PERFORMANCE AUDIT
OF THE

CORRECTIONAL MENTAL HEALTH PROGRAM

BUREAU OF FORENSIC MENTAL HEALTH SERVICES
DEPARTMENT OF COMMUNITY HEALTH

April 1998

39-650-97

EXECUTIVE DIGEST

CORRECTIONAL MENTAL HEALTH PROGRAM

INTRODUCTION

This report, issued in April 1998, contains the results of our performance audit* of the Correctional Mental Health Program, Bureau of Forensic Mental Health Services, 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

In July 1992, as the result of a contract between the Department of Corrections (DOC) and DCH, DCH established the Correctional Mental Health Program, which is administered by the Bureau of Forensic Mental Health Services. The Bureau's mission is to promote, maintain, or restore patients' mental health and/or legal competence, prevent mental illness, and effect rehabilitation in Michigan's correctional and forensic patient populations.

The Bureau's Correctional Mental Health Program provides four levels of treatment: outpatient, residential, rehabilitative, and acute. The outpatient and residential

* *See glossary on page 25 for definition.*

programs provide treatment at various correctional facilities in the State to prisoners* who are less severely mentally ill. The rehabilitative and acute programs provide treatment in an inpatient hospital setting to prisoner patients* who demonstrate severe mental illnesses.

During fiscal year 1995-96, the Bureau's Correctional Mental Health Program expenditures were approximately $54.9 million. As of June 1997, the Program had 791 employees.

AUDIT OBJECTIVES, CONCLUSIONS, AND NOTEWORTHY ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness of the Bureau's management information system in monitoring the Correctional Mental Health Program.

Conclusion: We concluded that the Bureau's management information system was generally effective in monitoring the Correctional Mental Health Program. However, we identified a reportable condition* related to the accuracy of data in the mental health record system (Finding 1).

Noteworthy Accomplishments: During fiscal years 1995-96 and 1996-97, the Bureau, in conjunction with DOC, implemented a project to improve two components of the mental health record system. These efforts included redesigning database elements, data collection forms, and output reports used by field and central office staff for tracking mental health referrals and services provided to prisoners. To comply with amendments to selected provisions of the Mental Health Code, the Bureau implemented new procedures for involuntary treatment of prisoners with mental illness. These new procedures are

* *See glossary on page 25 for definition.*

designed to facilitate prompt access to treatment and reduce the need for longer hospitalization.

Audit Objective: To assess whether the Bureau's rehabilitative and acute care programs were effective and efficient in returning prisoner patients to less intensive treatment programs based on successful treatment outcomes.

Conclusion: We concluded that the Bureau's rehabilitative and acute care programs were generally effective and efficient in returning prisoner patients to less intensive treatment programs based on successful treatment outcomes. However, we identified reportable conditions related to admission and discharge criteria and record maintenance (Findings 2 and 3).

Noteworthy Accomplishments: During 1994, the Bureau opened Huron Valley Center (HVC), a new prisoner inpatient psychiatric hospital in Ypsilanti, to replace the inpatient programs located at Riverside Correctional Facility. In May 1997, HVC received accreditation from the Joint Commission on Accreditation of Health Care Organizations. The accreditation was one of the compliance requirements in the USA consent decree* .

The Bureau, in cooperation with DOC, developed referral and transfer procedures for severely mentally ill prisoners from administrative segregation settings in State correctional facilities to Bureau treatment programs. These procedures were necessary to help assure federal

* *See glossary on page 25 for definition.*

court officials involved with the consent decree that prisoners are receiving appropriate treatment.

Audit Objective: To assess the Bureau's effectiveness in identifying prisoners who need mental health services and in providing mental health treatment to prisoners who live in the general prison population.

Conclusion: We concluded that the Bureau was generally effective in identifying prisoners who need mental health services and in providing mental health treatment to prisoners who live in the general prison population. However, we identified a reportable condition related to treatment consent documentation (Finding 4).

