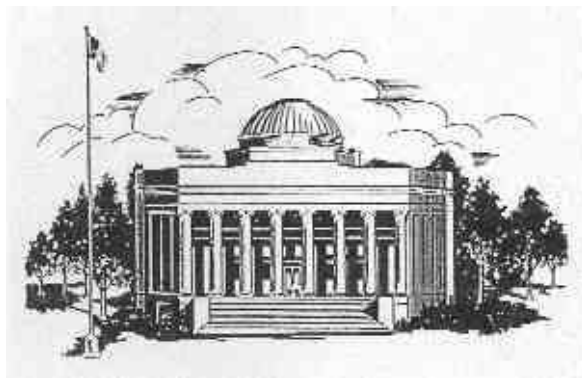


# Modoc County Grand Jury

## FY 2004/05 Report



*Scanned from the Modoc Record  
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Hyperlinks added for Table of Contents.  
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**June 15, 2005**

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# Functions of the Grand Jury

The Grand Jury is part of the judicial branch of the government, mandated by the California Constitution, and an arm of the Superior Court. The primary function of the Grand Jury is to examine local government. The Penal Code states the Grand Jury is specifically:

*Mandated to conduct civil investigations and audits of City and County Government, to insure efficient and proper operation of all local government And to detect and expose fraud and malfeasance.*

The Grand Jury addresses citizen complaints and conducts investigations to act as a "watchdog the citizens of Modoc County.

The Grand Jury reviews and evaluates performance of local government officials and entities, focusing on *procedures, methods and systems* (not polices), to determine if more efficient and economical measures might be employed and if procedures are being followed. The Grand Jury three ways to exercise its powers:

1. Reports - Published report evaluating local government conditions, generally addressing specific issues, with findings and recommendations. The County Board of Supervisors, City Councilor affected agency must comment on each recommendation as per Penal( 933.05. (When crimes are not charged but suspected, special reports with documentation may refer to specific issues to other authority.)
2. Accusations - Formal written complaints accusing a government official or employee of misconduct. (Conviction would result in removal from office/duties rather than criminal penalties.)
3. Indictments - Formally charging a person with a crime.

The Grand Jury is specifically authorized to:

- Inspect and audit local entity records, insuring proper and legal accountings of public record;
- Investigate and report on performance of special districts or commissions.
- Evaluate conditions of jails and detention centers within the county.
- Investigate charges of misconduct by public officials or employees.
- Investigate and report on "questionable practices" of such agencies or officials.

The Grand Jury also receives complaints from citizens alleging mistreatment by officials, suspicions of misconduct, or government inefficiencies. While keeping all complaints confidential, each is acknowledged and considered by the panel: those accepted under Grand Jury jurisdiction are investigated carefully before any action is taken.

# MODOC COUNTY SUPERIOR COURT

LARRY L. DIER  
Superior Court Judge

FRANCIS W. BARCLAY  
Superior Court Judge

Robert A. Barclay Justice Center  
205 South East Street Alturas, CA 96101  
Phone (530) 233-6526 Fax (530) 233-6500

VICKIL L. HUGEHEES  
Court Executive Office

July 1, 2005

To: Grand Jury Members

Dear Ladies and Gentlemen:

As your service on the 2004-2005 Modoc County Grand Jury comes to a conclusion, it is my pleasure and privilege to express my appreciation and the appreciation of the Superior Court to all of you for your diligence, dedication and hard work this year. Special appreciation and gratitude is owed to Hans Van Nes for his guidance and leadership as this year's Foreperson and Jodi Frey for all of her work as this year's Secretary.

I realize it is not an easy task to serve as a Grand Juror and address the complex, varied and sometimes sensitive issues that are presented to you. However, I am very impressed with the effort and commitment to quality demonstrated by all of you and commend you on the job you have done and the report you have prepared.

Thanks once again for a job well done and a special thanks to those of you that have gone beyond the call of duty by serving a second term this year and to those of you that have agreed to serve a second term next year.

Sincerely,

Francis W. Barclay  
Modoc County Superior Court Judge

## Acknowledgements

The Grand Jury acknowledges Judge Barclay and Judge Dier for their counsel on matters both legal and practical.

We express thanks to the Modoc Superior Court staff: Vicki Hughes and Linda Ostoja for help in obtaining a computer and printer.

We also wish to thank all the individuals, County department heads and employees, and members of the Modoc Medical Center Board of Trustees for their cooperation and assistance in our investigations.

