

REPORT TO THE HEALTH AND HUMAN SERVICES INTERIM COMMITTEE

Utah Division of Substance Abuse and Mental Health

PROGRAM AUDITS AND REVIEWS OF
SUBSTANCE ABUSE AND MENTAL HEALTH AUTHORITIES AND CONTRACT PROVIDERS

July 1, 2011

I. INTRODUCTION:

The following is a report to meet the statutory responsibility of the Division of Substance Abuse and Mental Health (DSAMH) in compliance with:

U.C.A. 62A-15-103.(2)

- (g)** *Responsibilities of the Division of Substance Abuse and Mental Health, provide a written report to the Health and Human Services Interim Committee and Health and Human Services Appropriations Subcommittee on July 1, of each year, and provide an oral report if requested. That report shall provide information regarding:*
- (i) the annual audit and review;*
 - (ii) the financial expenditures of each local substance abuse authority and its contract provider and each local mental health authority and its contract provider;*
 - (iii) the status of the compliance of each local authority and its contract provider with its plan, state statutes, and the provisions of the contract awarded; and*
 - (iv) whether audit guidelines established under Section 62A-15-110 and Subsection 67-3-1(10) provide the division with sufficient criteria and assurances of appropriate expenditures of public funds; and*
- (h)** *If requested by the Health and Human Services Interim Committee or the Health and Human Services Appropriations Subcommittee, provide an oral report as requested.*

There are thirteen (13) Local Authorities organized in the State to provide mental health and substance abuse services. Site monitoring visits are required by State statute and focus on the Local Authority's adherence to its approved annual plan, state statutes and its compliance with the requirements set forth in their contract with the Division of Substance Abuse and Mental Health. During FY2011, all Substance Abuse and/or Mental Health Local Authorities and/or their comprehensive service providers were monitored.

Annually by May 1, each Local Authority submits an area plan to the Division of Substance Abuse and Mental Health. In this document, the Local Authority identifies in detail the manner in which it will achieve compliance with the requirements imposed by statute. This plan is developed following an annual summit where State and Local substance abuse and mental health experts study, discuss and share best practices. This area plan document is developed locally taking into account the special needs of the citizens in its catchment area. The area plans are used by Division staff to develop the tools that will be used to monitor contracts in the new fiscal year.

The annual site visits include the following program and fiscal reviews:

1. Child Youth and Family Mental Health,
2. Adult Mental Health,
3. Substance Abuse Treatment,
4. Substance Abuse Prevention, and
5. Governance and Oversight components.

Following each site review, a comprehensive report discussing the strengths and weaknesses of each program is presented to the Local Authority. Whenever a weakness is identified, DSAMH makes recommendations for improvement. Recommendations issued contain a requirement that the Local Authority respond with an action plan for correction by a specified date. DSAMH maintains a follow up record to track corrective actions to be implemented by the Local Authorities.

The Division of Substance Abuse and Mental Health has chosen to categorize findings into three levels of severity. A minor finding results when the reviewers identify a performance inadequacy that is relatively small in scope and does not impact client well being or jeopardize funding. A significant finding is either 1) non-compliance with contract requirements that do not pose an imminent danger to clients but that result in inadequate treatment or care that jeopardizes the well being of individuals; OR 2) non-compliance in required training, paperwork, and/or documentation that are so severe or pervasive as to jeopardize the effectiveness of services and continued contract funding. A major finding results when the imminent health, safety, or well being of individuals is jeopardized. In cases of non-compliance at this level, a written corrective action plan must be completed by the Local Authority immediately and compliance must be achieved within 24 hours or less.

In rare instances, a finding from a previous year may continue unresolved at the time of the monitoring site visit. A recurring non-compliance finding will be prominently displayed in the monitoring report and will require special attention by the Local Authority to ensure its immediate resolution.

In all instances whenever a finding was identified, the Local Authority submitted a corrective action plan outlining the steps to be taken to resolve the issue. In order to facilitate the local authority's corrective actions, the Division provides technical assistance and conducts follow up visits to measure progress.

In the 2011 legislative session, the following intent language was passed:

“It is the intent of the Legislature that the Division of Substance Abuse and Mental Health and the Division of Aging and Adult Services forego site visits of county mental health, substance abuse, and aging programs during FY2011 and conduct statutorily required monitoring through reports submitted by electronic or other means and report back to the Office of the Legislative Fiscal Analyst on or before January 1, 2011 concerning the outcome of this monitoring technique.”

