

EXECUTIVE DIGEST

ALLEGAN COUNTY COMMUNITY MENTAL HEALTH SERVICES

INTRODUCTION

This report, issued in December 2000, contains the results of our performance audit* of Allegan County Community Mental Health Services (ACCMHS), an agency under contract with the Department of Community Health.

AUDIT PURPOSE

This performance audit was conducted as part of the constitutional responsibility of the Office of the Auditor General. Performance audits are conducted on a priority basis related to the potential for improving effectiveness* and efficiency*.

BACKGROUND

ACCMHS was established in 1970 and operates under the provisions of the Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws*.

ACCMHS's mission* is to enhance the behavioral health of the residents of Allegan County. ACCMHS's Access Unit serves as the single entry point for Allegan County residents seeking mental health services.

ACCMHS operates and/or contracts for mental health services, including inpatient, outpatient, day program, residential, case management, respite, crisis, and

prevention services for mentally ill* and developmentally disabled* individuals.

ACCMHS operations are generally funded by State, federal, and local funds. Total expenditures for the fiscal year ended September 30, 1999 were approximately \$14 million. As of September 30, 1999, ACCMHS had 175 full-time equated employees and was serving 1,466 consumers*.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess ACCMHS's effectiveness and efficiency related to the delivery of services.

Conclusion: **ACCMHS was generally effective and efficient in its delivery of services.** However, we noted reportable conditions* related to ACCMHS's continuous quality improvement (CQI)* process, criminal history background checks, and ability-to-pay determinations (Findings 1 through 3).

Noteworthy Accomplishments: ACCMHS has maintained its accreditation by the Rehabilitation Accreditation Commission since 1978 without interruption. Also, in 1997, ACCMHS (through the Department of Community Health) was 1 of 3 Michigan sites to receive a three-year Robert Wood Johnson Foundation self-determination initiative grant for persons with developmental disabilities. Through self-determination, individual budgets are developed to help consumers control their resources and make choices about their mental health services, mental health service providers*, and living situations. In addition, ACCMHS coordinated two major projects, one that built 57 affordable, accessible apartments for individuals with mental illnesses or

disabilities and another one that resulted in the first countywide public transportation system.

As evidenced by the results of our consumer survey, ACCMHS consumers were generally satisfied with the level of care provided by ACCMHS. Of the consumers who responded to the survey, 89% stated that they were satisfied with the quality of services received, 86% noted that they received the type of services needed, and 80% were satisfied with the amount of services they received.

Audit Objective: To assess ACCMHS's effectiveness in administering and monitoring the services provided by contract organizations.

Conclusion: **ACCMHS was generally effective in administering and monitoring the services provided by contract organizations.** However, we noted a reportable condition pertaining to residential contract administration (Finding 4).

Audit Objective: To assess the effectiveness of ACCMHS's management system for processing Medicaid capitated payments.

Conclusion: **ACCMHS's management system for processing Medicaid capitated payments was effective.**

Noteworthy Accomplishments: ACCMHS developed a comprehensive system for analysis of the Data Exchange Gateway Medicaid eligibility file to reconcile Medicaid capitated payments and to accurately account for services to individuals who are currently or retroactively eligible for Medicaid.

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of Allegan County Community Mental Health Services. Our audit was conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included such tests of the records and such other auditing procedures as we considered necessary in the circumstances.

To accomplish our objectives, we examined ACCMHS records and activities for the period October 1, 1997 through July 31, 2000. We reviewed applicable statutes, rules, policies, and procedures; interviewed ACCMHS and contractor employees; assessed the effectiveness of applicable areas of internal control*; and analyzed applicable program, financial, and clinical records. We examined performance measurements used to evaluate programs and surveyed consumers and referral source providers of ACCMHS. We obtained a sample of criminal history background checks of ACCMHS and contractor employees who had direct contact with consumers. In addition, we analyzed contracts with mental health service providers, tested compliance with the contracts, and conducted site visits of providers. Further, we reconciled capitated and General Fund payment amounts and tested expenditures to determine if ACCMHS accurately accounted for services to current and retroactively eligible Medicaid consumers. We also tested compliance with Department of Community Health contractual reporting requirements and recalculated capitated payments.

AGENCY RESPONSES

Our audit report includes 4 findings and 6 corresponding recommendations. ACCMHS's preliminary response indicated that it generally agrees with our findings and has taken steps to implement the recommendations.