Lastly, we thank the Modoc County Record for assisting in the distribution of this Grand jury Report to concerned individuals throughout Modoc County.

**Modoc County Grand Jury  
2004-2005**

# Modoc County Grand Jury

205 South East Street  
Alturas, California 96 10 1

June 15, 2005

Modoc Medical Center has some difficult problems that need immediate attention and action if it is to survive.

Sufficient money to properly run the system is a problem that becomes more serious with each passing day. Elsewhere in this report, we identify chronic difficulties in billing and collecting monies due as a major cause of this dilemma. Management shortcomings are also a factor in this regard.

Services must be provided around the clock (24/7), an expensive proposition under the best conditions. A few years ago, most nursing staff could be recruited locally, but the current situation at Modoc Medical Center makes that option a lot less likely. Accordingly, "Registry" staff brought in from other areas is much more expensive, aggravating an already serious financial burden.

Yet, there is a real need for the medical and long-term care services to be continued for our community. We simply must all pull together to make this institution run properly.

The 2004-2005 Grand Jury hopes this report will assist decision-makers in attaining that goal.

Hans Van Nes

## 2004-2005 Modoc County Grand Jury Roster

Thelma Barker, Alturas

Doug Dollarhide, Davis Creek

Brock Elliott, Canby

Janice Flynn, Alturas

John Fogerty, Alturas

Jodi Frey, Alturas

Mike Hickman, Tulelake

Alan Hopkins, Alturas

Pauline Howard, Alturas

Jerry Hoxsey, Alturas

Chris Lauppe, Alturas

Gary McClellan, Alturas

Linda Moore, Lookout

Virginia Pierce, Alturas

Ike Richardson, Alturas

Carol Richert, Alturas

Lynne Schluter, Alturas

Yvonne Studinski, Alturas

Hans Van Nes, Alturas

# Notice to Respondents

## **Response Requirements**

On January 1, 1997, an extensive change in the legal requirements affecting respondents and responses to the Grand Jury Findings and Recommendations took effect (California Penal Code Section 933.05). Each respondent identified in this report should become familiar with the law and, if in doubt, should consult legal counsel before responding.

## **How to Respond to Findings**

For the assistance of all respondents, California Penal Code Section 93 3.05 is summarized as follows:

'The Respondent (person or entity) must respond to Findings in one of two (2) ways, stating that:

1. You agree with the Finding.
2. You disagree wholly or partially with the Finding; in which case, the response shall specify the portions(s) of the Finding that is disputed, and shall include an explanation of the reasons for the disagreement.

## **How to Report Action in Response to Recommendations**

Recommendations by the Grand Jury require actions(s). The Respondent must identify actions(s) on all recommendations in one of four (4) ways, stating that the recommendation:

1. Has been implemented, with a summary of implemented activities.
2. Has not yet been implemented, but will be implemented in the future, with activities and time frames for implementation.
3. Requires further analysis or study. In such case, the law requires a detailed outline of the analysis and time frame not to exceed six (6) months. Further, the complete analysis or study must be submitted to the officer, director or governing board of the entity being investigated.
4. Will not be implemented because it is either unwarranted or unreasonable with an explanation(s) and supporting facts.

## **Timing of Responses and Actions to Findings and Recommendations:**

As stated in Penal Code Section 933(c), for 45 days after the end of the term, the Grand Jury foreperson or designees shall, upon reasonable notice, be available to clarify recommendations in the report. No later than 90 days after the grand jury submits a final report on the operations of any public agency, the governing body of any public agency subject to grand jury reviewing authority, shall comment to the presiding judge of the superior court on findings and recommendations. Every elected official or agency head for which the grand jury has responsibility shall comment within 60 days to the judge of the superior court with a copy sent to the Board of Supervisors.

# **Grand Jury Reports:**

## **SPECIAL DISTRICTS/AUDITS**

### **AREAS OF STUDY**

- Annual Audits of Special Districts
- Hot Springs Valley Irrigation District- 2004-2005 Grand Jury Follow-up
- Alturas Rural Fire Protection District - Complaint Regarding Sale of Surplus Vehicle

### **Annual Audits of Special Districts**

**Issues:** The Grand Jury investigated the problem Special Districts have had for years meeting the State law requiring annual audits. The Grand Jury met with the Modoc County Auditor/Recorder on this issue.

