

**Office of the Auditor General**  
Preliminary Survey Summary

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**Selected Sections of the  
Division of Recovery Oriented Systems of Care**  
Bureau of Community Based Services  
Michigan Department of Health and Human Services

January 2020

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The auditor general shall conduct post audits of financial transactions and accounts of the state and of all branches, departments, offices, boards, commissions, agencies, authorities and institutions of the state established by this constitution or by law, and performance post audits thereof.

The auditor general may make investigations pertinent to the conduct of audits.

*Article IV, Section 53 of the Michigan Constitution*

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Office of the Auditor General

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**Doug A. Ringler, CPA, CIA**  
Auditor General

January 21, 2020

Mr. Robert Gordon, Director  
Michigan Department of Health and Human Services  
South Grand Building  
Lansing, Michigan

Dear Mr. Gordon:

This is our preliminary survey summary of Selected Sections of the Division of Recovery Oriented Systems of Care, Bureau of Community Based Services, Michigan Department of Health and Human Services. Because we did not identify significant concerns that would warrant the additional use of our audit resources, we have decided to terminate the planned performance audit.

We appreciate the courtesy and cooperation extended to us during our preliminary survey. If you have any questions, please call me or Laura J. Hirst, CPA, Deputy Auditor General.

Sincerely,

Doug Ringler  
Auditor General



# PRELIMINARY SURVEY SUMMARY

## SELECTED SECTIONS OF THE DIVISION OF RECOVERY ORIENTED SYSTEMS OF CARE

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### RESULTS

Our preliminary survey did not identify significant concerns that would warrant the additional use of our audit resources to complete a performance audit. Therefore, we have terminated this project and did not conduct sufficient testing to conclude on the overall effectiveness and efficiency of the Gambling Disorder Services, Youth Tobacco Prevention, Peer Supports, and Consumer Relations Sections of the Division of Recovery Oriented Systems of Care (commonly referred to as the Office of Recovery Oriented Systems of Care [OROSC]).

### FACTORS IMPACTING AUDIT TERMINATION

The Gambling Disorder Services Section:

- Properly approved and executed an agreement for operation of a 24/7 gambling disorder helpline.
- Monitored the gambling disorder helpline service provider's compliance with agreement requirements and its corrective action plan.
- Ensured that the gambling disorder helpline service provider's monthly financial status reports contained proper support for the sample of five reports that we reviewed.
- Reviewed and approved all of the gambling disorder helpline service provider's monthly financial status reports from October 1, 2016 through January 31, 2019 and quarterly performance reports from October 1, 2016 through December 31, 2018.
- Required that its gambling disorder helpline service provider be accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) and employ appropriately trained staff. We verified that the service provider maintained the required accreditation and that three employed staff had received appropriate training.
- Specified that the gambling disorder helpline service provider utilize licensed counselors for treatment of individuals and families affected by gambling disorder. We verified that appropriate State licenses were held by seven counselors that we reviewed.

#### The Youth Tobacco Prevention Section:

- Did not receive significant findings from the U.S. Food and Drug Administration's (FDA's) two most recently completed triennial site visit compliance reviews or the three most recently completed annual performance evaluations.
- Submitted all required monthly progress reports to the FDA from October 2018 through May 2019 to report information such as the number of inspections completed, new employees hired, FDA training that employees received, and total contract expenditures.
- Ensured that all seven active employees who performed FDA youth tobacco inspections were appropriately commissioned, as required by the FDA.
- Appropriately maintained and tracked its inventory of inspection equipment, such as printers, laptops, and cameras, for the nine pieces of equipment that we reviewed.

#### The Peer Supports Section:

- Reviewed and approved monthly grantee training reimbursement requests and associated invoices for the seven training reimbursement requests that we reviewed.
- Maintained documentation to support its certification of peer support specialists and peer recovery coaches for 90% of the certifications that we reviewed.
- Ensured that certified peer support specialists and peer recovery coaches were geographically dispersed across the 46 community mental health services programs in the State.
- Investigated and appropriately responded to all three complaints that it received related to certified peer support specialists and certified peer recovery coaches.

#### The Consumer Relations Section:

- Provided oversight and monitoring of its grantees and drop-in centers.
- Appropriately determined eligibility for the one drop-in center that we reviewed.

## OBSERVATION

Inconsistencies currently exist within the Compulsive Gaming Prevention Act (Section 432.253 of the *Michigan Compiled Laws*) and the Horse Racing Law (Section 431.320 of the *Michigan Compiled Laws*) regarding the percentage of licensed racetrack gross wagers that must be deposited into the Compulsive Gaming Prevention Fund each year from the Michigan Agriculture Equine Industry Development Fund, as follows:

- Section 432.253 of the *Michigan Compiled Laws* requires that **1/10 of 1%** of the gross wagers made each year from licensed racetracks be deposited into the Compulsive Gaming Prevention Fund.
- Whereas, Section 431.320 of the *Michigan Compiled Laws* required that **1/100 of 1%** of the gross wagers made each year from licensed racetracks be deposited into the Compulsive Gaming Prevention Fund. Public Act 153 of 2019 (effective December 20, 2019) recently amended this Section and now requires deposits of **1/15 of 1%** of gross wagers, which continues to be inconsistent with the Compulsive Gaming Prevention Act.

