

EXECUTIVE DIGEST

GENESEE COUNTY COMMUNITY MENTAL HEALTH SERVICES

INTRODUCTION

This report, issued in August 1997, contains the results of our performance audit* of Genesee County Community Mental Health Services (GCCMHS), an agency under contract with the Department of Community Health*.

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

GCCMHS was established in 1965 and operates under the provisions of the Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws*. GCCMHS is an agency of county government and is subject to oversight by the Department of Community Health. The GCCMHS mission* is to ensure the provision of a range of mental health services to the residents of Genesee County who are mentally ill* or developmentally disabled*.

GCCMHS's operations generally are funded by 90% State and federal funds and 10% local funds. Total expenditures for the fiscal year ended September 30, 1995 were \$61,544,671. As of August 31, 1996, GCCMHS had 489 employees and 4,685 open cases.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness of GCCMHS's process for administering contracts with mental health service providers*.

Conclusion: We concluded that GCCMHS was generally effective in administering contracts with mental health service providers, except for the specialized residential services providers. Our assessment disclosed one reportable condition* related to contract administration. (Finding 1)

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

Conclusion: GCCMHS's reimbursement system was generally effective in setting rates, billing, and collecting for mental health services. However, we noted reportable conditions related to billing controls, consumer* financial liability determinations, and consumer accounts receivable (Findings 2 through 4).

Audit Objective: To assess the effectiveness of GCCMHS's efforts to evaluate and improve its delivery of mental health services.

Conclusion: GCCMHS was generally effective in its efforts to evaluate and improve its delivery of mental health services. However, we noted a reportable condition pertaining to recipient rights (Finding 5).

Noteworthy Accomplishments: During the audit period, GCCMHS's quality enhancement staff had developed and implemented standardized outcome* measures for all services related to consumer satisfaction and community

living options. The outcomes are aggregated quarterly and reported as a part of GCCMHS's monitoring and evaluation system.

Also, in May 1996, GCCMHS received a three-year accreditation from the Rehabilitation Accreditation Commission*.

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of Genesee County Community Mental Health Services. 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 GCCMHS records and activities for the period October 1, 1994 through August 31, 1996. To accomplish our objectives, we analyzed the contracting process and tested compliance with provisions of contracts with mental health service providers. Also, we examined records maintained by selected specialized residential services providers related to the operations of the homes. In addition, we tested procedures, controls, and the rate-setting methodology to determine if they were being followed. We also tested service and billing documentation and reviewed account receivable balances for reasonableness and propriety. Further, we analyzed the results of independent evaluations, outcomes from GCCMHS's quality enhancement system, and staffing and work load information.

AGENCY RESPONSES

Our audit report includes 5 findings and 6 recommendations. GCCMHS's preliminary response indicated that it agreed with our recommendations and has taken steps to implement them.