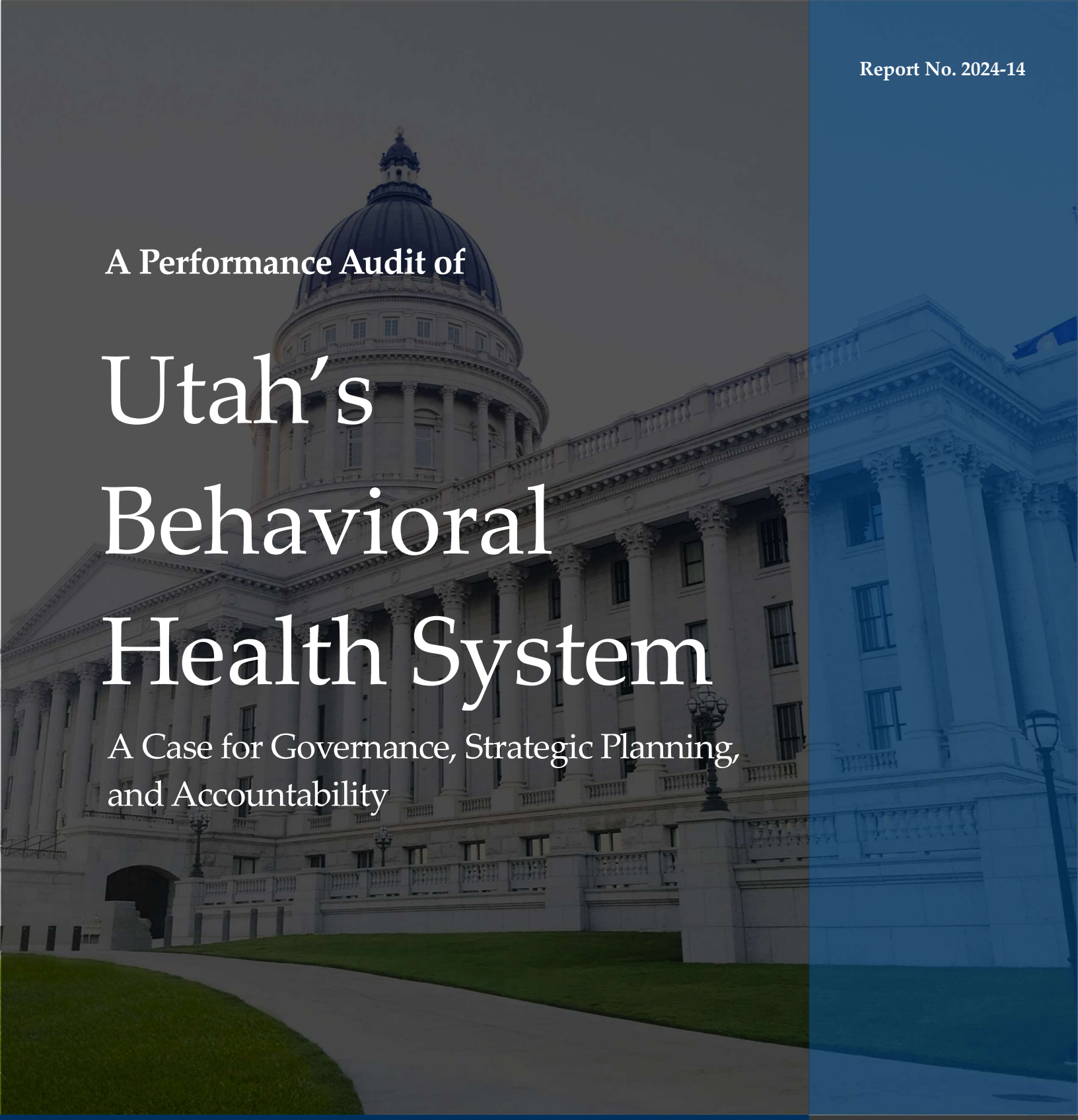
Report No. 2024-14



A Performance Audit of

Utah's Behavioral Health System

A Case for Governance, Strategic Planning, and Accountability

Office of the Legislative Auditor General

Report to the **UTAH LEGISLATURE**

LEGISLATIVE AUDITOR GENERAL

LEGISLATIVE
AUDITOR GENERAL

LEGISLATIVE AUDITOR GENERAL

The mission of the Office of the Legislative Auditor General is to serve the Utah Legislature and the citizens of Utah by providing objective and credible information, in-depth analysis, findings, and conclusions that help legislators and other decision makers: Improve Programs, Reduce Costs, and Promote Accountability

