

EXECUTIVE DIGEST

MT. PLEASANT CENTER

INTRODUCTION

This report, issued in March 1999, contains the results of our performance audit* of the Mt. Pleasant Center (MPC), Department of Community Health (DCH).

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

MPC serves developmentally disabled persons from 79 of the 83 counties of Michigan. MPC operates under the jurisdiction and control of DCH. MPC's mission* is to empower individuals through partnerships with community mental health service programs, guardians, and families to achieve independence and personal aspirations. Effective October 1, 1997, MPC transferred control of the alternative intermediate services/mentally retarded homes and other community placement facilities to the community mental health agencies.

As of July 31, 1998, MPC had 495 employees and 198 residents. MPC's inpatient and residential services expenditures for fiscal year 1996-97 were approximately

\$65.7 million, of which \$28.4 million was for facility operations and \$37.3 million was for the homes and placement facilities.

**AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS**

Audit Objective: To assess the effectiveness of MPC's continuous quality improvement initiatives.

Conclusion: We concluded that MPC was generally effective in its continuous quality improvement initiatives. However, we noted a reportable condition* related to continuous quality assurance (Finding 1).

Noteworthy Accomplishments: MPC commissioned an independent survey of the residents' guardians in 1995. The results of the survey noted that most of the respondents felt that MPC was doing a good job of providing services to the residents. In addition, MPC completed a resident satisfaction survey related to food services. The survey results will be used to make changes to the food menu.

Audit Objective: To assess the effectiveness and efficiency of MPC's treatment delivery and discharge planning processes.

Conclusion: We concluded that MPC's treatment delivery and discharge planning processes were generally effective and efficient. However, we noted reportable conditions regarding the restraint* process, admission practices, training practices, drug formulary*, and medication controls (Findings 2 through 6).

Audit Objective: To assess MPC's effectiveness in protecting the rights of its mental health recipients.

Conclusion: We concluded that MPC was effective in protecting the rights of its mental health recipients.

Audit Objective: To assess the effectiveness of MPC's reimbursement function.

Conclusion: We concluded that MPC was generally effective in billing for services. However, we noted a reportable condition pertaining to the cost of service billings (Finding 7).

Audit Objective: To assess the effectiveness and efficiency of MPC's habilitative services* program.

Conclusion: We concluded that MPC was generally effective and efficient in the management of the habilitative services. However, we noted reportable conditions regarding payment reconciliation, resident payments, and contract provisions (Findings 8 through 10).

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Mt. Pleasant Center. 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.

We examined MPC's records and activities for the period October 1, 1995 through July 31, 1998. To accomplish our objectives, we surveyed staff regarding goals* and objectives of the continuous quality improvement program. We examined case files to determine if admissions and discharges were completed in accordance with specified

rules, if individuals were identified for placement based on their individual plans of service, if incident reports were correctly completed, and if the restraint process was followed. We analyzed and tested the reliability of procedures and controls related to recipient rights. We reviewed and tested service and billing documentation. We also tested the propriety of the billings and payments related to those habilitative services provided by an independent contractor.

AGENCY RESPONSES

Our audit report includes 10 findings and 10 corresponding recommendations. DCH and MPC concurred with all of the findings and informed us that they have taken action or will take action to implement the recommendations.