Noteworthy Accomplishments: Since becoming responsible for the Correctional Mental Health Program in 1992, the Bureau has upgraded the residential level of care by implementing the Residential Treatment Program model. This treatment model includes enhanced clinical staffing and new treatment programs, such as psychosocial rehabilitation modules, cognitive behavioral intervention, and dual diagnosis programs for prisoners with mental disorders and substance abuse problems. The Bureau anticipates that the treatment model will result in earlier detection and preventive intervention of mentally ill prisoners to avoid serious deterioration in their conditions.

Audit Objective: To assess the effectiveness and efficiency of the Bureau's administration of mental health service contracts.

Conclusion: We concluded that the Bureau's administration of its mental health service contracts was generally effective and efficient. However, we identified a

reportable condition related to the Bureau's internal control structure over personal service contracts (Finding 5).

AUDIT SCOPE AND METHODOLOGY

Our audit scope was to examine the program and other records of the Correctional Mental Health Program. 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.

Our methodology included examination of the Bureau's records and activities for the period October 1, 1994 through July 15, 1997.

To accomplish our objectives, we obtained an understanding of the Bureau's operations by conducting a preliminary survey. We assessed the adequacy and reliability of the Bureau's management information system in monitoring program activity and evaluated management's use of data collected. We also evaluated treatment plans for selected prisoner patients to determine if plans were prepared in accordance with Bureau standards, and we reviewed plan goals and objectives to determine if planned outcomes included movement to less intensive treatment programs. In addition, we reviewed methods used to identify and serve prisoners entering the corrections system who require mental health services to determine if methods were applied in accordance with established standards. We also reviewed the Bureau's use of contractual service employees in lieu of classified State employees and evaluated the Bureau's methods for determining the need for and use of contractual services.

AGENCY RESPONSES

Our audit report includes 5 findings and 6 corresponding recommendations. The preliminary response prepared by the Bureau indicated that it concurred with 3 of our recommendations and has taken steps to comply with each of them. The Bureau indicated that it did not concur with the remaining 3 recommendations.

Mr. James K. Haveman, Jr., Director
Department of Community Health
Lewis Cass Building
Lansing, Michigan

Dear Mr. Haveman:

This is our report on the performance audit of the Correctional Mental Health Program, Bureau of Forensic Mental Health Services, Department of Community Health.

This report contains our executive digest; description of agency; audit objectives, scope, and methodology and agency responses; comments, findings, recommendations, and agency preliminary responses; and a glossary of acronyms and terms.

Our comments, findings, and recommendations are organized by audit objective. The agency preliminary responses were taken from the agency's responses subsequent to our audit fieldwork. The *Michigan Compiled Laws* and administrative procedures require that the audited agency develop a formal response within 60 days after release of the audit report.

We appreciate the courtesy and cooperation extended to us during this audit.

AUDITOR GENERAL

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BUREAU OF FORENSIC MENTAL HEALTH SERVICES
DEPARTMENT OF COMMUNITY HEALTH

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Description of Agency

In July 1992, as the result of a contract between the Department of Corrections (DOC) and the Department of Community Health (DCH), DCH established the Correctional Mental Health Program, which is administered by the Bureau of Forensic Mental Health Services. The Bureau's mission is to promote, maintain, or restore patients' mental health and/or legal competence, prevent mental illness, and effect rehabilitation in Michigan's correctional and forensic patient populations to enable patients to participate as fully as possible in the opportunities available in prison, in DOC health care settings, or in the civilian community when released from prison or from the jurisdiction of DCH.

The Bureau's Correctional Mental Health Program provides four levels of treatment: outpatient, residential, rehabilitative, and acute. The outpatient program consists of 13 teams and functions as the main point of entry into the Bureau's Correctional Mental Health Program. Outpatient mental health teams are located at both DOC reception centers and at various correctional facilities across the State. Outpatient teams generally include a psychiatrist, psychologist, social worker, psychiatric or clinical nurse, and secretary. These teams evaluate prisoners to determine if they are mentally ill and, if they are, the teams will place the prisoners in the appropriate treatment program. Outpatient mental health teams also provide individual and group therapy, crisis intervention, prescription and management of psychotropic medications, case management, and aftercare placement planning. Prisoners treated by outpatient teams live in the prison general population.