DSAMH submitted its report as requested and now provides a full summary of the results of the FY2011 monitoring in this report. As the Division performed its contract monitoring this past year, it experienced the following limitations:

- DSAMH did not conduct a usual 2-day-visit of the facility.
- It was difficult to verify and/or validate local authority data under the intent language above. DSAMH used electronic communication technology such as video conferencing and electronic meetings whenever possible. This enabled DSAMH contract monitors and local authority personnel to have discussions but direct interaction was limited.

- DSAMH contract monitors were unable to perform consumer and family interviews or view clubhouse activities first hand. DSAMH considers these interviews critical to an evaluation of the local authorities' performance.
- DSAMH did not have the opportunity to interact directly with allied agencies and were unable to observe provider activities however DSAMH contract monitors communicated by telephone whenever possible to assess their activities.
- Due to the involved nature of the comprehensive chart reviews and in order to lighten the burden on the local authorities, DSAMH limited these reviews to several specific areas rather than examine the entire chart. Chart reviews are a very important component of contract monitoring activities. The data entered into charts help assess clinical practices.
- Face-to-face staff interviews were not conducted. This is an area where, in prior site reviews, DSAMH contract monitors have provided immediate and informal 'on-the-spot' technical assistance.
- Because the majority of the local authorities do not have electronic fiscal data, DSAMH contract monitors were unable to do a physical review of fiscal documents; however interviews were conducted with local authority fiscal officers and monitoring staff reviewed each local authority's audited financial statements. DSAMH discussed local authorities' policies and procedures, paying particular attention to any new or changed policies. DSAMH contract monitors reviewed the minutes of any board of directors to ensure that proper attention was given to their responsibility for fiscal oversight

During FY2011, the Division completed an electronic offsite review of many local authority programs. Based on the examinations conducted during the fiscal year, DSAMH believes to the best of its knowledge that the information presented in this report represents an accurate evaluation of the services provided by the Local Authorities.

II. **SUMMARY OF DSAMH FY2011 MONITORING (by program):**

The functional areas reviewed and results of the FY2011 oversight reviews are provided in the following summary and are presented by programs monitored.

A. Adult Mental Health:

Results

DSAMH monitoring of the thirteen local authorities resulted in three significant and sixteen minor findings identified for which the Division of Substance Abuse and Mental Health issued recommendations.

B. Child, Youth, and Family Mental Health:

Results

DSAMH monitoring of the thirteen local authorities resulted in two significant and ten minor findings identified for which the Division of Substance Abuse and Mental Health issued recommendations.

C. Substance Abuse Treatment:

The State is required, under the terms of the federal Substance Abuse and Prevention (SAPT) Block Grant, to provide a "continuum of services" and the local authorities are

evaluated as to how well they fulfill the terms of their contracts with the state and the requirements of the SAPT Grant. Local authority outcomes are measured against national trends and standards.

Results

DSAMH monitoring of the thirteen local authorities resulted in thirty significant and ten minor findings identified for which the Division of Substance Abuse and Mental Health issued recommendations.

D. Substance Abuse Prevention:

Under the terms of the federal Substance Abuse and Prevention (SAPT) Block Grant, the State is required to provide a "continuum of services." Local authorities are evaluated as to how well the terms of each contract with the state and the requirements of the SAPT Grant are met. Outcomes are measured against national trends and standards.

Results

DSAMH monitoring of the thirteen local authorities resulted in nine minor findings identified for which the Division of Substance Abuse and Mental Health issued recommendations.

E. Governance and Oversight:

Governance and oversight monitoring follows the statutory requirement that the Division obtain an assurance that the local authorities are acting as outlined in the statute quoted in the introductory section of this report.

Results

DSAMH monitoring of the thirteen local authorities did not generate any findings this year.

F. Independent Audit:

Utah Code 51-2a-201 requires each Local Authority contracts with an independent auditing firm for an annual audit. Included in the audit report is the auditors' statement that the audit was conducted in accordance with generally accepted auditing standards; financial auditing standards contained in *Government Auditing Standards*; and, in some cases, in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Audit guidelines are documented in the State of Utah Legal Compliance Audit Guide. The Division of Substance Abuse and Mental Health (DSAMH), in conjunction with the Utah State Auditor's Office, update these guidelines annually. Each year, the Local Authorities, and/or any comprehensive service providers, invite the DSAMH and Department of Human Services (DHS) to the audit opening and closing conferences. During the opening conference, Division contract monitors have the opportunity to request an examination of any specific issues that may require attention beyond the role of monitoring.

Results

Each of the local authorities submitted an independent auditor's report as required. All auditors issued reports stating the local authorities' financial reports were free from material misstatement and were fairly presented.

