Services. As a result, approval for payment and the receipt of funds for reimbursement are significantly delayed.

C-03: The Grand Jury concluded that the funds advanced from the General Fund to the Medical Center do not require the payment of interest and there is no specific requirement of repayment. Advances are repaid by the Medical Center to the General Fund only when cash flow permits.

Response: Agree that there is no requirement for the payment of interest. However, we disagree that there is no specific requirement of repayment. The County of Ventura CAFR outlines the provisions for repayment by stating "repayment is excepted when available cash is in excess of that needed for operations."

C-04. The Grand Jury concluded that advances from the General Fund to the Medical Center are not a "loan".

Response: No Response. The terminology used to identify the cashflow financing required by the Medical Center is best determined by those responsible for the accounting reporting policies. Therefore, we will comply to the terms used as directed by the Auditor-Controller and the County Executive Office.

C-05. The Grand Jury concluded references to the advances from the General Fund to the Medical Center as loans creates unfounded expectations with respect to repayment of the advances and interest thereon.

Response: Disagree. Irrespective of the terminology used to describe the cash flow financing for the Medical Center, the Health Care Agency is committed to achieving a self-sustaining financial position, which includes paying as appropriate any "advancement" or "loan" from the General Fund.

C-06. The Grand Jury concluded the failure of VCHCA and the Auditor-Controller's Office to communicate and coordinate their public statements regarding the Medical Center's financial performance creates the perception the two agencies are providing conflicting statements.

Response: Disagree. The Health Care Agency works with the Auditor-Controller's Office and the County Executive Office in the preparation and the communication of the financial status for the Medical Center.

C-07. The Grand Jury concluded the Medical Center is taking appropriate actions to obtain full reimbursement of Medi-Cal incentive programs fund owned from the State.

Response: Agree.

RECOMMENDATIONS

R-03. The Grand Jury recommends the Board adopt a written policy/procedure requiring an enterprise fund, such as the Medical Center, to consult with the Auditor-Controller's Office before public disclosure of any projected financial information.

Response: Disagree. Currently the Health Care Agency works with the Auditor-Controller's Office as well as the County Executive Office regarding the generation and communication of financial information. This practice of collaboration occurs for all budget units within the Health Care Agency.



BOARD MINUTES
BOARD OF SUPERVISORS, COUNTY OF VENTURA, STATE OF CALIFORNIA

SUPERVISORS STEVE BENNETT, LINDA PARKS,
KELLY LONG, ROBERT O. HUBER AND JOHN C. ZARAGOZA
September 15, 2020 at 8:30 a.m.

COUNTY EXECUTIVE OFFICE - Approval of Responses to the 2019-2020 Ventura Grand Jury Reports, Entitled Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund, Human Trafficking in Ventura County, for Submittal to the Presiding Judge of the Superior Court.

- (X) All Board members are present.
- (X) The following person is heard: Robert Bravo.
- (X) The following documents are submitted to the Board for consideration:
 - (X) Board letter
 - (X) Approval of responses Exhibit 1 - Financial Relationship btw VCMC and GF
 - (X) Approval of responses Exhibit 2 - Human Trafficking in VC
 - (X) ACO responses Exhibit 3 - Financial Relationship btw VCMC and GF
 - (X) DA responses Exhibit 4 - Human Trafficking in VC
 - (X) Sheriff (Human Trafficking Task Force) responses – Exhibit 5 – Human Trafficking in VC.
- (X) Upon motion of Supervisor Zaragoza, seconded by Supervisor Huber, and duly carried, the Board hereby approves recommendations as stated in the Board letter.

I hereby certify that the annexed instrument is a true and correct copy of the document which is on file in this office.

Dated: 9/22/20 MICHAEL POWERS
Clerk of the Board of Supervisors
County of Ventura, State of California

By: Lori Key
Deputy Clerk of the Board

By: Lori Key
Lori Key
Deputy Clerk of the Board



Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

September 15, 2020

County of Ventura
Board of Supervisors
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Approval of Responses to the 2019-2020 Ventura Grand Jury Reports, Entitled "Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund", "Human Trafficking in Ventura County", for Submittal to the Presiding Judge of the Superior Court.

RECOMMENDATIONS

It is recommended that your Board approve Responses to the 2019-2020 Ventura County Grand Jury Reports, entitled "Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund" (Exhibit 1) and "Human Trafficking in Ventura County" (Exhibit 2), pertaining to County Government under your Board's control for submittal to the Presiding Judge of the Superior Court in accordance with State Statute

DISCUSSION

Penal Code §933.05 requires that your Board comment on the Findings and Recommendations of the Grand Jury pertaining to County Government under your authority.