Audit Subcommittee

President J. Stuart Adams, Co-Chair
President of the Senate

Senator Evan J. Vickers
Senate Majority Leader

Senator Luz Escamilla
Senate Minority Leader

Speaker Mike Schultz, Co-Chair
Speaker of the House

Representative Jefferson Moss
House Majority Leader

Representative Angela Romero
House Minority Leader

Audit Staff

Kade R. Minchey, Auditor General, CIA, CFE

Leah Blevins, Manager, CIA

Madison Hoover, Audit Supervisor

Tanner Taguchi, Audit Staff

Erick Bravo, Audit Staff

Office of the Legislative Auditor General

Kade R. Minchey, Legislative Auditor General

W315 House Building State Capitol Complex | Salt Lake City, UT 84114 | Phone: 801.538.1033

Audit Subcommittee of the Legislative Management Committee

President J. Stuart Adams, Co-Chair | Speaker Mike Schultz, Co-Chair

Senator Evan J. Vickers | Representative Jefferson Moss

Senator Luz Escamilla | Representative Angela Romero

October 15, 2024

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report:

"A Performance Audit of Utah's Behavioral Health System: A Case for Governance, Strategic Planning, and Accountability" [Report #2024-14].

An audit summary is found at the front of the report. The scope and objectives of the audit are included in the audit summary. In addition, each chapter has a corresponding chapter summary found at its beginning.

This audit was requested by the Legislative Audit Subcommittee.

Utah Code 13-12-15.3(2) requires the Office of the Legislative Auditor General to designate an audited entity's chief executive officer (CEO). Therefore, the designated CEO for the Department of Health and Human Services is Tracy Gruber. Director Gruber has been notified that they must comply with the audit response and reporting requirements outlined in this section of ***Utah Code***.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

Kade Minchey

Kade R. Minchey, CIA, CFE

Auditor General

kminchey@le.utah.gov

LEGISLATIVE AUDITOR GENERAL

AUDIT SUMMARY

REPORT 2024-14 | OCTOBER 2024

Office of the Legislative Auditor General | Kade R. Minchey, Auditor General

PERFORMANCE AUDIT

UTAH'S BEHAVIORAL HEALTH SYSTEM

AUDIT REQUEST

Per the Legislative Audit Subcommittee, "The audit of the behavioral health system should assess the effectiveness of Utah's mental health programs and services and determine if the continuum of care is sufficient to adequately help those with mental health needs, specifically those struggling with homelessness, criminal justice, and judicial system encounters, and determine the accessibility, quality, and impact of mental health resources and programs."

BACKGROUND

Behavioral health policies have historically focused on administrative details and incremental changes, rather than on fundamental reform, which has furthered the fragmentation of governance structures.

Because of the essential nature of governance, this audit serves as the foundation in a series of audits that our office will be releasing. Future audits will focus on a different cause of challenges in Utah's behavioral health system.

FINDINGS

- **1.1** Utah has many options to create a stronger central authority over the behavioral health system.
- **1.2** Silos create obstacles to governance and coordination.
- **2.1** The current lack of a statewide strategic plan makes it difficult to address and implement recommendations.
- **3.1** The Office of Substance Use and Mental Health's insufficient oversight has enabled deficiencies to persist.
- **3.2** Local Authorities inconsistently monitor subcontractors, making it difficult to measure effectiveness.

