



LOIS M. SAHYOUN  
Clerk of the Board

# BOARD OF SUPERVISORS

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STOCKTON, CALIFORNIA 95202  
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Filed NOV 04 2004  
ROSA JUNQUEIRO, CLERK  
By TRISAL MARTINEZ  
DEPUTY

September 22, 2004

Honorable Robert McNatt  
Presiding Judge of the Superior Court  
222 E. Weber Avenue  
Stockton, California 95202

Dear Judge McNatt:

Response to Grand Jury Report – Case #0403  
San Joaquin General Hospital

On Tuesday, September 21, 2004, the Board of Supervisors adopted its response to the 2003-04 Grand Jury Report regarding San Joaquin General Hospital's Response to Grand Jury. The response is being submitted to you as required by Penal Code Section 933.05.

Sincerely,

Leroy Ornellas, Chairman  
San Joaquin County  
Board of Supervisors

LO:sl

Before the Board of Supervisors  
County of San Joaquin, State of California

B- 04-967

MOTION: Sieglock/Marenco

RESPONSE TO JUNE 25, 2004 GRAND JURY REPORT - CASE #0403  
(SAN JOAQUIN GENERAL HOSPITAL)

It is recommended that the Board of Supervisors:

1. Approve the proposed response to the 2004 Grand Jury Report regarding San Joaquin General Hospital (Case #0403); and,
2. Authorize the Chairman to sign and submit the response to the Presiding Judge of the Superior Court.

I HEREBY CERTIFY that the above order was passed and adopted on 9/21/04 by the following vote of the Board of Supervisors, to wit:

AYES: Sieglock, Gutierrez, Marenco, Ornellas

NOES: None

ABSENT: Mow

ABSTAIN: None



Clerk of the Board of Supervisors  
County of San Joaquin  
State of California

By: Linda M. Halperin  
Clerk



*San Joaquin General Hospital / A Division of San Joaquin County Health Care Services*

August 19, 2004

MEMORANDUM

TO: MANUEL LOPEZ, COUNTY ADMINISTRATOR  
FROM: RICHARD ALDRED, INTERIM HOSPITAL DIRECTOR  
SUBJECT: GRAND JURY RESPONSE

Attached is San Joaquin General Hospital's response to Grand Jury Case #0403.  
Please contact me should you need any further information.

RA:sl  
Grand Jury Response – Lopez

Attachment

cc: Ken Cohen, Interim Director, Health Care Services  
Chris Rose, Deputy County Administrator

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*San Joaquin General Hospital / A Division of San Joaquin County Health Care Services*

August 19, 2004

Judge Abdallah  
The Superior Court  
222 E. Weber Ave., Room 303  
Stockton, Ca 95202

Dear Judge Abdallah:

Attached is San Joaquin General Hospital's response to the findings and recommendations of the Grand Jury's Case #0403 San Joaquin General Hospital.

**Response to Findings:**

1. San Joaquin General Hospital agrees that the County Hospital entered into contracts with multiple home health infusion companies, including OCS and OCC.
2. San Joaquin General Hospital agrees that OCS allowed their contract with County Hospital to expire even though they claim to have rights to the San Joaquin County territory. (See Attachment #1)
3. San Joaquin General Hospital agrees with the evidence that Option Care Ceres received substantially more business from County Hospital than Option Care Sacramento and other infusion companies. A term agreement was in place with Option Care Ceres.
4. San Joaquin General Hospital agrees that there was no written County Hospital policy that prohibited the award of business to Option Care Ceres or any other infusion company with which County Hospital had entered into a contract for services.
5. San Joaquin General Hospital agrees with the Grand Jury's finding that no member of the County Board of Supervisors may have used his position to influence Option Care Ceres' selection as a home health care provider through the County Hospital.

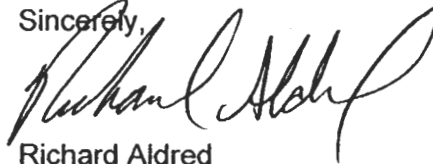
**Recommendation:**

Attachment #2 reflects San Joaquin General Hospital's compliance with the recommendation that the San Joaquin County Board of Supervisors direct the County Hospital to establish a procurement policy for home health services to reflect the award of services to home health providers in an objective manner consistent with fairness and prudent cost to the County.

