



"Advancing Solutions to Health Disparities"

July 5, 2018

The Honorable Anita Santos
Presiding Judge of the Civil Grand Jury
The Superior Court of California, Contra Costa County
Court Administration
725 Court Street, 4th Floor
Martinez, CA 94553

Civil Grand Jury
Contra Costa County
P.O. Box 431
Martinez, CA 94553
ctadmin@contracosta.courts.ca.gov
(word version by email as well)

Re: Response to Contra Costa Grand Jury Report No. 1802, "Los Medanos Community Healthcare District" Dated April 20, 2018

Dear Judge Santos and Foreperson Gutierrez:

The Los Medanos Community Healthcare District (the "District") has carefully reviewed and considered the findings and recommendations of the Contra Costa County Grand Jury Report No. 1802. By letter dated April 20, 2018, the Grand Jury requested the District's responses to the report's findings one through four and six. This letter provides those responses pursuant to California Penal Code section 933.05, subdivision (a).

- a. "F.1. LMCHD website lacked data addressing the public health needs of the community or measurable outcomes of the grant programs targeting the population served.

Disagree. The District's website includes a prominent tab entitled "Programs and Services" which may be accessed at <http://www.lmchd.org/programs-and-services>. That section of the website contains extensive information regarding the District's grants, direct service programs, district sponsored programs, health resources, and services. The information regarding the District's grants describes its accomplishments. This information is detailed and provides concrete and measurable outcomes directly linked to the District's grant programs. The information regarding health resources addresses the public health needs of the community in addition to the grants the District provides, by providing important information regarding CoveredCA, Child Health Resources, CHIDonline, Healthcare.gov, Healthfinder.gov, Medlineplus.gov, and NIH Health Information Index. These data address the public health needs of the community in addition to the needs addressed by the District's own services. The District also conducts a systematic and careful review of measurable outcomes of grantees by requiring a midterm and a final report including questions each grantee must answer regarding use of the grant funds.

The Los Medanos Community Healthcare District Health Profile relies on data from the (1) 2013 *Health Indicators and Environmental Factors Related to Obesity for Antioch, Bay Point, and Pittsburg* by Contra Costa Health Services;

"A Public Entity Serving East County"

(2) 2016 *American Community Survey* by the U.S. Bureau of the Census; (3) 2016 *A Community Health Needs Assessment of the Sutter Delta Medical Center Service Area* by Sutter Delta Medical Center; (4) 2016 *Community Health Needs Assessment* by Kaiser Foundation Hospital Antioch; (5) 2016 *Contra Costa Mental Health System of Care Needs Assessment* by Contra Costa Behavioral Health Services; (6) 2016 *Community Health Needs Assessment (CHNA)* by the Kaiser Foundation Hospital-Antioch; and (7) 2016 report on “PLWA & PLWH by City of Residence” by Contra Costa Health Services. It also relies on data from the Contra Costa Health Services 2010 report titled *Community Health Indicators for Selected Cities and Places in Contra Costa County*, which was prepared by Dr. Chuck McKetney and others.

- b. “F.2. LMCHD used obsolete data rather than the current health needs assessments to prioritize grants.”

Disagree. The District is aware of and prioritizes grants based on the current health needs and priorities of the community. The District prioritizes grants for programs that address the most pressing needs of the communities it services, including obesity, diabetes, healthy eating, and an active lifestyle, including the most recent healthcare data from health profiles mentioned in the District’s response to Finding 1.

- c. “F.3. The Grand Jury found no evidence LMCHD collaborated with the County, non-profit hospitals, or other local districts to avoid duplication of services.”

Disagree. The District collaborates with other agencies and entities in the community to carry out its programs and services and to provide the community with the greatest benefit possible. The District’s grants always provide a benefit to the community even if another agency or entity provides programs or services to a different portion of the community. For this reason, the District’s programs and services are not duplicative and provide important resources for the community. Indeed, the below-market rate of the District’s most significant asset — its former hospital campus — charged to the County for use in providing its medical services to the community is the most obvious evidence of that collaboration. The District also provides programs and services in areas the County cannot, which is a strategic use of its resources. Collaboration with the County (but not our other partners) is, of course, temporarily strained by the County’s efforts to dissolve the District, seize its assets and deploy them for County-wide benefit and, perhaps, redevelopment for non-medical purposes.

The District disputes the finding and its implication that a minimal amount of duplication is necessarily a negative outcome. Because the District provides funding to an underserved population, there is often a need for positive collaboration among agencies to reach the level of funding needed for programs in the community. Indeed, the County has stated that the District provides just that: vital support for an underserved population.

The District has collaborated with the County; in fact, the County’s Department of Public Health has specifically requested and the District has provided its support in the past for programs including the Contra Costa HIV and AIDS Consortium,

the Tobacco Prevention Coalition, the Healthy and Livable Pittsburg Collaborative, and the Get Fit Initiative.

- d. “F.4. LMCHD’s level of administrative costs is high compared to other government agencies that fund grants.”

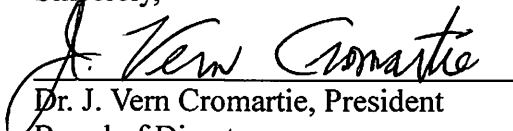
Disagree. The District’s budget for fiscal year 2018–2019 has reduced its administrative costs to approximately 25% of the budget. This percentage is in line with other local governments of similar size and based on the services provided. The District provides grants which necessarily include more administrative time and the District is actively seeking ways to reduce its administrative costs even further. If the District has diseconomies of small scale, they are justified by the fact that it serves to preserve assets accumulated by relatively disadvantaged north-County communities rather than forfeit them to County-wide agencies which serve the whole County rather than focusing on the communities which funded creation of the Los Medanos Community Healthcare District. The District also notes that the County’s administrative costs are higher than those of the District. For example, in the County’s 2016-17 reported budget for health services, salaries alone are listed as 43% of total expenditures whereas the District’s total overhead for salaries in its current budget is approximately 12.5% of its budget.

- e. “F.6. LMCHD did not maximize cash assets as large balances were left in non-interest bearing account.”

Agree. This oversight has been corrected and the District appreciates the Grand Jury’s bringing it to our attention. However, the foregone interest is minimal due to low interest rates and the District’s policy is to maintain security over inter-bank transfers. The District is limited to low-yield investments by law. The District is discussing with its contract finance officer steps the District can take to ensure enhanced oversight over treasury operations.

The District cares about the interest of the Grand Jury in our operations and appreciates the opportunity to respond to the findings contained in the report. The District is confident that this letter effectively addresses the concerns raised by the Grand Jury.

Sincerely,


Dr. J. Vern Cromartie, President
Board of Directors

Cc: Members of the Board of Directors
Richard Nakano, Foreperson, 2017–2018 Contra Costa County Civil Grand Jury