The residential treatment programs are located at four prisons with select housing units set aside for prisoners with moderate to serious mental illnesses that limit their ability to participate independently in the prison general population. Clinical staff provide treatment to prisoners in the housing unit to minimize mentally ill prisoners' interaction with prisoners in the prison general population. Treatment services include evaluation, individual and group therapy, crisis intervention, prescription and management of psychotropic medications, case management, and aftercare placement planning.

The rehabilitative treatment program is comprised of 9 inpatient units with a total of 235 beds at the Huron Valley Center (HVC) in Ypsilanti. This program serves chronically

mentally ill prisoner patients who have serious impairments in their behavior and judgment and who are unable to return to a general prison setting immediately following acute care treatment. HVC's population includes prisoner patients who have a poor prognosis for return to the prison general population. Rehabilitative treatment services include evaluation, group therapy, crisis intervention, prescription and management of psychotropic medications, individual therapy, case management, activity therapy, 24-hour nursing care as needed, and aftercare planning.

The acute care program consists of 5 inpatient units with a total of 115 beds at HVC and one inpatient unit with 22 beds at Duane L. Waters Hospital* at the Egeler Correctional Facility in Jackson. The acute care program serves prisoner patients with substantial disorder of thought or mood resulting in significantly impaired judgment, behavior, and capacity to recognize reality or cope with the ordinary demands of life. The acute care program provides comprehensive evaluation, individual and group therapy, crisis intervention, prescription and management of psychotropic medication, case management, intensive 24-hour nursing care, and aftercare planning.

During fiscal year 1995-96, the Bureau's Correctional Mental Health Program expenditures were approximately $54.9 million. As of June 1997, the Program had 791 employees.

* *See glossary on page 25 for definition.*

Audit Objectives, Scope, and Methodology and Agency Responses

Audit Objectives

Our performance audit of the Correctional Mental Health Program, Bureau of Forensic Mental Health Services, Department of Community Health, had the following objectives:

1. To assess the effectiveness of the Bureau's management information system in monitoring the Correctional Mental Health Program.

2. To assess whether the Bureau's rehabilitative and acute care programs were effective and efficient in returning prisoner patients to less intensive treatment programs based on successful treatment outcomes.

3. To assess the Bureau's effectiveness in identifying prisoners who need mental health services and in providing mental health treatment to prisoners who live in the general prison population.

4. To assess the effectiveness and efficiency of the Bureau's administration of mental health service contracts.

Audit Scope

Our audit scope was to examine the program and other records of the Correctional Mental Health Program. 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.

Audit Methodology

Our audit procedures were conducted during the months of March through July 1997 and included examining the Bureau's records and activities for the period October 1, 1994 through July 15, 1997. We conducted a preliminary survey to obtain an understanding of the Bureau's operations.

To accomplish our first objective, we analyzed the data needed to monitor the Bureau's Correctional Mental Health Program. We assessed the adequacy and reliability of the management information system in monitoring program activity. We evaluated management's use of data collected for monitoring program progress toward compliance with the Bureau's goals and objectives.

To accomplish our second objective, we evaluated comprehensive individual treatment plans (CITPs) for selected prisoner patients to determine if CITPs were prepared in accordance with Bureau standards, if services were delivered in accordance with the CITPs, and if the Bureau complied with the Mental Health Code in delivering treatment. In addition, we reviewed CITPs' goals and objectives to determine if planned outcomes included movement to less intensive, lower cost treatment programs.

To accomplish our third objective, we reviewed methods used to identify and serve prisoners entering the corrections system who require mental health services to determine if methods were applied in accordance with established standards. Also, we reviewed CITPs of prisoners who were discharged from inpatient units to determine if the prisoners were provided the recommended aftercare services in the general prison population.

