

EXECUTIVE DIGEST

COMMUNITY MENTAL HEALTH SERVICES BOARD OF LENA WEE COUNTY

INTRODUCTION

This report, issued in October 1997, contains the results of our performance audit* of the Community Mental Health Services Board of Lenawee County, 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

The Community Mental Health Services Board of Lenawee County was established in 1970 and operates under the provisions of the Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws*. The Board is a department of county government and not a State agency. However, the Board is subject to oversight by the Department of Community Health.

The Board's administrative office is located in the City of Adrian. The Board's governing body is comprised of 12 members with residence in Lenawee County, and members are appointed for a three-year term.

The Board's mission* is to ensure quality mental health services to all consumers*.

Board operations are generally funded by 90% State and 10% local funds. The Board also receives first and third party reimbursement from consumers, Medicaid, Medicare, and private insurance companies. Expenditures for the fiscal year ended September 30, 1996 totaled \$12,586,764. As of January 31, 1997, the Board had 130 employees and served approximately 1,400 consumers.

AUDIT OBJECTIVES,
CONCLUSIONS, AND
NOTEWORTHY
ACCOMPLISHMENTS

Audit Objective: To assess the effectiveness of the Board's quality enhancement program as it relates to efforts to evaluate and improve its delivery of community mental health services.

Conclusion: The Board's quality enhancement program was effective in evaluating and improving its delivery of community mental health services.

Noteworthy Accomplishments: The Board is accredited by the Commission on Accreditation of Rehabilitation Facilities (effective 1997).

Since 1995, the Board has used client satisfaction surveys as part of its quality improvement program. The results are reported to its Quality Review Committee.

The Board was originally a pilot board participating in the May 1993 DCH Recipient Rights System Assessment process. The Board received a satisfactory rating each year through fiscal year 1995. DCH's 1995 Recipient Rights Assessment report stated that the reviewers were impressed with the overall quality of the Board's recipient rights system.

Audit Objective: To assess the Board's effectiveness in administering residential services contracts.

Conclusion: The Board was generally effective in administering residential services contracts. However, we noted a reportable condition* related to contract administration (Finding 1).

Audit Objective: To assess the Board's reimbursement system related to rate setting, billings, and collections for mental health services.

Conclusion: The Board's reimbursement system was generally effective. However, we noted a reportable condition related to financial liability determinations (Finding 2).

AUDIT SCOPE AND
METHODOLOGY

Our audit scope was to examine the program and other records of the Community Mental Health Services Board of Lenawee County. 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, our audit procedures included examinations of the Board's records and activities covering the period October 1, 1993 through January 31, 1997. We summarized goals*, objectives*, and performance measures* for the Board's various programs as reported in the Board's annual program plans and contracts. We examined the Board's policies and procedures for administering the specialized residential services program contracts, interviewed staff who administer the specialized residential services program, and we conducted on-site reviews for select providers and

homes. In addition, we assessed the reliability of the Board's reimbursement system procedures and controls. We also surveyed consumers and referral sources (survey summaries are presented as supplemental information).

AGENCY RESPONSES

Our audit report contains 2 findings and corresponding recommendations. The Board agreed with both of the audit findings and is implementing the corresponding recommendations.