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THE BOARD OF SUPERVISORS OF MARIN COUNTY

May 17, 2005

Honorable Terrence R. Boren
Presiding Judge
Marin County Superior Court
3501 Civic Center Drive
San Rafael, CA 94903

Dear Judge Boren:

Forwarded herewith is the Board of Supervisors' response to the 2004-05 Grand Jury Report "*Marin County Jail Healthcare: 'Plush' and Expensive.*" The Board of Supervisors' response addresses all Findings and Recommendations for which a response was requested from the County Administrator, the Department of Health and Human Services, and the Board of Supervisors.

Respectfully submitted,

Hal Brown
President, Board of Supervisors

cc: Civil Grand Jury ✓

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RESPONSE TO GRAND JURY REPORT FORM

Report Title: MARIN COUNTY JAIL HEALTHCARE: "PLUSH" & EXPENSIVE

Report Date: February 18, 2005

Response by: Marin County Board of Supervisors

FINDINGS

- I (we) agree with the findings numbered: F3
- I (we) disagree wholly or partially with the findings numbered: F1, F2, F4, F5, F6, F7, and F8

RECOMMENDATIONS

- Recommendations numbered _____ have been implemented.

(Attach a summary describing the implemented actions.)

- Recommendations numbered _____ have not yet been implemented, but will be implemented in the future.

(Attach a timeframe for the implementation.)

- Recommendations numbered _____ require further analysis.

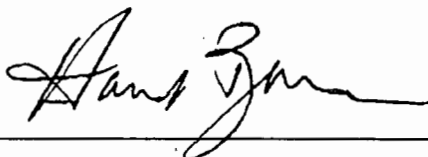
(Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)

- Recommendations numbered 1, 2, and 3 will not be implemented because they are not warranted or are not reasonable.

(Explanation attached.)

Date: 5/17/05

Signed: _____



Number of pages attached 3

MARIN COUNTY BOARD OF SUPERVISORS

Response to Findings and Recommendations from Grand Jury Report
"Marin County Jail Healthcare: 'Plush' and Expensive", February 18, 2005

FINDINGS

- F1 The cost that Marin County pays to provide healthcare for inmates of the Marin County Jail is significantly higher than the costs paid by all Bay Area counties other than San Francisco.**

Response: Disagree. It is not clear on what data this statement is based, but it is assumed that it is based on the June 1, 2004, San Francisco Chronicle article that is referenced in the report. The county comparisons shown in the article are misleading. Marin County staff have researched several of the counties listed in the article and found that costs listed in the article are not comparable to Marin's cost figures. For example, several significant costs, such as hospital costs, mental health services, and pharmacy, are excluded from some of the other totals while included in Marin's cost figures. The amounts listed for several counties that contract for their jail health services – Sonoma, Napa and Alameda, among others – represent only the costs of those contracts. The Sonoma and Napa County contractors are not responsible for most hospital costs, mental health services, or the cost of many of the drugs dispensed in the jail. The Alameda County amount represents the cost of a contract that excludes the cost of all pharmacy services.

The cost of healthcare for Marin County inmates may be higher than some other counties for two reasons. One is the relatively small size of the jail, which leads to high fixed costs for operations. For example, Marin County is required to maintain the same minimal clinical staffing levels that apply to larger jails. Another is that the County's "public health model" approach seeks to identify and treat health problems in the jail that would affect the community once inmates are released.

Even though the above factors may lead to a higher average cost for detention medical services, the County does believe that operational improvements can be made to lower overall costs. The Department of Health and Human Services (HHS) is working aggressively to make cost-effective improvements, such as the imposition of a medication formulary, restructured payment rates for hospital costs, and changes in staffing patterns.

- F2 The Bay Area counties that were contacted by the Grand Jury achieve lower costs by contracting the delivery of healthcare for inmates (i.e., hiring an outside organization that specializes in the delivery of such services).**

Response: Disagree partially. While we do not know which counties were contacted by the Grand Jury, we would agree that there are some counties that contract for detention medical services that spend less on detention medical services than does Marin County. As noted above, the reasons for these differences range from the size of the jails to the counties' range of health services provided in the jails.

- F3 Marin County does not contract the delivery of healthcare to inmates of the County Jail. Rather, the Sheriff's Office retains HHS staff to provide the services.**

Response: Agree.

