

## EXECUTIVE DIGEST

### MONROE COUNTY COMMUNITY MENTAL HEALTH SERVICES BOARD

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#### **INTRODUCTION**

This report contains the results of our performance audit at the Monroe County Community Mental Health Services Board, Department of Mental Health (DMH), for the period October 1, 1991 through September 30, 1994.

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#### **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.

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#### **BACKGROUND**

The Monroe County Community Mental Health Services Board, established in 1964, operates under 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 Monroe county government and is not a State agency. However, the board is subject to oversight by DMH.

The board is located in Monroe. It operates and/or contracts for inpatient, outpatient, partial day, residential, case management, respite, prevention, crisis, and gerontology services for the mentally ill and developmentally disabled.

The operations of the board and providers that contract with the board are funded with State, federal, and local funds.

For fiscal year 1992-93, the board expended approximately \$14.8 million. As of September 30, 1994 the board had 151 full time employees and served approximately 2000 clients through board operated and contracted programs.

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

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

**Conclusion and Noteworthy Accomplishments:** The board was effective in its delivery and oversight of mental health services. In March 1992 the board received JCAHO accreditation for its substantial compliance with national health care standards, and was the first community mental health board in the state to receive JCAHO accreditation for its group home operations.

We determined that the board's administrative oversight was reasonably effective. However, we noted 4 reportable conditions related to inadequate vendor payment

documentation, pharmaceutical purchasing, contract management, and goal attainment reporting (Findings 1 through 4).

**Audit Objective:** To evaluate the effectiveness of the Board's reimbursement system related to rate setting, billing, and collecting for mental health services.

**Conclusion:** The board underbilled Medicaid approximately \$188,000 because it did not allocate its actual planned and expected costs over the estimated volume of service units when it calculated its reimbursement rates (Finding 6).

In addition we noted 7 reportable conditions related to internal controls over the board's billing system and billing errors and omissions (Findings 5, and 7 through 12).

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

**Conclusion:** The board generally complied with selected contracts, laws, rules, policies, directives and procedures. However, we noted 1 reportable condition related to the board's failure to maintain documentation to support waiting list data reported to the Department of Mental Health.

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**AUDIT SCOPE AND METHODOLOGY** Our audit scope was to examine the program and financial records of the Monroe County Community Mental Health Services Board for the period October 1, 1991 through September 30, 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.

We reviewed program and financial records and selected areas of internal control pertinent to the audit. We tested for compliance with applicable statutes, rules, policies, and procedures related to the board.

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**AGENCY RESPONSE** Our report includes 13 findings and 22 corresponding recommendations. The board agreed with all our findings and recommendations.

The board's preliminary response which follows each recommendation in our report was taken from the boards and DMH's written comments and oral discussion subsequent to our audit fieldwork.