August 19, 2004  
Page Two

If you have any questions, please do not hesitate to call me at 468-6600.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Aldred". The signature is fluid and cursive, with a large initial "R" and "A".

Richard Aldred  
Interim Hospital Director

RA:sl  
Grand Jury Response – Home Health

Enclosures

|  |   |                             |                       |
|--|---|-----------------------------|-----------------------|
| <b>SAN JOAQUIN<br/>GENERAL HOSPITAL</b>  | Department of:<br>Medical Social Services |                             | Page: 1 of 2          |
|  | Policy/Procedure<br>No: 131               | Effective Date:<br>07/21/04 | Date Replaces:<br>New |
| Title of Policy/Procedure:<br><b>Procurement of Home Health, Durable Medical Equipment, Infusion<br/>and Home Medical Supplies Providers</b> |   |                             |                       |

**POLICY**

A fair and equitable process will be followed to promote and establish term agreements with home health, durable medical equipment (dme), infusion and home medical supplies providers under the direction of the Director of Medical Social Services.

**PURPOSE**

To provide guidance for selecting and establishing term agreements with the providers noted above under the direction and oversight of the Director of Medical Social Services.

**PROCEDURE**

- A. A list of local home health, dme, infusion and home medical supply companies will be maintained by the Department of Medical Social Services.
  - 1. Any Medicare-approved, local providers can be added to the list (which is reviewed at least semi-annually) at the request of the provider.
  
- B. In May/June of each year a letter is sent to all providers on the list inviting them to participate in a presentation process, and responders are scheduled into appropriate time blocks.
  - 1. The letter invites participation based upon specific criteria (which takes into account fairness and prudent cost) established by the Hospital Director and/or the Director of Health Care Services.
  
- C. Admitting, Utilization Review, Ambulatory Care Services Administration, Nursing Administration, Medical Social Services staff, Case Management staff, Materials Management staff, and the PM&R Coordinator are invited to attend the presentations and to include any staff they feel are appropriate.
  
- D. Upon completion of the presentations all attendees are invited to vote for the companies (typically 2-3 home health, 2-3 dme, 1 infusion and 1 home medical supply) which they feel can best meet our patient's and facility's needs.
  - 1. Factors to be considered in the selection process include previous performance, possession of adequate inventory, timeliness of services, scope and territory of services, and meeting the criteria referred to in "B,1" above.

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|-----------|--|--|--|--|--|--|
| Reviewed: |  |  |  |  |  |  |
| Revised:  |  |  |  |  |  |  |

|  |   |                             |                       |
|--|---|-----------------------------|-----------------------|
| SAN JOAQUIN<br>GENERAL HOSPITAL  | Department of:<br>Medical Social Services |                             | Page: 2 of 2          |
|  | Policy/Procedure<br>No 131                | Effective Date:<br>07/21/04 | Date Replaces:<br>New |
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- E. Letters are sent to all participating providers advising them if they were selected (or not) as a primary provider, and inviting them to enter into a term agreement with the hospital.
- F. Upon receipt of evidence of liability and workman's compensation insurance from the selected providers, the Director of Medical Social Services will request the Director of Materials Management to distribute and finalize the term agreements (to include copy of HIPAA Business Associate Agreement).
- G. Providers will be monitored by the Director of Medical Social Services for continued compliance with the terms of the agreement. Concerns or lack of performance issues will be communicated to the provider by telephone, in person (and documented) or in writing. The provider will be given 10 working days (or less if the matter is urgent) to respond with an appropriate resolution to the issues as defined. If an appropriate resolution has not been approved by the Director of Medical Social Services, the term agreement will be terminated and the provider notified in writing.

Authors: Director, Medical Social Services  
Director, Materials Management  
Interim Hospital Director  
Deputy Director of Standards and Compliance  
Senior Deputy Director of Ambulatory Care Services  
Deputy Purchasing Agent, San Joaquin County