**JEFFERY S. BURGH**
**AUDITOR-CONTROLLER**

COUNTY OF VENTURA
800 SOUTH VICTORIA AVE.
VENTURA, CA 93009-1540



# COUNTY OF VENTURA, CALIFORNIA

# CORRECTIVE ACTION PLAN

## FOR THE YEAR ENDED JUNE 30, 2023

Compiled by:
Jason McGuire, Deputy Director, Auditor-Controller
County of Ventura, California

**COUNTY OF VENTURA, CALIFORNIA**

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FOR THE YEAR ENDED JUNE 30, 2023

## I. FINANCIAL STATEMENT FINDINGS

**Finding 2023-001**

**System Procedures Related to Patient Accounts and Patient Credits**

**Department's Management Response:**

Management agrees that the Medical System should implement policies and procedures to ensure that patient credit balances adjusted in the manual process are reviewed and approved prior to write-off.

**View of Responsible Officials and Corrective Action:**

Management agrees with the recommendation to review its current policies and procedures and ensure secondary review and approvals of manual credit balance corrections are documented in the patient encounter prior to write-off.

During fiscal year ended June 2021, Patient Financial Services leadership established and strengthened effective controls to correct Cerner's duplicate contractual posting and monitor any potential "fall outs". A program (aka script) is run each day, including weekends, to review the secondary payor electronic postings and correct duplicate posting of contractual allowances. Total credit balances have been reduced more than 70% since June 2018.

Some credit balances may fall outside the program noted above. To ensure secondary review and approval of these credit balance adjustments are performed and documented, management submitted a request to Oracle (Cerner) in September 2023 to pend these credit balance adjustments, after being reviewed and worked by staff, to a worklist for supervisor/management second level review and approval before being released to adjust.

**Name of Responsible Persons:**

Molly Teron, Director Patient Financial Services

**Implementation Date:**

The corrective measures to identify and correct new credit balances have been in place since October 1, 2020.

We anticipate Oracle (Cerner) will be able to provide this enhancement prior to September 30, 2024, allowing Medical System management to pend adjustments and credit reversals for secondary supervisor or manager review before releasing the adjustment.

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**Finding 2023-002**

**Third Party Settlements and Reserves**

**Department's Management Response:**

The Medical System, specifically Ambulatory Care, management agrees that policies and procedures should be established related to the timely review of third-party settlements and reserves to ensure proper support for balances reported at the balance sheet date.

**View of Responsible Officials and Corrective Action:**

Management agrees with the recommendation to establish policies and procedures for improved tracking of repayments made to and payments received from the California Department of Health Care Services (DHCS) at the clinic level of detail, which occur following preliminary audits and final audits of the Medi-Cal Prospective Payment System (PPS) reconciliation reports. Prior to being audited, the PPS reconciliation reports, one for each clinic, provide a reasonable basis for estimated amounts due to each clinic or amounts payable back to DHCS. In fiscal year 2023, Ambulatory Care financial management attempted to confirm with DHCS amounts owed from or to DHCS for prior years for each clinic. While this is a good secondary verification, Ambulatory management needs to keep a detailed record of interim payments made and received by the clinics subsequent to the audit of the PPS reconciliation reports, which typically occurs between two and five years after the period has ended.

**Name of Responsible Persons:**

Dr. Theresa Cho, Chief Executive Officer, Ambulatory Care
Michael Taylor, Chief Financial Officer, Health Care Agency

**Implementation Date:**

June 30, 2024

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## II. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

**Finding 2023-003**

**Program:** COVID-19 Aging Cluster
**Assistance Listing No.:** 93.041, 93.042, 93.043, 93.044, 93.045, 93.052, 93.053
**Federal Grantor:** U.S. Department of Health and Human Services
**Passed-through:** California Department of Aging
**Award No. and Year:** Various
**Compliance Requirements:** Subrecipient Monitoring
**Type of Finding:** Significant Deficiency in Internal Control over Compliance and Instance of Non-Compliance

**Department's Management Response:**

The Area Agency on Aging (AAA) management agrees that all required award information needs to be communicated to subrecipients at the time of the subaward and a subrecipient's risk assessment needs to be completed and documented in accordance with 2 CFR section 200.

