

# Solano County Health & Social Services Department



Mental Health Services  
Public Health Service  
Substance Abuse Services  
Child & Adult Resources and Services

Patrick O. Duterte, Director

Employment and  
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June 11, 2013

Honorable Paul Beeman  
Presiding Judge of the Superior Court  
Solano Superior court  
600 Union Avenue  
Fairfield, CA 94533

Dear Judge Beeman:

Under Penal Code sections 933 and 933.05, the Health and Services Department (H&SS) responds to the following findings and recommendations that pertain to matters under its control.

## **Finding 1**

The Solano County Public Health Laboratory currently uses antiquated accounting software.

## **Response to Finding 1**

H&SS partially disagrees with this finding. The Public Health Lab utilizes the County's Integrated Financial Accounting System (IFAS) as directed by the Auditor Controller for accounting functions. However, the Public Health Lab's management information system, which is utilized for tracking lab specimens, billing and other functions, is outdated.

## **Recommendation 1**

The Solano County Public Health Laboratory purchase updated accounting software in the event the Marin/Solano County Joint Powers Agreement negotiations fail.

## **Response to Recommendation 2**

This recommendation will be implemented. The Department is currently in the process of purchasing a new laboratory information management system, Advanced Business Software (ABS), which includes a billing module. The Department will acquire ABS whether or not the merger with the Marin County Public Health Lab is successful.

## **Finding 2**

During 2011-12, Solano County Public Health Laboratory failed to bill clients for services resulting in an estimated loss of over \$140,000.

### **Response to Finding 2**

H&SS disagrees wholly with this finding. The finding that more than \$140,000 in revenue was lost in FY 2011/12 due to failure to bill clients for services is overestimated, in part because the estimate was extrapolated from FY12/13 data, and we did not have the same client or payer mix in FY 2011/12 as in FY 2012/13. In addition, H&SS anticipates approximately \$123,000 will be generated through billing for services provided. The Department initiated a plan in July 2012 to improve the Lab's revenue generating capacity which included assigning an account clerk to the Lab and acquiring new software for billing and collection functions. While the Department will continue its efforts to generate revenues, it should be noted that the primary function of the Public Health Lab is to protect the health and safety of the community, and therefore is supported by the County General Fund and Public Health Realignment funds. H&SS formed a Joint Powers Agreement with neighboring counties to achieve economies of scale and thereby reduce the costs of providing these essential public health services for all of the partner counties.

### **Recommendation 2**

Maintain the position of account clerk to oversee and ensure proper billing and collection of fees and consider billing for lost revenues for the prior fiscal year.

### **Response to Recommendation 2**

This recommendation has already been implemented; an account clerk works in the Public Health Lab and will continue to do so. Additionally, implementation of ABS in the early part of the new Fiscal Year will make billing and collections for laboratory services more efficient and reliable.

## **Finding 3**

The Solano County Public Health Laboratory's equipment and systems to process electronic fund transfers or credit card payments is currently not functional.

### **Response to Finding 3**

H&SS disagrees partially with this finding. The County Treasurer accepts electronic fund transfers currently; however, the Public Health Lab does not currently accept credit cards.

### **Recommendation 3**

Install necessary equipment and systems to process electronic fund transfers or credit card payments.

### **Response to Recommendation 3**

This recommendation has not yet been implemented, but will be implemented in the future; the Department is in the process of acquiring this capacity within the next 180 days.

#### **Finding 4**

The Solano County Public Health Laboratory had many budgeted positions that remained vacant for approximately one year.

#### **Response to Finding 4**

H&SS disagrees partially with this finding. The Public Health Lab did have some positions vacant for more than one year including the Public Health Lab Director and Public Health Microbiologist. The County has had a hiring freeze in effect since FY 2009/10 which has required an extensive review and justification of all vacant positions; those positions which are not subsequently deleted are held vacant until they are approved by the County Administrator to fill. The Department contracted for the services of a Lab Director until a qualified person could be hired for this difficult to fill vacancy.

#### **Recommendation 4**

Director of Solano County Human Resources maintains continuous recruitment and expedites the hiring process to fill budgeted positions.

#### **Response to Recommendation 4**

This recommendation has been implemented. H&SS is currently recruiting to fill vacancies in the Public Health Laboratory, and Human Resources has implemented an expedited (advanced) recruitment for new Laboratory positions anticipated for a successful expansion of the Regional Laboratory Joint Powers Agreement to include Marin County.

#### **Finding 5**

The Solano County Public Health Laboratory does not have a permanent full-time Director. This position remains unfilled even though budgeted.

#### **Response to Finding 5**

H&SS disagrees partially with this finding. The Public Health Lab has utilized the services of a contracted Public Health Lab Director while recruiting to fill this position on a permanent basis.

#### **Recommendation 5**

Hire a permanent full-time Director.

#### **Response to Recommendation 5**

This recommendation has been implemented; a Public Health Lab Director was hired on May 12, 2013.

#### **Finding 6**

The Joint Powers Agreement has a "reevaluation clause" amongst Napa, Yolo and Solano Counties, but no binding provision to modify the agreement if actual costs exceed the annual estimate of services provided.

#### **Response to Finding 6**

H&SS disagrees wholly with this finding. While the Joint Powers Agreement does not contain a binding provision to modify the agreement if actual costs exceed the annual estimate of services provided, it does contain a mandatory provision for an annual fiscal review, which includes a review and update of the third-party testing fee schedules adopted by each party. This provision achieves the same result recommended by the Grand Jury.

#### **Recommendation 6**

Amend the current and future Joint Powers Agreements to include a provision allowing for the collection of all costs that exceed the annual estimate of services provided.

#### **Response to Recommendation 6:**

The recommendation will not be implemented because it is unwarranted. The current language in the Joint Powers Agreement is reasonable and has been agreed to by all the parties (e.g. Napa, Solano, Yolo and Marin). Section 3C of the Agreement calls for an annual fiscal review and Section 4 lays out member county contributions and respective responsibilities for fiscal oversight of the Lab's operations. Ultimately, Solano County is responsible for managing the Lab and its finances, in other words, for assuring that the Lab meets its service obligations while collecting fee-based revenues and prudently controlling costs of operation. Requests for extraordinary, non-budgeted expenses can go to the JPA members for approval of cost sharing.

Respectfully submitted,



Patrick O. Duterte, Director  
Health and Social Services Department

cc: Bela Matyas, H&SS Deputy Director-Public Health Div. /Health Officer  
Birgitta Corsello, County Administrator  
Clerk of the Board of Supervisors  
Grand Jury Office