

**SOLANO COUNTY CONTRIBUTION TO LA CLINICA DE LA RAZA
2008-2009 Grand Jury**

REASON FOR INVESTIGATION

The 2008-2009 Solano County Grand Jury received a citizen complaint regarding Solano County's contribution to a non-profit organization that provides medical services to illegal aliens. After reviewing the complaint, the Solano County Grand Jury elected to investigate.

GRAND JURY ACTIONS TAKEN

- Reviewed presentation to the Solano County Board of Supervisors by the Health and Social Services Department
- Reviewed an accounting of money allocated by the Solano County Board of Supervisors
- Toured Vallejo Clinic locations
- Interviewed Clinic Site Managers and Staff
- Interviewed Director of Health and Social Services

BACKGROUND AND SUMMARY

La Clinica de la Raza (La Clinica) was founded in 1971 by a group of volunteers, including doctors, community members and students from the University of California Berkeley, as a way to provide culturally and linguistically appropriate health care services to the poor and uninsured in the local area. Today, La Clinica is the largest community health center in the San Francisco Bay Area serving more than 50,000 patients at 26 sites in Alameda, Contra Costa and Solano Counties.

Redwood Clinic was a private non-profit medical facility that provided services to the poor and uninsured in the Vallejo area who would normally have required the services of hospital emergency rooms. When the Redwood Clinic closed in Vallejo, Solano County did not seek nor did any other non-profit medical provider offer to fill the void created by the closing. The County felt it was necessary to take action because of the substantial caseload increase on the County's health system and burden on the two Vallejo hospital emergency rooms. The County was then approached by the staff of La Clinica, who offered to operate a new primary care clinic in Vallejo. However, they indicated they would require financial assistance to provide start-up costs and operating expenses for the first three years of operation.

June 10, 2008, the Solano County Director of Health and Social Services made a presentation to the Solano County Board of Supervisors requesting \$250,000 be granted to La Clinica for start-up costs. The Board of Supervisors approved the request with the stipulation that funds would not be used for on-going operational expenses. They also approved a \$100,000 contribution with no apparent strings attached for each of the first three fiscal years of operation. There is no guaranteed county funding after the initial three years of operation.

Funding for La Clinica is as follows:

- Initial contribution of \$250,000 from Solano County
- Contribution of Solano County of \$100,000 per year for the initial three years
- Contribution of Sutter Solano Hospital of \$100,000 per year for three years
- Contribution of Kaiser Permanente Hospital of \$100,000 per year for three years

The above contributions total \$1,150,000 over a three-year period. The reason for the hospital contributions is to reduce the burden on the two hospital emergency rooms in Vallejo.

December 23, 2008, the Grand Jury toured the Vallejo locations. It was observed that no street signage was posted at the Hospital Drive location. This observation was mentioned to La Clinica staff and they agreed signs should be put up. At the time of this report, no signage has been displayed on the street.

When La Clinica staff was asked about admitting procedures they said only a document, e.g., utility bill or rent receipt indicating the patient is a resident of Solano County is required. No official government documentation was required such as a driver's license, social security card, birth certificate or voter registration. In addition, the Health and Social Services Department Head stated that undocumented/illegal aliens are treated at La Clinica.

The Grand Jury requested an accounting of La Clinica's use of the County's \$250,000 contribution. The information La Clinica provided to the County included a typed list of purchases. There was no itemization of expenditures, only a general grouping of purchases, such as furniture and equipment. The documents received were inadequate and did not fulfill the request the Grand Jury made for a complete detailed explanation of the expenditure of taxpayer dollars.

FINDINGS AND RECOMMENDATIONS

Finding 1 - When the Redwood Clinic closed, the County did not seek a replacement provider. When La Clinica de la Raza approached the County, no investigation nor consideration of any other qualified provider was undertaken. This is contrary to normally-accepted business practice and is generally considered contrary to government contract practice.

Recommendation 1 - A request for primary-care services should be put out for public bid. The County should have a system in place that encourages bids from multiple qualified healthcare providers.

Finding 2 - The Grand Jury requested the County to provide documentation of the \$250,000 contribution. The provided documentation inadequately explained the expenditure of taxpayer money for start-up costs. The documentation was provided by La Clinica based on their own audit.

Recommendation 2 - The County should do its own audit and closely monitor the expenditure of County funds granted La Clinica de la Raza for start-up costs. In addition, the pro-forma funding for the next two years of operation needs to be properly supported and documented.

Finding 3 - While La Clinica de la Raza serves a valuable purpose, the provision of services does not require proof of citizenship or legal residency. This may result in the use of taxpayer money being spent on services provided to people who are in this country illegally.

Recommendation 3 - The County should require that County contributions to La Clinica be limited to serving only Solano County residents who have proof of citizenship or legal residency.

COMMENTS

According to the Solano County Board of Supervisors, the County faces a significant deficit based on a reduction in tax revenues. The Board of Supervisors might reconsider commitments made for future contributions to non-profit organizations and, alternatively, use the funds where they will benefit residents of Solano County who are legal residents of the United States. Sacramento, Yolo and Contra Costa Counties have similar financial pressures and are taking steps to ensure that taxpayer dollars are expended on residents of their counties who are United States citizens or legal residents of the United States.

AFFECTED AND RESPONDING AGENCIES

Solano County Board of Supervisors
Solano County Director of Health and Social Services

COURTESY COPIES

CEO of La Clinica de la Raza
Sutter Solano Hospital
Kaiser-Permanente Hospital, Vallejo