OROSC uses compulsive gaming prevention funds for the treatment, prevention, education, training, research, and evaluation of pathological gamblers and their families and to fund the toll-free compulsive gaming helpline. The 1/100 of 1% deposited from the Michigan Agriculture Equine Industry Development Fund into the Compulsive Gaming Prevention Fund totaled \$17,373 for fiscal years 2017 and 2018, whereas it would have been \$173,730 if 1/10 of 1% was applied.

Addressing these inconsistencies will likely require input from the Michigan Department of Health and Human Services, the Michigan Department of Agriculture and Rural Development, and the Legislature.

## BACKGROUND

**Description:** OROSC's guiding principle is to promote and strengthen delivery of specialty behavioral health services, including behavioral health promotion, prevention, treatment, and recovery efforts, across the life span of individuals and families in Michigan. OROSC works in partnership with local agencies to address each geographical area's individual needs.

OROSC is composed of five sections:

- Gambling Disorder Services Section - This Section manages the agreement for Michigan's 24/7 gambling disorder helpline that provides immediate assistance to address issues related to gambling disorder, such as screening services and referrals to treatment or support groups. The Section also manages contracts for

advertising, counselor training, and gambling disorder outreach. From October 1, 2016 through September 30, 2018, the helpline received 6,255 phone calls and licensed counselors provided treatment to 657 persons.

- Youth Tobacco Prevention Section - This Section is contracted by the FDA to conduct inspections of retailers that sell and advertise regulated tobacco products to evaluate compliance with federal tobacco laws. From October 1, 2016 through May 31, 2019, the Section and its subcontractor completed 9,788 undercover buy inspections and 4,944 advertising and labeling inspections.
- Peer Supports Section - This Section provides training for and certification of peer support specialists and peer recovery coaches. These individuals use their experience of recovery from mental illness and/or addiction to deliver services in behavioral health settings to promote recovery and resiliency. From October 1, 2016 through June 30, 2019, the Section certified 264 peer support specialists and 209 peer recovery coaches.
- Consumer Relations Section - This Section provides oversight of 47 drop-in centers throughout the State, which are peer-run organizations that provide services to address the social and emotional needs of people with mental health and substance abuse disorders.
- Substance Abuse Prevention and Treatment Section - This Section utilizes federal funding for prevention, treatment, and recovery initiatives. The Section is expressly excluded from this preliminary survey summary. We issued a separate preliminary survey summary related to the Substance Abuse Prevention and Treatment Section, located at:  
[audgen.michigan.gov/wp-content/uploads/2020/01/r391067019.pdf](http://audgen.michigan.gov/wp-content/uploads/2020/01/r391067019.pdf).

**Expenditures:** The four OROSC Sections included in this preliminary survey summary incurred expenditures as follows:

- Gambling Disorder Services Section - \$2,005,957 in fiscal year 2017 and \$2,416,298 in fiscal year 2018, all from State restricted funds.
- Youth Tobacco Prevention Section - \$968,090 in fiscal year 2017 and \$644,255 in fiscal year 2018, all from federal funds.
- Peer Supports Section - \$896,212 in fiscal year 2017 and \$979,584 in fiscal year 2018, all from federal funds.



- Consumer Relations Section - \$644,035 in fiscal year 2017 and \$598,542 in fiscal year 2018, all from federal funds.

**Employees:** As of July 2019, the Gambling Disorder Services, Youth Tobacco Prevention, Peer Supports, and Consumer Relations Sections of OROSC employed a total of 15 full-time employees.

**SCOPE**

Our preliminary survey generally covered October 1, 2016 through July 31, 2019 and included a limited review of program operations of OROSC's Gambling Disorder Services, Youth Tobacco Prevention, Peer Supports, and Consumer Relations Sections.

**PURPOSE**

Within a performance audit, we design the preliminary survey to obtain an understanding of the core activities within an entity or a program and to identify potential program improvements and/or deficiencies that could impair management's ability to conduct its operations in an effective and efficient manner. If the results of a preliminary survey do not identify significant concerns, our practice is to terminate the planned performance audit.

Preliminary survey procedures are limited in nature and should not be considered a completed performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. In addition, our preliminary survey procedures would not necessarily disclose the presence or absence of any material conditions and/or reportable conditions. Given that the procedures we employed did not constitute a performance audit, we will not issue a performance audit report and we do not express conclusions regarding the effectiveness or efficiency of the selected OROSC Sections.







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