To accomplish our fourth objective, we reviewed the Bureau's use of contractual service employees in lieu of classified State employees and evaluated the Bureau's methods for determining the need for and use of contractual services.

Agency Responses

Our audit report includes 5 findings and 6 corresponding recommendations. The preliminary response prepared by the Bureau indicated that it concurred with 3 of our recommendations and has taken steps to comply with each of them. The Bureau indicated that it did not concur with the remaining 3 recommendations.

The agency preliminary response which follows each recommendation in our report was taken from the agency's written comments and oral discussion subsequent to our audit fieldwork. Section 18.1462 of the *Michigan Compiled Laws* and Department of Management and Budget Administrative Guide procedure 1280.02 require the Department of Community Health to develop a formal response to our audit findings and recommendations within 60 days after release of the audit report.

COMMENTS, FINDINGS, RECOMMENDATIONS, AND AGENCY PRELIMINARY RESPONSES

MANAGEMENT INFORMATION SYSTEM

COMMENT

Audit Objective: To assess the effectiveness of the Bureau of Forensic Mental Health Services' management information system in monitoring the Correctional Mental Health Program.

Conclusion: We concluded that the Bureau's management information system was generally effective in monitoring the Correctional Mental Health Program. However, we identified a reportable condition related to the accuracy of data in the mental health record system.

Noteworthy Accomplishments: During fiscal years 1995-96 and 1996-97, the Bureau, in conjunction with the Department of Corrections (DOC), implemented a project to improve two components of the mental health record system. These efforts included redesigning database elements, data collection forms, and output reports used by field and central office staff for tracking mental health referrals and services provided to prisoners. To comply with amendments to selected provisions of the Mental Health Code, the Bureau implemented new procedures for involuntary treatment of prisoners with mental illness. These new procedures are designed to facilitate prompt access to treatment and reduce the need for longer hospitalization.

FINDING

1. Accuracy of Data in the Mental Health Record System

The Bureau needs to improve its effectiveness in ensuring the accuracy of data entered in the mental health record system. Data entry errors resulted in differences between the mental health record system and the manual prisoner records.

The Bureau's mental health record system is a component of the DOC computerized case management record system, which contains health care data

for prisoners in State correctional facilities. Bureau personnel enter primary and secondary diagnoses for both a mental health diagnosis and a medical diagnosis.

We compared mental health data recorded in 36 prisoner records (12 from each of 3 correctional facilities) to the mental health record system for prisoners receiving mental health services during June 1997 and noted:

a. Diagnoses coded on the system did not agree with the diagnoses recorded in 7 (19%) prisoner records. Five records contained one diagnosis that was incorrectly coded on the system, and 2 records contained two diagnoses that were incorrectly coded on the system.

b. Global assessment scores of 4 (11%) prisoners did not agree with the scores recorded on the system. A global assessment score registers a patient's functioning level and is used to determine a patient's level of care. We confirmed that the 4 prisoners were receiving the appropriate level of care based on actual global assessment scores.

c. Two (6%) of the records had medication and group therapy recommended in the treatment plan which were not coded on the system.

The Bureau, DOC, and consent decree experts use data in the system to evaluate care rendered, compile statistical information, develop consent decree projections, and monitor admission and discharge activity. Therefore, it is important that the data recorded in the mental health record system be accurate.

RECOMMENDATION

We recommend that the Bureau improve its effectiveness in ensuring the accuracy of data entered in the mental health record system.

AGENCY PRELIMINARY RESPONSE

The Bureau concurs with the recommendation and has taken steps to improve its effectiveness in ensuring the accuracy of data centered in the mental health record system by implementing a monitoring procedure as part of the Bureau's continuous quality improvement (CQI) system.