**Findings:** In January 2005, Grand Jury members met with the Auditor/ Recorder concerning annual audits for Special Districts. The Auditor/ Recorder indicated that this has been a problem for years and that, although required, few audits are actually received from Special Districts in the County. The Auditor/Recorder stated that meeting the State requirements for an audit could be a heavy financial burden for many of the districts in her opinion. She proposed that the Board of Supervisors (BOS) authorize the hiring of an assistant auditor. The addition of one assistant auditor would enable the Auditor's Office to complete annual audits for all Special Districts that require one. The additional auditor would also be able to assist in completing other backlogged workload demands within the Auditor's Office.

**Recommendations:** The Grand Jury recommends that the BOS implement the recommendation of the Auditor/Recorder concerning the hiring of an assistant auditor, who would work part-time assisting the Special Districts in meeting their State requirements for annual audits. In the opinion of the Grand Jury, this change will bring these important County entities into compliance with state law and forestall potential future problems in financial transactions. Although this would add another County employee position, it would eliminate financial burdens of individual Special Districts in meeting the audit requirement. Many districts operate on shoestring budgets and rely on dedicated volunteers to perform the functions of their districts. In addition, the Grand Jury recommends that the BOS establish a policy to inform Special Districts of their responsibilities under State law. With limited exceptions, these responsibilities include filing an annual audit with the Auditor's Office; filing an annual conflict of interest code with the County Clerk; and filing Form 700 Statement of Economic Interests, by each board member of a Special District, with the County Clerk. The individual Supervisors should follow-up with the districts in their areas throughout the year to make sure these requirements are being met. The Grand Jury recommends that the 2005-2006 Grand Jury follow-up on these recommendations to assist Special Districts in complying with State law concerning annual audits.

**Respondent:** Board of Supervisors

## **Hot Springs Valley Irrigation District (HSVID)**

**Issues:** The 2003-2004 Grand Jury recommended that the current Grand Jury follow-up on its findings to determine if: (1) the HSVID obtained a required annual audit and has filed a copy of the audit with the State Controller and the Modoc County Auditor and (2) each current HSVID board member had completed and filed Form 700-Statement of Economic Interests with the County Clerk; and (3) the HSVID had met the State requirements for having a conflict of interest code on file with the County.

**Findings:** Grand Jury members met with two board members of the HSVID in January 2005 to discuss the follow-up recommended by the prior Grand Jury. The Grand Jury members were informed that HSVID had not obtained or attempted to obtain an annual audit. The board members were again informed that Form 700-Statement of Economic Interests is to be filed annually and had not been filed by members of HSVID and that assistance with filing Form 700 could be obtained from the County Clerk. The board members were reminded that a conflict of interest code was not on file with the County Clerk and that assistance with filing the code could be obtained from the County Clerk. The board members informed the Grand Jury that they were aware of the filing requirements. The board members said that they felt the cost of an annual audit would be prohibitive to small Special Districts, such as HSVID. A follow-up in June 2005 revealed that: All three board members of the HSVID had filed Form 700 as required; the HSVID had not filed a conflict of interest code as required; and the HSVID had not submitted an annual audit as required. The Grand Jury notes that these violations have gone on for several years with the HSVID and have been noted annually by previous Grand Juries.

**Recommendations:** The Grand Jury realizes that the cost of an annual audit may be a burden on HSVID. However this district has ignored State law and Grand Jury requests, for at least the last 2 years, by not filing an audit. The Grand Jury recommends that HSVID file an annual audit beginning with 2005. The Grand Jury recommends that the BOS implement the recommendation of the Auditor/Recorder concerning the hiring of an assistant auditor as mentioned elsewhere in this report. In addition, the BOS should follow-up with this Special District to make sure the filing requirements for an annual audit, Form 700, and a conflict of interest code are being met in the future. The Grand Jury recommends that the 2005-2006 Grand Jury follow-up with HSVID concerning these State law requirements.

**Actions:** Due to the continuing lack of response by the HSVID relative to the filing of a conflict of interest code and an annual audit, the Grand Jury is notifying the Fair Political Practices Commission and the State Controllers Office of these omissions.

**Respondents:** Hot Springs Valley Irrigation District  
Board of Supervisors

## **Alturas Rural Fire Protection District**

**Issues:** A complaint was received by the Grand Jury alleging that a surplus vehicle of the Alturas Rural Fire Protection District was sold without being offered through a surplus sale and that vehicle retained the County government license plates.