**View of Responsible Officials and Corrective Action:**

Beginning July 1, 2023, AAA merged with Human Services Agency (HSA). Administrative and fiscal functions have been integrated into HSA's administrative and fiscal management. The fiscal team has been working with AAA management to identify and address internal control and non-compliance issues, implementing procedures and policies to improve operational efficiency and internal controls.

Risk assessment of subrecipients was performed in December 2023 to determine the level of monitoring needed. Federal award identification number (FAIN) will be provided to subrecipients, and the unique entity identifier (UEI) will be obtained from subrecipients by March 31, 2024. Once monitoring is complete, a monitoring report will be issued, any findings with be communicated with subrecipients. In the future, the FAIN and subrecipient's UEI will be included in contract agreements.

**Name of Responsible Persons:**

Bernadette Heredia, Accounting Manager II
Helina Wu, Chief Financial Officer, Human Services Agency

**Implementation Date:**

December 1, 2023, related to documenting risk assessments
March 31, 2024, related to providing require award information to the subrecipient

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**Finding 2023-004**

**Program:** COVID-19 Health Center Program Cluster
**Assistance Listing No.:** 93.224
**Federal Grantor:** U.S. Department of Health and Human Services
**Passed-through:** N/A
**Award No. and Year:** Various
**Compliance Requirements:** Special Tests and Provisions
**Type of Finding:** Material Weakness in Internal Control over Compliance and Material Non-Compliance

**Department's Management Response:**

Health Care Agency (HCA) management agrees with the recommendation to strengthen the established policies and procedures to ensure that the sliding fee discount program schedules are applied to patient charges consistent with its sliding fee discount schedule, and to ensure that County personnel strictly adheres to policies and procedures.

**View of Responsible Officials and Corrective Action:**

HCA management recognizes that the sliding fee discount schedule/discount grid established in 2020 was complex and may have contributed to errors in adjustments. A new fee schedule was developed in 2023 to establish flat fees that are more inclusive of services. The grid established in 2020 was in effect until the new grid was approved by the Board of Supervisors on March 15, 2023. Most of the encounters selected for review were encounters dated prior to the new grid's effective date.

HCA management has strengthened its sliding fee policy and procedure, approved by the Board of Supervisor on March 15, 2023. HCA management will implement the following internal control process to ensure that adjustments are consistent with the sliding fee discount program fee schedule:

1. All Medical Billing Specialists responsible for enrolling patients into the sliding fee program will be retrained on eligibility and adjustments.
2. To ensure that patients have received the correct adjustment, we will run a report of all patients under the sliding fee program with at least one encounter, year to date. All applications, proof of income, program eligibility, and adjustments will be reviewed for each patient. Corrections will be made, if applicable.
3. For the remaining of FY 22/23, a monthly report of all encounters under the sliding fee discount program will be pulled and reviewed monthly for accuracy. Corrections will be made and staff will be trained, as needed.
4. Starting in FY 23/24, a random sampling of sliding fee discount program encounters per Federally Qualified Health Center will be audited monthly to ensure accuracy and timely adjustment of encounters. Results will be trended to address any additional process improvements.

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**Name of Responsible Persons:**

Lizeth Barretto, Ambulatory Care COO – Ms. Barretto will ensure that the activities listed in the Corrective Action Plan are executed until an Ambulatory Care CFO and/or Ambulatory Care Patient Revenue Manager is hired.
Ambulatory Care CFO (Vacant) – Establishes sliding fee discount program policy, procedures, and fee schedules.
Ambulatory Care Patient Revenue Manger (Vacant) – Responsible for the oversight of the Medical Billing Specialists responsible for sliding fee discount eligibility and adjustments.

**Implementation Date:**

April 15, 2024, Training of Medical Billing Specialists and monthly encounter review and corrections.
April 22, 2024, Year to date report and internal audit
August 5, 2024, Monthly sampling of encounters