REHABILITATIVE AND ACUTE CARE SERVICES

COMMENT

Audit Objective: To assess whether the Bureau's rehabilitative and acute care programs were effective and efficient in returning prisoner patients to less intensive treatment programs based on successful treatment outcomes.

Conclusion: We concluded that the Bureau's rehabilitative and acute care programs were generally effective and efficient in returning prisoner patients to less intensive treatment programs based on successful treatment outcomes. However, we identified reportable conditions related to admission and discharge criteria and record maintenance.

Noteworthy Accomplishments: During 1994, the Bureau opened Huron Valley Center (HVC), a new prisoner inpatient psychiatric hospital in Ypsilanti, to replace the inpatient programs located at Riverside Correctional Facility. In May 1997, HVC received accreditation from the Joint Commission on Accreditation of Health Care Organizations. The accreditation was one of the compliance requirements in the USA consent decree.

The Bureau, in cooperation with DOC, developed referral and transfer procedures for severely mentally ill prisoners from administrative segregation settings in State correctional facilities to Bureau treatment programs. These procedures were necessary to help assure federal court officials involved with the consent decree that prisoners are receiving appropriate treatment.

FINDING

2. Admission and Discharge Criteria

Mental health professionals* at the various correctional facilities did not consistently adhere to the Bureau's established admission criteria when referring prisoner patients for admission to HVC. In addition, HVC needs to improve its effectiveness in meeting discharge criteria provided for in the HVC clinical program description.

* *See glossary on page 25 for definition.*

The Bureau established three criteria necessary for the admission of prisoner patients to HVC: the prisoner patient exhibits mental illness; the psychiatrist diagnoses the mental illness to be severe; and the prisoner patient consents to the treatment. According to HVC's clinical program description, newly admitted prisoner patients are to be initially placed in 1 of HVC's 5 acute care units for further evaluation and intensive treatment. Within six weeks, prisoner patients are to be discharged or, if further treatment is needed, transferred to one of HVC's 9 rehabilitative care units.

We reviewed the admitting physician's diagnoses for 74 HVC prisoner patients for compliance with HVC's admission criteria. We determined that 25 (34%) prisoner patients were admitted with diagnoses different from HVC's minimum admission criteria. We noted that 8 (32%) of the 25 prisoner patients were diagnosed as malingering (feigned illness). Bureau staff informed us that, because of logistical considerations related to prison bed availability and transportation, HVC must admit all prisoner patients it receives under the referral process and that such admittances could result in several days of care. However, we determined that the 8 prisoner patients diagnosed as malingering remained at HVC from 16 days to over one year.

We also reviewed 53 prisoner patient files for compliance with HVC's acute care unit discharge or transfer policy. We determined that 34 (64%) prisoner patients were not discharged or transferred to a rehabilitative care unit within six weeks. Lengths of stay beyond the six-week policy ranged from 4 days to 85 weeks.

During 1996, HVC established a CQI file review function to monitor, among other attributes, compliance with the Bureau's admission criteria. Although the CQI file reviews noted conditions similar to our review, improvement in complying with the Bureau's admission policies had not occurred.

We conclude that noncompliance with HVC's admission and discharge criteria could result in inefficient use of HVC resources.

RECOMMENDATIONS

We recommend that the Bureau implement administrative measures to ensure that mental health professionals at the various correctional facilities consistently adhere to the Bureau's established admission criteria when referring prisoner patients for admission to HVC.

We also recommend that HVC improve its effectiveness in meeting discharge criteria provided for in the HVC clinical program description.

AGENCY PRELIMINARY RESPONSE

The Bureau does not concur with the first recommendation. The Bureau informed us that, although viewed as important principles in guiding patient placement decisions, the criteria should be used in concert with the treatment team's clinical judgment. The criteria does not exclude a referral within the continuum that is viewed by the treatment team as the most clinically appropriate disposition for the patient. Further, the criteria clearly focuses the attention of clinicians on behaviors possibly indicative of mental illness, high suicide risk, and low functioning level as valid factors, regardless of diagnosis, in making referral decisions.