The 2019-2020 Grand Jury issued a report on April 2, 2020 entitled "Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund." The Grand Jury required responses from your Board, and from the Auditor-Controller and Health Care Agency. The response from your Board was prepared by the County Executive Office and the Health Care Agency for your Board's approval and are attached as Exhibit 1. The Auditor-Controller, as an elected official, is required to submit a response directly to the Presiding Judge and the response is provided here only for informational purposes as your Board's approval is not required. This response is also attached as Exhibit 3.

The 2019-2020 Grand Jury also issued a report on April 8, 2020 entitled "Human Trafficking in Ventura County." The Grand Jury required a response from your Board

which was prepared on your behalf by the County Executive Office (CEO) for your approval. Responses were also required from the Ventura County District Attorney, the Environmental Health Division of the Ventura County Resource Management Agency (RMA), Ventura County Human Trafficking Task Force (Chaired by the Ventura County Sheriff), and all the ten cities in the county. The response from your Board was prepared by the County Executive Office and RMA for your Board's approval and are attached as Exhibit 2. The District Attorney and Sheriff, as elected officials, are required to submit a response directly to the Presiding Judge and the response is provided here only for informational purposes as your Board's approval is not required. These responses are attached as Exhibit 4 and 5. The ten cities' responses were also required to be submitted directly to the Presiding Judge and do not require your Board's approval and were not available to be included.

The responses pertaining to County government under your control will serve as your Board's response to the subject 2019-2020 Grand Jury Report to be filed as indicated in the recommended action along with any additional comments your Board may wish to make.

If your Board elects to amend a response prepared on your behalf to the subject reports before you for approval, then CEO staff, at your direction, will make such changes or additions prior to submitting the response to the Presiding Judge.

This letter was reviewed by County Executive Office, Auditor-Controller's Office and County Counsel. Should you have any questions or require additional information, please contact Mike Pettit at (805) 654-8264 or Robert Bravo at (805) 662-6868.

Sincerely,



Michael Powers
County Executive Officer

Attachment:

- Exhibit 1 – Response to Grand Jury Report "Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund"
- Exhibit 2 – Responses to Grand Jury Report "Human Trafficking in Ventura County"
- Exhibit 3 – Auditor-Controller's Response to Grand Jury Report "Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund"
- Exhibit 4 – District Attorney's Response to Grand Jury Report "Human Trafficking in Ventura County"
- Exhibit 5 – Ventura County's Human Trafficking Taskforce's Response to Grand Jury Report "Human Trafficking in Ventura County"

September 28, 2020

Sent Via E-mail

Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

Honorable Bruce A. Young
Presiding Judge of the Superior Court
Superior Court of California, Ventura County
800 South Victoria Avenue
Ventura, CA 93009



RECEIVED

SEP 29 2020



Ventura County
Grand Jury

Subject: Approval of Responses to the 2019-2020 Ventura Grand Jury Reports, Entitled "Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund", "Human Trafficking in Ventura County", for Submittal to the Presiding Judge of the Superior Court

Honorable Judge Young:

In accordance with State requirements, the responses from the Ventura County Board of Supervisors to the 2019-2020 Ventura Grand Jury reports referenced above are hereby submitted along with copies of the respective board letter and minute order for each.

By way of this email, copies of the responses to the subject reports (Exhibits 1 and 2), Minute Order and the September 15, 2020 board letter were provided to the Ventura County Clerk, to Superior Court Jury Services, and to the Foreperson of the 2020-2021 Ventura County Grand Jury. As has been the usual practice in past years, Jury Services will provide copies of the responses to the State Archives.

Should you have any questions, please call me at 654-2864.

Respectfully submitted,

Mike Pettit
Assistant County Executive Officer

Attachments: Board of Supervisors' Responses to 2019-2020 Ventura Grand Jury Reports on:

- Financial Relationship Between Ventura County Medical Center and the Ventura County General Fund (Exhibit 1)
- Human Trafficking in Ventura County (Exhibit 2)
- Minute Order
- Board Letter dated September 15, 2020

Copies:

- County Executive Officer, Michael Powers
- County Clerk, Mark Lunn
- 2020-2021 Ventura County Grand Jury Foreperson, Richard Boehmer
- Jury Services Manager, Nan Richardson