

EXECUTIVE DIGEST

NORTHERN MICHIGAN COMMUNITY MENTAL HEALTH BOARD

INTRODUCTION This report, issued in February 1998, contains the results of our performance audit* of the Northern Michigan Community Mental Health Board, 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 The Board was established in 1969 and operates under the provisions of the Mental Health Code, being Sections 330.1001 - 330.2106 of the *Michigan Compiled Laws*. The Board is subject to oversight by the Department of Community Health.

The Board's mission* is to provide for the expert delivery of a comprehensive array of services and community education to positively impact the mental wellness of the community.

The Board has service locations in Charlevoix County (Charlevoix), Cheboygan County (Cheboygan), Emmet

County (Petoskey), and Otsego County (Gaylord). The Board's administrative office is located in the City of Petoskey. The Board of Directors is comprised of 12 members, with three residing in each county and each appointed for a three-year term.

The Board's operations generally are funded by 90% State and federal funds and 10% local funds. Total expenditures for the fiscal year ended September 30, 1997 were \$11,027,334. As of September 30, 1997, the Board had 139 employees and was serving 2,252 consumers*.

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

Audit Objective: To assess the Board's effectiveness in establishing meaningful and measurable program goals* and objectives* and in monitoring achievement of the goals and objectives.

Conclusion: The Board was generally effective in establishing meaningful and measurable program goals and objectives. The Board was also generally effective in monitoring and reporting to the Board of Directors on the Board's performance in relation to the goals and objectives developed at long-range planning meetings. However, we noted reportable conditions* pertaining to contract administration, case file security, case file documentation, case management plans, consumer termination reports, service activity, and inactive case files (Findings 1 through 7).

Noteworthy Accomplishments: In 1994, the Board contracted with an outside consultant to perform a service user satisfaction survey and a community image survey. The Board used the service user satisfaction survey results as a basis to develop quarterly surveys for mentally

ill* consumers and semi-annual surveys for developmentally disabled* consumers. The Board monitors consumer satisfaction by the quarterly and semi-annual surveys. The Board used the community image survey results as a basis for developing a public relations plan that has made the Board more visible in the community.

Audit Objective: To evaluate the effectiveness of the Board's reimbursement system related to mental health services.

Conclusion: The Board's reimbursement system related to mental health services was generally effective. However, we noted a reportable condition regarding consumer financial liability determinations (Finding 8).

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

Conclusion: The Board was generally in compliance with selected laws, rules, policies, directives, and procedures governing community mental health services. However, as described in Findings 2 through 8, our assessment of effectiveness indicated that the Board was not in full compliance in the areas of case file security, case file documentation, case management plans, consumer termination reports, service activity, inactive case files, and consumer financial liability determinations.

Noteworthy Accomplishments: The Board received accreditation from the Joint Commission on Accreditation

of Healthcare Organizations (JCAHO) with commendation in May 1996. This was the Board's initial application in seeking accreditation from JCAHO. Mental health boards seldom receive accreditation with commendation on their initial applications.

During our audit, the Board was the recipient of an AmeriCorps* one-year program grant that will enable the Board to employ 2 full-time equated employees and 8 part-time equated employees as consumer advocates. The Board's mission is to recruit 40 long-term community volunteers to help persons with developmental disabilities to be involved in their communities. If the program is successful, it may be funded up to an additional three years.*

**AUDIT SCOPE AND
METHODOLOGY**

Our audit scope was to examine the program and other records of the Northern Michigan Community Mental Health Board. 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 for the period October 1, 1994 through September 30, 1997. We reviewed goals and objectives reported to the Board of Directors in the Long Range Planning Update and examined performance measurements. Also, we interviewed staff and reviewed program records and consumer case files. In addition, we surveyed consumers and referral sources (survey summaries are presented as supplemental information).

Further, we tested and

evaluated the reimbursement process to ensure that all services were billed and documented. We also tested selected criteria for compliance with selected laws, rules, and procedures.

AGENCY RESPONSES

Our audit report includes 8 findings and 8 recommendations. The Board's preliminary response indicated that it agreed with our recommendations and has taken steps to implement them.