The Bureau does not concur with the second recommendation. The Bureau informed us that the discharge/transfer criteria indicated in the clinical program description is a goal. However, depending on the patient's need, as determined by his/her psychiatrist, a patient may not be transferred within the time frame indicated in the program description.

EPILOGUE

We concur that admission criteria provides important guidance for placement decisions. Thus, if the Bureau has identified other valid factors in making referral decisions, it should modify its admission criteria as appropriate in order to enhance the guidance it provides to mental health professionals who are charged with making decisions related to inpatient admissions.

Also, we agree that discharge criteria should be viewed as a goal in that it establishes a benchmark for clinicians to use in improving the effectiveness and efficiency of HVC's treatment modalities. However, considering that HVC was only

36% effective in achieving this goal for the 53 prisoner patient files we reviewed, we believe that it is reasonable and prudent for HVC to initiate measures to improve its effectiveness in meeting established discharge criteria.

FINDING

3. Record Maintenance

Staff at HVC and Duane L. Waters Hospital (DWH) did not complete and retain many documents required to be maintained in prisoner patients' files.

HVC and DWH patient record manuals require the completion of specific medical, psychiatric, psychosocial, psychological, nursing, and various other assessments and progress notes.

We reviewed 53 prisoner patient files at HVC and 3 files at DWH and noted that 46 and 3 files, respectively, were missing documents:

a. At HVC, we could not locate 4 medical assessments, 14 psychiatric assessments, 1 psychosocial assessment, 12 psychological assessments, 6 activity therapy assessments, 5 psychiatrist progress notes, 4 registered nurse progress notes, 5 social worker progress notes, 6 psychologist progress notes, and 2 activity therapist progress notes. Also, 33 records were missing 2 or more daily nursing notes.

b. At DWH, we could not locate 2 social assessments, 2 activity therapy assessments, and 2 treatment plan assessments.

CQI file reviews noted similar conditions.

Completion and retention of required assessments and progress notes is essential for staff to effectively treat prisoner patients' mental health conditions.

RECOMMENDATION

We recommend that management at HVC and DWH implement measures to ensure that staff complete and retain all documents required to be maintained in prisoner patients' files.

AGENCY PRELIMINARY RESPONSE

The Bureau does not concur with this recommendation. The Bureau informed us that, with hundreds of clinical staff performing daily charting activities, it is impossible to ensure 100% compliance with documentation requirements. HVC and DWH are aware from self-monitoring (CQI files) of problems with some documentation not being completed. Steps have been taken by both HVC and DWH to reduce the occurrences of missing documents. Both HVC and DWH have been accredited by the Joint Commission on Accreditation of Hospital Organizations (JCAHO) and missing documents were not identified as a problem at either location. In addition to achieving very high scores from JCAHO, HVC also obtained commendation from the annual Michigan Department of Corrections audit.

EPILOGUE

Implementation of our audit recommendation would not require HVC and DWH to achieve 100% compliance in completing and retaining required prisoner patient assessments and progress notes. However, considering the number of required documents that were missing from 46 of the 53 prisoner patient files that we reviewed at HVC and the 3 prisoner patient files that we reviewed at DWH, we believe that it is reasonable and prudent for management to implement measures needed to remedy deficiencies in HVC's and DWH's documentation processes.

MENTAL HEALTH SERVICES AT PRISONS

COMMENT

Audit Objective: To assess the Bureau's effectiveness in identifying prisoners who need mental health services and in providing mental health treatment to prisoners who live in the general prison population.

Conclusion: We concluded that the Bureau was generally effective in identifying prisoners who need mental health services and in providing mental health treatment to prisoners who live in the general prison population. However, we identified a reportable condition related to treatment consent documentation.

