

EXECUTIVE DIGEST

JACKSON-HILLSDALE COMMUNITY MENTAL HEALTH SERVICES BOARD

INTRODUCTION

This report contains the results of our performance audit of the Jackson-Hillsdale Community Mental Health Services Board, Department of Mental Health (DMH), for the period June 1, 1991 through August 31, 1994.

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

The Jackson-Hillsdale Community Mental Health Services Board operates under the provisions of the Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws* (Act 258, P.A. 1974). The board is an agency of county government and is not a State agency. However, the board is subject to oversight by DMH in accordance with the Mental Health Code.

The board, established in 1967, is located in Jackson and is comprised of 12 members, each appointed for a three-year

term. The board operates and/or contracts for outpatient clinics, day programs, emergency services, case management, and residential care programs for the mentally ill and developmentally disabled.

The board's operations are generally funded by 90% State and 10% local funds after third party billings. For fiscal year 1992-93, the board expended approximately \$19.3 million. As of August 31, 1994, the board had 271 employees and was serving 3,445 clients through board-operated and contracted programs.

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

Audit Objective: To assess the effectiveness and efficiency of selected board programs related to delivery of services and administrative oversight.

Conclusion: The board generally operated the programs we reviewed in an effective and efficient manner.

However, the board could improve the effectiveness of case management services by obtaining all board-required client assessments (Finding 1) and ensuring the preparation of monthly progress notes (Finding 2).

Noteworthy Accomplishments: The board accomplished several major initiatives to improve the effectiveness and efficiency of the delivery of services to its clients. The initiatives included the development of a needs assessment form to help identify client needs, the implementation of a quality improvement process, and the development and implementation of a computerized client goal outcome measurement system.

Audit Objective: To assess the board's and selected contract providers' compliance with laws, rules, policies, directives, procedures, and contract provisions governing community mental health services board operations.

Conclusion: We concluded that the board and the contract providers were generally in compliance with selected laws, rules, policies, directives, procedures, and contract provisions governing community mental health services board operations.

Audit Objective: To evaluate the board's reimbursement system related to billing and collecting for mental health services.**Conclusion:** The board's reimbursement system was generally effective in billing and collecting for mental health services.

**AUDIT SCOPE
AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Jackson-Hillsdale Community Mental Health Services Board for the period June 1, 1991 through August 31, 1994. 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 audit objectives, we conducted a preliminary survey of board and contract agency programs and operations, reviewed the board's annual program plans

and budget reports submitted to DMH, and reviewed the board's contracts with DMH and its service providers.

We reviewed board meeting minutes, policies, procedures, and client case files. In addition, for the board and its contract agencies, we reviewed program records, interviewed personnel, and reviewed and analyzed expenditure and revenue data and the audited financial statements.

Also, we reviewed the board's reimbursement rate setting methodology and client financial liability determination for reasonableness.

**AGENCY
RESPONSES**

Our audit report contains 2 audit findings and 3 corresponding recommendations. The agency agreed with all of our recommendations and indicated that it has taken steps to comply.