

EXECUTIVE DIGEST

SANILAC COUNTY COMMUNITY MENTAL HEALTH AUTHORITY

INTRODUCTION

This report, issued in July 2001, contains the results of our performance audit* of Sanilac County Community Mental Health Authority (SCCMHA), an agency under contract with the 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

SCCMHA was established as a community mental health board in 1971 and operates under the provisions of the Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws*. SCCMHA, under provisions of the Mental Health Code (Section 330.1205), held a series of public hearings and was granted community mental health authority* status in 1997 by the Sanilac County Board of Commissioners and was recognized as an authority by DCH and the Department of State.

SCCMHA's mission* is to provide quality mental health services in a fiscally responsible manner with dignity, confidentiality, and respect by promoting options for growth so that individuals who have a serious mental illness, a serious emotional disturbance, or a developmental disability can participate fully in community opportunities and be successful and self-satisfied with the least amount of professional assistance.

SCCMHA's service locations and administrative offices are located in Sandusky. SCCMHA's Board of Directors is composed of 12 members. Board members are appointed to three-year terms.

SCCMHA's operations are generally funded by State, federal, and local* funds. Total expenditures for the fiscal year ended September 30, 2000 were \$14,547,009.

As of December 31, 2000, SCCMHA had 100 employees and was serving 799 consumers*.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

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

Conclusion: **SCCMHA was generally effective and efficient in the delivery of services.** However, we noted reportable conditions* related to criminal history background checks and a continuous quality improvement* (CQI) process (Findings 1 and 2).

Noteworthy Accomplishments: SCCMHA formed an alliance with two other county community mental health programs to coordinate efforts, share resources, and prepare for mandated changes in the mental health field.

Through the alliance, SCCMHA enhanced its operation by centralizing the screening and referral process, increasing coverage and linkage of services for consumer needs that occur after normal working hours, and standardizing consumer tracking and reporting systems. In addition, the alliance formed a regional member services department to improve access to services. Further, the alliance has formed an information systems workgroup and made mutual decisions on common finance issues.

SCCMHA has maintained its accreditation from the Rehabilitation Accreditation Commission* without interruption since 1985. Also, in December 1999, DCH's Office of Recipient Rights found SCCMHA's recipient rights system to be in substantial compliance with standards established by DCH relative to the promotion and protection of consumer rights. SCCMHA scored 286 (98%) of the 292 points possible.

Audit Objective: To assess SCCMHA's effectiveness in accounting for capitated payments* and associated expenditures.

Conclusion: **SCCMHA was generally effective in accounting for capitated payments and associated expenditures.**

Audit Objective: To assess SCCMHA's effectiveness in monitoring services provided by contracted organizations.

Conclusion: **SCCMHA was generally effective in monitoring services provided by contracted organizations.** However, we noted a reportable condition related to contract monitoring activities (Finding 3).

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of Sanilac County Community Mental Health Authority. 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 SCCMHA's records and activities for the period October 1, 1998 through December 31, 2000. We reviewed applicable statutes, administrative rules, SCCMHA policies and procedures, and group home licensing standards. We assessed the effectiveness of internal control used to manage programs and reviewed a sample of consumer case files. We examined performance measurements used to evaluate programs and surveyed consumers and referral source providers of SCCMHA. We obtained criminal history background checks of SCCMHA and contract staff who had direct contact with consumers.

We reconciled capitated and general fund* payment amounts and tested expenditures to determine whether they were matched to the correct funding source. Also, we analyzed contract language and met with SCCMHA staff to determine the types of standards utilized to measure contractor performance. In addition, we visited six residential providers to determine whether consumer case file records were current and SCCMHA staff were monitoring contract terms.

AGENCY RESPONSES

Our audit report contains 3 findings and 3 corresponding recommendations. SCCMHA's preliminary response indicated that it agrees with all of our findings.