RECOMMENDATIONS

- The Legislature should consider the options presented to consolidate and provide oversight for the behavioral health system, with a focus on reducing silos.
- The Legislature should consider assigning formal ownership and implementation of the Master Plan to the designated central authority.
- The Master Plan should be further developed into an actionable statewide behavioral health strategic plan, including the prioritization of the many areas for improvement into the most foundational goals.
- OSUMH should establish a system of accountability. This should include engaging with local authorities, developing and implementing standards for corrective action plans, and mechanisms to address multi-year findings.

Summary continues on back >>

REPORT SUMMARY

Utah's Behavioral Health Systems Suffers from Untapped Potential Due to the Absence of a Central Authority

Despite Utah's efforts to address behavioral health issues, the current governance structure is limited in its ability to coordinate and hold the many entities overseeing the behavioral health system accountable.

Given this, we recommend that the Legislature consider options that would bring Utah's behavioral health system in line with best practices and provide the existing system with a central authority to oversee the delivery of behavioral healthcare in Utah.

A statewide issue like behavioral health coordination, requires a statewide solution. While all entities are eager to provide solutions to gaps in behavioral healthcare, silos in care require an entity enabled to provide system-level solutions.

The Office of Substance Use and Mental Health Lacks Ownership Over Accountability and Follow-through

The Office of Substance Use and Mental Health (OSUMH) is not fulfilling their oversight responsibilities for the Local Mental Health and Local Substance Abuse Authorities (LAs).

This has permitted deficiencies and non-compliance in LAs to persist for years. It has also allowed the LAs to devalue OSUMH's oversight and reduced accountability.

Compliance with state directives and recommendations is crucial to ensure comprehensive care in the behavioral health system. Ongoing issues of willful noncompliance need to be addressed to ensure quality care and improve patient outcomes.

Utah Does Not Have a Plan for System Level Reform

Despite several groups identifying issues in the behavioral health system and making recommendations to fix them, Utah does not have a strategic plan with action steps to implement those recommendations. The *Behavioral Health Assessment and Master Plan* offers some elements of a strategic plan, indicated in blue in the graphic to the left, However, it does not contain those elements designed to implement or evaluate progress towards goals.

The Master Plan has over 200 recommendations but does not prioritize or assign them to entities for action. These missing, critical elements make it difficult to make progress on statewide behavioral health goals. To maximize impact, the Master Plan should establish actionable steps toward statewide goals and create metrics for measuring success.

Table of Contents

Introduction

Addressing behavioral health[1] issues in Utah is crucial. Our office will produce a series of audits, of which this is the first. Each report will focus on a different cause of challenges in Utah's behavioral health system, many of which create and exacerbate gaps in care.[2] Further, the audits will determine the accessibility, quality, and impact of behavioral health resources and programs and review best practices of care. This initial report focuses on whether state entities are using governance best practices when administering mental health and substance use programs. It will also discuss ways to strengthen coordination between key entities. To properly evaluate the system, we had to address governance first. Without adequate, structured governance, the rest of the system may continue to be siloed and exacerbate problems.

This audit is intended to be the first in a series of audits, each focusing on a different cause of challenges in Utah's behavioral health system.

This audit request makes it clear that Utah's behavioral health needs are continual priorities of both the Executive and Legislative branches. This effort is seen in the Governor's budget recommendations and in Legislative Session priorities, in addition to the numerous bills proposed and passed in recent years.[3] Additionally, capacity issues to meet Utah's mental health demand and substance misuse issues were also two of twelve high-risk areas identified in our office's 2023 *High-Risk List: Identifying and Mitigating Critical Vulnerabilities in Utah*.[4]

Mental Health Policy Cycles of Reform Have Contributed to System Fragmentation Nationwide

The recognized history of mental health treatment includes a series of reform cycles of mental health policy. To understand the current framework and fragmentation of mental health services in the United States, these reforms must be discussed. The first reforms, from the early 1800s to the late 1970s, focused on early treatment of mental disorders to reduce chronic impairment and disability. Individuals with mental illness, particularly those with severe mental problems, were often institutionalized in state mental hospitals. In addition, none of these approaches succeeded in achieving the intended goals. In each reform cycle,

[1] "Substance use" and "mental health" will be collectively referred to as "behavioral health," unless otherwise noted.