- F4 Outside organizations that specialize in the delivery of such services are able to achieve cost efficiencies through a number of techniques. The most prominent are control of hospital costs, control of prescription drug costs, and control of staffing level and mix.**

Response: Disagree partially. As noted above, HHS staff reviewed the contracts for several Bay Area counties that contract for jail medical services. In several cases, the contractors were specifically excluded from responsibility for the control of hospital costs or the costs of prescription drugs. We believe that Marin County has taken the same steps that a contractor might take to control such costs, or is in the process of doing so (such as applying a negotiated or reasonable rate for hospital costs, and instituting a drug formulary). In regard to staffing level and mix, while, as noted above, Marin County can and will apply some reductions, the County's goal is to provide a skilled, stable and highly professional workforce.

- F5 Marin County's representatives acknowledged that they are belatedly beginning to explore these areas of potential cost efficiencies.**

Response: Disagree partially. We agree that we are exploring areas of potential cost efficiencies, but disagree with the implication that these efforts are "belated" or are at the beginning stage. The County analyzes operating costs as part of the annual and mid-year budget review process. As a result of the FY 2003-2004 budget process, HHS identified three areas for reducing costs – pharmacy, medical supplies and lab work. The County entered into a contract with Council Connections to receive group purchasing rates for healthcare supplies. Starting in July and August 2004, HHS conducted a detailed analysis of pharmacy costs resulting in the implementation of a formulary in September 2004 (reducing pharmacy costs by \$10,000 each quarter). HHS began a more thorough review of its detention medical staffing model in December 2004 and is currently working to implement improvements that will ultimately lower staffing costs while maintaining high quality healthcare for jail inmates.

- F6 The same staff that provides healthcare to inmates of Marin County Jail has been charged with looking into ways to lower costs. The same staff says that contracting services is not being considered.**

Response: Disagree. The detention medical staff are involved in the analyses of jail services because they understand the operations that are being reviewed. However, the review is being overseen by the HHS Director with significant input from the County Administrator's Office and the Sheriff's Office. In terms of what "some staff" may have said to the Grand Jury, we are not in a position to agree or to disagree.

- F7 Outside organizations that specialize in the delivery of such services are able to provide cost efficiencies without compromising quality of healthcare. The counties contacted by the Grand Jury indicated that their primary motivation in hiring such organizations was to control risk. Those counties have insisted that the contracting organizations maintain the accreditation of their facilities.**

Response: Disagree partially. Other than the fact that these facilities have retained accreditation, it does not appear that the Grand Jury was truly able to evaluate the quality of care provided in these facilities. Similarly, it does not appear that any comparative analysis of liability was conducted. For instance, many counties that use a contract agency for services retain the responsibility for all hospital and liability costs.

- F8 If Marin County could reduce the costs that it pays to provide healthcare for inmates to levels achieved by neighboring Bay Area counties, the potential savings is approximately one-half percent of the County budget (over \$1.7 million).**

Response: Disagree. As noted above, the costs that were presented by the San Francisco Chronicle are not comparable to Marin's cost figures and do not necessarily reflect the proportional savings that could be achieved (please refer to response to Finding 1 for a discussion of the relative costs of County detention medical services).

RECOMMENDATIONS

- R1 That the Board of Supervisors and the Sheriff's Office designate a department of the Marin County government that does not have a vested interest in the delivery of healthcare to jail inmates or retain an independent consultant to manage a process to determine which organization will best provide delivery of healthcare to inmates of the Marin County Jail.**

Response: Will not be implemented immediately or within the next six months. While we do recommend further analysis of detention medical costs, we believe that it is important to include HHS detention medical services staff in the effort to improve operations and cost-effectiveness. The County Administrator's Office will convene a working group made up of key County staff, including representatives from the Sheriff's Office and HHS, to assist the renegotiation process for the service agreement between the Sheriff and HHS for provision of detention medical services. We do not rule out the possibility of issuing a Request for Proposal for contract services at some future date if it is determined to be warranted.

- R2 That the designee initiate a Request for Information (RFI) and Request for Proposal (RFP) process to explore the possibility of contracting the delivery of healthcare to inmates of the Marin County Jail. Allow HHS to be a competitor in the RFI and RFP process. Requirements to maintain current benefit and compensation levels should not be mandated in the RFI and RFP process.**

Response: Will not be implemented immediately or within the next six months. The County Administrator will continue to work with the Sheriff and HHS to improve detention medical services delivery and cost-effectiveness. We do not rule out the potential for issuing a Request for Proposal for contract services at some future date if it is determined to be warranted.

- R3 That the Sheriff's Office hire the organization that best responds to the RFI and RFP process to provide delivery of healthcare to inmates of the Marin County Jail.**

Response: Will not be implemented immediately or within the next six months. The County Administrator will continue to work with the Sheriff and HHS to improve detention medical services delivery and cost-effectiveness. We do not rule out the potential for issuing a Request for Proposal for contract services at some future date if it is determined to be warranted.