**Findings:** Grand Jury members contacted the fire chief. The sale of a surplus vehicle was in process, but had not been completed. The vehicle was parked at a private residence and the license plates were still in place. Final payment and transfer of ownership through the DMV had not occurred. The fire chief had contacted other fire districts in the area concerning the surplus vehicle, but was not aware of any government policy concerning surplus vehicle sales. Following contact with the Grand Jury, the fire chief rescinded the sale and posted a notice of sealed bid in the Modoc County Record. The fire chief reported that, following the bid closing, bids were opened, the high bidder made payment, and title to the vehicle has been transferred from the Special District to the individual.

**Recommendations:** The Grand Jury recommends that the BOS provide procedures for the sale or disposal of surplus property to all Special Districts in Modoc County.

**Respondents:** Board of Supervisors

## **LAW ENFORCEMENT**

### **Areas of Study**

Required Annual Inspection of Devil's Garden Conservation Camp

Required Annual Inspection of Modoc County Jail

911 System

Complaints received from Modoc County citizens

### **Devil's Garden Conservation Camp:**

The camp has a 120 inmate capacity, with five 17- person crews. The inmates earn \$1.45 to \$3.25 per day for labor on community projects and earn \$1.00 per hour on fire and emergency assignments. Last year the crews totaled 10,552 hours for community work and had 90,535 man hours on the fire lines in the state. The camp also sponsors a bike- refurbishing project. Bikes are refurbished for under privileged children. The bikes are distributed through TEACH. The camp operates on the barter system when available rather than cash, because the State charges a 10% fee for administration. Donations for the bike program may be made by contacting the camp.

### **Recommendations:**

None

### **Respondents:**

None

### **Modoc County Jail:**

Members of the Grand Jury toured the jail. The capacity of the jail is 52 inmates. The jail averages 20 to 35 inmates.

Facilities offered to inmates include a library, recreation area and laundry room. Inmates are assigned to do the cooking, laundry, etc. The jail seems to be running efficiently.

### **Recommendations:**

None

## 911

The Sheriff's Department seems very diligent in applying for grant money and finding funds for necessary County equipment. Funds from Homeland Security money were parceled out to the states. California divided the funds by County. Modoc County has purchased a new 911 system with these funds. This Radio over Internet Protocol is a computer aided dispatch system. It will be able to handle multiple calls with ease. It also has a guidance system that will pinpoint exact locations of incoming calls, including cell phones. The County is also implementing procedures for handling mass casualties in the event of a catastrophe. The Grand Jury commends the Sheriff's Department for their efforts in these regards.

### **Recommendations:**

None

### **Respondents:**

None

### **Issues:**

Four separate complaints were received during the tenure of this Grand Jury,

- Misuse of gas card by a deputy sheriff.
- Improper hiring procedures by the Sheriff's Department.
- Misuse of County vehicles.
- Unlawful confiscation of firearms.

### **Findings:**

- Regarding the theft of gas by a deputy, the department turned the investigation over to the City Police, as is policy. The individual has resigned and will be prosecuted. There are new procedures in place to prevent misuse of County gas cards in the future.
- On the hiring procedures, the Sheriff's Department gives tests locally for prospective hires, also finds prospects in the California Job Journal ads and from State personnel service. A valid California POST (Peace Officer Standard Training) certificate is required for field officers, but not for jailers. Probationary periods are in place: 1 year for new hires and 6 months on promotions.
- Grand Jury members met with the Sheriff and Under Sheriff to clarify the use of County vehicles. In the past, during inclement weather, the Sheriff's Department has lent four wheel drive vehicles to County employees (including members of BO S), who were traveling outside -the County for meetings, training, etc. They no longer loan out their vehicles to BO S members or other county employees. The members of the BOS each receive \$200.00 a month for travel expenses.
- The City Police Department followed proper procedures in the confiscation of the firearms. Prior to this, the complainant had attempted to purchase a firearm locally and was "red flagged" by ATF because of an incident in another state. Firearm registration is federally regulated. Proper paperwork must be presented to fulfill regulations. The complainant had not forwarded the proper paperwork to ATF to clear the "red flag".

**Recommendations:**

None

**Respondents:**

None

## **SCHOOLS**

**Area of Study**

Modoc County Office of Education

**General Report:**

Members of the Grand Jury interviewed the County Superintendent of Schools. Jurors discussed the State of California budget cuts and various education programs offered in Modoc County.