Noteworthy Accomplishments: Since becoming responsible for the Correctional Mental Health Program in 1992, the Bureau has upgraded the residential level of care by implementing the Residential Treatment Program model. This treatment model includes enhanced clinical staffing and new treatment programs, such as psychosocial rehabilitation modules, cognitive behavioral intervention, and dual diagnosis programs for prisoners with mental disorders and substance abuse problems. The Bureau anticipates that the treatment model will result in earlier detection and preventive intervention of mentally ill prisoners to avoid serious deterioration in their conditions.

FINDING

4. Treatment Consent Documentation

The Bureau had not implemented operating procedures to help ensure that mental health staff at correctional facilities obtained consent from prisoners prior to providing them mental health treatment.

The Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws,* prescribes procedures that apply to involuntary and voluntary admission of prisoners into the Correctional Mental Health Program. The purpose of these procedures is to protect the rights of prisoners admitted to the program. DOC policy directive 04.06.183, dated October 9, 1995, required the development of an operating procedure within 60 days of the date of the policy to implement the procedures prescribed in the Mental Health Code.

On August 20, 1996, 316 days after issuance of policy directive 04.06.183, the Bureau prepared a draft operating procedure to implement the Mental Health Code and DOC policy directive requirements. As of July 25, 1997, 339 days after issuance of the draft operating procedure, it was still in its draft stage.

Our review of 142 prisoner mental health records at 10 correctional facilities disclosed that 21 (15%) records did not have documentation that the prisoners either had consented to receive mental health treatment or were provided a hearing prior to receiving treatment as required by the Mental Health Code. In addition, for 18 (13%) records that contained consent documentation, the consent was signed either the day before or the day of our visit, after we provided the mental health staff at the respective facilities the names of the prisoners' files that we had selected for review.

RECOMMENDATION

We recommend that the Bureau implement operating procedures to help ensure that mental health staff at correctional facilities obtain consent from prisoners prior to providing them mental health treatment.

AGENCY PRELIMINARY RESPONSE

The Bureau concurs with this recommendation and immediately instructed field staff to obtain appropriate consent to treatment. The Bureau will develop an operating procedure specific to the process of obtaining signed consent from prisoners prior to providing them mental health care. This procedure will be promulgated through the entire Bureau operation.

MENTAL HEALTH SERVICE CONTRACTS

COMMENT

Audit Objective: To assess the effectiveness and efficiency of the Bureau's administration of mental health service contracts.

Conclusion: We concluded that the Bureau's administration of its mental health service contracts was generally effective and efficient. However, we identified a reportable condition related to the Bureau's internal control structure over personal service contracts.

FINDING

5. Internal Control Structure Over Personal Service Contracts

The Bureau needs to strengthen its internal control structure over personal service contracts.

The Bureau uses personal service contracts to hire non-State employees to fill temporarily vacant positions and to perform specialized services in the areas of nursing, psychiatry, laboratory, etc. During fiscal year 1995-96, the Bureau expended approximately $2.8 million for personal service contracts, which included over $2.5 million for nursing and psychiatric services.

We reviewed all personal service contracts over $150,000 for nursing and psychiatric services during fiscal years 1995-96 and 1996-97. This review included 14 contracts (3 nursing contracts and 11 psychiatric contracts). Our review disclosed the following weaknesses in the Bureau's internal control structure over personal service contracts:

a. The Bureau permitted one psychiatric contractor to deliver and bill for four months of services totaling over $95,000 before a contract was executed.

b. The Bureau did not enforce the contractual hour limitation required by the nursing and psychiatric service contracts:

   (1) The nursing contract stated that nurses were not permitted to work more than 40 hours per week or be pre-scheduled for double shifts. We reviewed 3 two-week pay periods during fiscal year 1996-97 and noted 8 instances in which contract nurses exceeded 40 hours per week. In addition, during the first 15 days of July 1997, contract nurses were pre-scheduled for double shifts 13 times.

   (2) Contracts for two psychiatrists for fiscal years 1995-96 and 1996-97 limited the maximum number of hours to be paid to 80 hours per biweekly pay period. We noted 7 instances within the 46 pay periods in which the 80-hour provision in these contracts was exceeded by amounts ranging from 16 to 72 hours per pay period.