**Issues:**

While there were no specific issues regarding Modoc County Office of Education, the Grand Jury had received a complaint regarding the Modoc Joint Unified School District Board. This complaint was put aside with the subsequent election of a new board.

**Findings:**

The Modoc Office of Education serves as an intermediate unit operating between the State Department of Education and the school districts within the County. Jurors found the superintendent to be very knowledgeable and informative.

The enrollment figures for the district as of October 2004 were:

1399	students in Modoc Joint Unified Schools (including Modoc Charter School)
197	students in Surprise Valley Joint Unified Schools
565	students in Tulelake Basin Joint Unified Schools
161	students in Modoc Office of Education Schools

Enrollment has declined at Modoc County schools in recent years, which impacts the school districts' budgets. The Superintendent noted that Modoc districts are in very good shape compared to other districts.

Modoc Office of Education operates State preschool programs, Community Schools, Special Education and Court Schools. The Superintendent looks to improve the pre-school programs throughout the district and plans are underway to add Alternative Education programs in Surprise Valley next year.

**Recommendations:**

None

**Respondents:**

None

# HOSPITAL

## AREA OF STUDY:

Modoc Medical Center (MMC)

### **Background:**

One complaint was referred from the 2003-2004 Grand Jury to the 2004-2005 Grand Jury and five separate complaints were received during the tenure of this Grand Jury.

### **Procedures:**

The Grand Jury interviewed 41 people, of whom 11 were former employees, 13 current employees, 2 contract employees, 6 management employees, 1 doctor, 1 business owner and 6 members of the MMC Board of Trustees.

The Grand Jury reviewed the Modoc County Code, Title 2, Administration and Personnel and the 9-1-04 through 8-31-05 Memorandum of Understanding between Modoc County and the United Public Employees of California, Local 792, LUINA, AFL-CIO (Medical Unit).

Detailed notes were written for all interviews. The Grand Jury analyzed these notes to identify issues.

### **Issues:**

Board of Trustees:

- Insufficient oversight to MMC by the Board of Trustees (BOT) as an official body
- Responsibilities for MMC by the Board of Supervisors (BOS), Board of Trustees (BOT) and the CEO are unclear.

Personnel Management -

- High rate of turnover of staff in Patient Care and Billing.
- No exit interviews by management staff or BOT
- Claims and lawsuits filed relating to stress, retaliation, and harassment.
- Lack of performance evaluations.
- Compromising employee confidentiality.
- Intimidation by management, including threats of job loss
- Inadequate staff training
- Poor Union representation
- Nepotism and cronyism
- Improper dismissal of probationary employees.

Financial Management

- No Chief Financial Officer
- Account write-offs
- Overall debt continues to increase.
- Large amount of dollars in collectable accounts receivable.
- Improper billing of insurance companies.
- Refund policy
- Slow billing process
- Excessive use of Registry Nurses.

#### Records Management -

- Improper document destruction
- Documentation missing from patients charts and other files
- Incomplete documentation on patients' charts and doctors' reports.

#### Patient Care –

- Unrecorded incidents at Skilled Nursing Facility and hospital
- Employees working outside their scope of certification.

#### Physical Plant -

- Asbestos removal and disposal
- Mold in the hospital buildings

### **Findings:**

#### Board of Trustees:

- During interviews with members of the BOT, several of the newest members said they were only asked to vote on one issue (a personnel matter involving a doctor) during the last 2 1/2 years.
- Several BOT interviewees expressed the concern that they were not being kept informed on an on-going basis. One interviewee indicated the information from management was too selective. Accordingly, that interviewee reported the need to obtain accurate information elsewhere.
- This BOT member also reported several situations that the full board did not learn about in a timely manner.
- The CEO goes directly to the BOS on financial matters.
- When issues become controversial, the BOS often defers to the BOT. One time this year, when doing so, the BOS stated personnel matters are the responsibility of the BOT.

#### Personnel Management:

- High Turnover Rate-The turnover rate of employees at MMC is particularly high in Nursing and Billing. An interviewee stated that, during one period of time, turnover in the Billing Department was as high as 200%. Management and the BOT do not conduct exit interviews of departing employees to find out why they are leaving MMC.
- Low Morale-Most employees interviewed complained of low morale due to poor communication (top to bottom), fear of management reprisal, lack of proper training, poor management skills, and lack of confidentiality among employees and between Administration and employees.
- Inadequate Performance Evaluations- 30% of employees interviewed have received no performance evaluations; 20% have been evaluated only intermittently, which is a violation of the Union Memorandum of Understanding (MOU). The MOU specifies employees will be evaluated after the first six months and annually thereafter. Most department heads, when asked, admitted they were delinquent in performance evaluations

- Autocratic Management Style-The current style of management results in low productivity, low morale, stress, stress-related illnesses, fear of reprisal and high rate of employee turnover. Interviewees reported that sometimes they were made to feel guilty for requesting leave in times of family emergencies or other personal situations. Doctor orders for shift changes were met with indifference.
- Salary and Benefits - MMC's salaries and benefits packages are not consistent with the rest of Modoc County employees. (MMC employees receive lower salaries, fewer health benefits, and fewer holidays.) Interviewees complained these circumstances contribute to low moral and high employee turnover.
- Nepotism and-cronyism - The definition of nepotism is "patronage bestowed or favoritism shown on the basis of family relationship, as in business or politics". Cronyism is defined as "the practice of favoring one's close friends, especially in political appointments". The perception of nepotism and cronyism is a very real problem for employee morale at MMC. Despite management's contention that they are in compliance with the County ordinance, employees interviewed expressed concerns relating to these practices and favoritism.
- Probationary employee dismissal - Issues were raised about probationary employee dismissals. Our investigation found that management is in compliance with the MOU terms in this matter.

### **Financial Management:**

Modoc County's independent auditor (Carlos Soler, CPA) wrote in his notes regarding financial statements for June 30, 2004 (page 29),"The Modoc Medical Center incurred a net loss of \$186,952 during the fiscal year ended June 30,2004, and as of the same date the Medical Center's current liabilities exceeded its current assets by \$2,791,548, and its total liabilities exceeded total assets by \$701,276. These and other factors create an uncertainty about the Medical Center's ability to continue as a going concern."

Overall debt continues to increase despite (1) periodic out-sourcing of billing and debt collection and (2) the efforts of several consultants who analyzed procedures and systems and offered recommendations for improvement. Thousands of dollars have been spent on these consultants, only to have the recommendations ignored by management at MMC.

- No Chief Financial Officer (CFO) - MMC CFO position has been vacant for more than a year. The last CFO had a history of turning rural hospitals into profitable enterprises. A portion of the former CFO's public comments to the BOS follows: "I have been a CFO of rural hospitals and a regional CFO for a group of rural hospitals for twelve plus years. I have successfully turned around losing operations and made it a financially viable entity. I always had accounts receivable days under 60 days. I love challenges and came here with the grandeur vision of doing the same, but soon found wealth of knowledge and expertise being despised." He appeared to be making significant progress in Accounts Receivable at MMC until he was terminated.
- Billing - Slowness in billing for services rendered and collecting monies owed MMC jeopardizes its ability to operate in a stable fiscal manner. Account write-offs, untimely billing of insurance companies, and non-aggressive pursuit of debts owed all contribute to MMC's precarious financial

condition. Computer and policy changes, high staff turnover, and inadequate training provided by Management contribute greatly to this problem.

- Write-offs - Based on information from interviewees, large amounts are written off for private pay individuals. Two interviewees stated that, during a six month period, \$300,000 to \$400,000 were written off. Several interviewees stated that the write-off policy is overused and arbitrarily applied.
- Refunds - Refunds of over payments are only made upon request by
- External Registry Staff Use-Staff employed from the external registry are paid \$47 per hour. This is more than two times the salary of the regular MMC staff nurses. In addition, Registry staff are reimbursed for their meals and lodging. The extensive practice of using this service compounds the financial problems at MMC.

### **Records:**

- Several interviewees indicated that initial incident reports that were submitted were missing prior to the investigation of that incident. Incidents involving patient care or patient-to-patient incidents are documented in patient charts. In one particular instance, the Certified Nurses Assistant (CNA) submitted a report of a fairly serious incident at the Skilled Nursing Facility. However, when the State came to investigate, the report was missing from the resident's daily chart.
- Employees documented improper practices, including out-of-scope nursing, on-the-job harassment and unprofessional conduct, only to have these reports deleted before any action was taken by management.
- Certified Nursing Assistants, Licensed Vocational Nurses, and Registered Nurses reported that they were instructed by supervisors to make patient chart entries after the fact-sometimes several hours or days after an action had occurred (e.g., vital signs, incidents).