   We were informed that the hour limitations were established to provide parity between Bureau employees and contractual employees.

c. The Bureau did not verify the hours worked for one contractor who was paid $119,826 and $32,778 during fiscal years 1996-97 and 1995-96, respectively. Invoices from this contractor charged HVC for on-call psychiatrists at the on-duty rate of pay; however, verification was not made that the on-call psychiatrists actually worked during the on-call hours.

d. The Bureau issued purchase orders for psychiatric personal service contracts during fiscal year 1995-96 that exceeded Department of Civil Service (DCS)

authorization. DCS authorized the Bureau to purchase up to $2.1 million in contract psychiatric services. However, the Bureau issued purchase orders for $2.4 million for these services. The Bureau's total fiscal year 1995-96 payments did not exceed the authorized amount. However, because the Bureau entered $2.4 million in purchase orders into the Advanced Purchasing and Inventory Control System (ADPICS), ADPICS processing controls would not have prevented it from exceeding the DCS authorization by up to $0.3 million.

e. The Bureau used an erroneous record in determining the amount it spent when reporting personal service contract expenditures to DCS. As a result, its fiscal year 1995-96 annual report was overstated by $604,000. The Bureau should have used vendor payment information available from the Michigan Administrative Information Network to obtain accurate vendor payment information.

These weaknesses in the internal control structure hamper the Bureau's ability to ensure that the Bureau receives the level of services stipulated in the contracts and that payment processing and reporting is proper.

RECOMMENDATION

We recommend that the Bureau strengthen its internal control structure over personal service contracts.

AGENCY PRELIMINARY RESPONSE

The Bureau concurs with the recommendation and informed us that continuous efforts are being made to improve internal controls over all aspects of operations, including personal services contracts.

Glossary of Acronyms and Terms

ADPICS	Advanced Purchasing and Inventory Control System.
CITP	comprehensive individual treatment plan.
CQI	continuous quality improvement.
DCH	Department of Community Health.
DCS	Department of Civil Service.
DOC	Department of Corrections.
Duane L. Waters Hospital (DWH)	An inpatient hospital, located at the Egeler Correctional Facility in Jackson, which has designated space for providing temporary acute mental health services to prisoners.
effectiveness	Program success in achieving mission and goals.
efficiency	Achieving the most outputs and outcomes practical for the amount of resources applied or minimizing the amount of resources required to attain a certain level of outputs or outcomes.
HVC	Huron Valley Center.
JCAHO	Joint Commission on Accreditation of Hospital Organizations.
mental health professional	A physician, psychiatrist, psychologist, social worker, registered nurse, or other health professional who is trained and experienced in the areas of mental illness or mental retardation and is licensed or certified by the State of Michigan to practice within the scope of their professional training.

performance audit An economy and efficiency audit or a program audit that is designed to provide an independent assessment of the performance of a governmental entity, program, activity, or function to improve public accountability and to facilitate decision making by parties responsible for overseeing or initiating corrective action.

prisoner A person serving a sentence in a State correctional facility operated by the Department of Corrections.

prisoner patient A prisoner being treated for a mental health disorder that requires placement in an inpatient hospital setting operated by the Department of Community Health under contract with the Department of Corrections.

reportable condition A matter coming to the auditor's attention that, in his/her judgment, should be communicated because it represents either an opportunity for improvement or a significant deficiency in the design or operation of the internal control system or in management's ability to operate a program in an effective and efficient manner.

USA consent decree The consent decree, entered into on July 13, 1984, that was created to resolve concerns of the U.S. Department of Justice as a result of prison riots that occurred during 1981. The consent decree generally applies to the State Prison of Southern Michigan (including the Egeler Correctional Facility) in Jackson, the Michigan Reformatory in Ionia, and the Marquette Branch Prison in Marquette. However, certain requirements related to mental health services apply to other correctional facilities as well.