### **Patient Care:**

- Several interviewees indicated that serious complaints had been lodged against several MMC employees and that Management did not respond to the complaints; these employees are still working at MMC. These complaints included one incident of an unnecessary manual fecal extraction and an incident of a fall with injury to a patient that went unreported by the responsible shift.
- Nursing staff routinely work 12-hour shifts. Nursing staff members complain of having to work back-to-back shifts due to staff shortages. Nurses expressed a fear of reprisal if they did not agree to this back-to-back assignment. Improper scheduling of nurses affects patient care.
- Interviewees reported observing employees working outside the scope of their certification on numerous occasions. In one instance, a Modoc County Jail inmate, scheduled to work in the laundry room, was found inserting a nasal canula (oxygen) into a patient. There were numerous reports to the Grand Jury of CNA's pulling IV's. A CNA was observed administering oxygen to an emergency room patient without supervision.

## **Physical Plant:**

- Asbestos was reportedly removed from the radiology department during remodeling. The interviewee also claimed asbestos fell from the ceiling of the boiler room. Three other interviewees claimed white dust settled onto their desks during this remodeling project. If these reports are accurate, serious health problems for patients and staff alike may develop. When questioned, Management claimed there was no asbestos found in the radiology room.
- Interviewees indicated that actively growing mold was covered up during repair of a wall in a shower stall. Mold is also present in the attic spaces from improperly handled roof leaks.

## **RECOMMENDATIONS:**

### **Modoc Medical Center Board of Trustees**

- The chairman of the BOT characterizes the Board as "advisory". The BOS created the BOT, but needs to clarify the BOT's responsibilities.
- The Grand Jury recommends the BOS either dissolve the BOT or give it full, written authority for the management of the MMC.
- The Grand Jury further recommends, if the BOS clarifies and strengthens the authority of the BOT, some changes should be made to the BOT membership. Rotating chairmanship among the BOT members, as is the policy of the BOS, would be appropriate.
- The Grand Jury also recommends the BOS, with input from the community, determine which medical services need to be provided for Modoc County; The BOS must also determine how to assure the efficient delivery of the services chosen.

### **Personnel Management**

- Elsewhere in this report, the Grand Jury identified high turnover rate, low morale, inadequate performance evaluations and autocratic management style as contributing factors to the problems at MMC.
- The Grand Jury concludes from our interviews and findings that management is deficient at MMC.
- If the BOS elects to strengthen the authority of the BOT, the Grand Jury recommends the following:
  1. Immediately complete evaluations for top management personnel.
  2. Actively recruit and hire a person to fill the vacant CFO position.
  3. Conduct a full and independent personnel audit. Any recommendations for changes in positions or reorganization by the auditors should be presented directly to the BOT.

- The Grand Jury recommends the BOS treat MMC employees equitably with other County employees.
- With regards to nepotism, the Grand Jury recommends Modoc County personnel code should be updated to comply with California State and Federal Government laws and codes.

### **Financial Management**

- The Grand Jury recommends a full, independent investigation be conducted by an outside auditor that covers the last five years. The audit should include, but not be limited to: (1) the billing process, (2) extensive write-offs and (3) the lack of proper training for the billing staff.
- The overall authority, either the BOS or the BOT, should have in place, a written policy, with built in checks and balances, regarding write-offs. The overall authority should approve write-offs at scheduled meetings.
- The Grand Jury recommends MMC management reduce reliance on outside "Registry" nursing staff. It is obvious that excessive use of this service is causing many of the financial problems at MMC.

Accomplishing this recommendation will only be realized when the MMC management atmosphere is again conducive to the local recruitment of regular staff.

### **Records Management**

The Grand Jury concluded in its findings that incident reports are often missing and nursing staff are encouraged or instructed to make entries into patient charts after the fact. This is unacceptable conduct. The Grand Jury recommends these practices be corrected immediately by MMC.

### **Patient Care**

The recommendations offered elsewhere in this report, if adopted, will improve patient care.

### **Physical Plant**

The Grand Jury recommends proper procedures be followed in the future regarding any removal of hazardous materials. We further recommend any mold problems in the hospital be corrected.

### **Respondents:**

Modoc County Board of Supervisors

Modoc Medical Center Board of Trustees