[2] The scope of future audits in this series will vary.

[3] Many bills, priorities, and other efforts will be discussed in more detail throughout this report.

[4] Office of the Legislative Auditor General, State of Utah. *High-Risk List: Identifying and Mitigating Critical Vulnerabilities in Utah* (Report No. 2023-10). Report to the Utah Legislature.

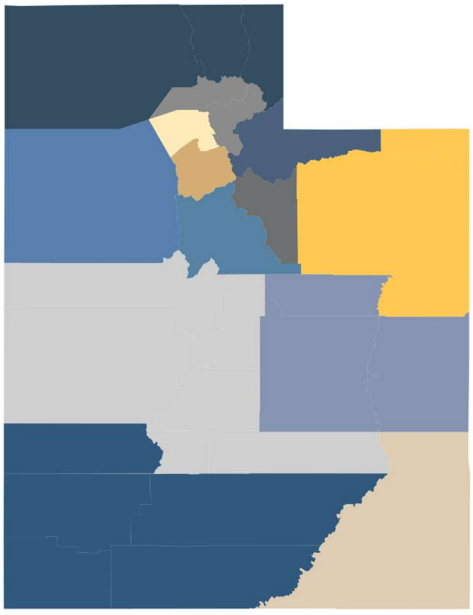
mental health policies focused on administrative details and incremental changes, rather than on fundamental reform and comprehensive system transformation. This only furthered the fragmentation and complicated governance structures.

The current cycle of reform shifted the focus to providing care within communities, instead of custodial institutions, and uses existing support systems to promote quality of life. Still, fragmentation continues to exacerbate issues for potential users. It is a challenge to navigate the disorganized and complicated state of the system with shifting venues and caregivers and unrelenting systemic barriers, which all impedes positive long-term outcomes.

Utah Lacks System-Level Coordination Which Increases Fragmentation and Complexity of Service Delivery

This cycle of policy reforms is reflected in the evolution of Utah's behavioral health system. The Utah State Hospital in Provo was established in 1885 as the insane asylum for the territory. According to the hospital, "the facility was little more than a human warehouse" in its early days. The hospital is no longer the primary deliverer of mental health services in Utah, and instead serves a supporting role for the local mental health authorities. Advances in psychiatry moved away from institutionalization, and federal funds were given in the early 1970s to encourage development of community-based treatment services.

Local Mental Health and Substance Abuse Authorities



Source: Auditor generated.

Currently, Utah is served by either single or multi-county local authorities (see map for local authorities by county).[5] These comprise the local mental health authorities (LMHA) created, starting in the 1969, and local substance abuse authorities (LSSA) in 1985. For the purpose of this report, we will refer to LMHAs and LSSAs as local authorities (LAs). LAs are accountable to their respective counties and the Department of Health and Human Services' Office of

[5] Each shade in the map represents a Local Authority. See Appendix A for a more detailed breakdown of how each local authority is structured.

Substance Use and Mental Health (OSUMH), as the state's public mental health and substance use authority.[6] This relationship will be discussed further in Chapter 3.

***Utah Code** 17-43-301(2)(b)*

Each local authority "shall provide mental health services to individuals within the county; and cooperate with efforts of the division to promote integrated programs that address an individual's substance use, mental health, and physical healthcare needs."

This report focuses on governance of the public side of the behavioral health system. However, an increasing number of state agencies, health systems, public and private providers, payers, schools, nonprofit organizations, and advocates addressing behavioral health issues contributes to a lack of system-level coordination. A lack of system-level coordination increases fragmentation and complexity of behavioral health care delivery. This complexity creates challenges with transition support and patient navigation, which contributes to the state's access issues. In addition, the lack of coordinated systems also means public funds are not maximized for efficiency or effectiveness.

A lack of system-level coordination ultimately means public funds are not maximized for efficiency or effectiveness.

While the State Has Made Significant Efforts, There Are Additional Opportunities to Address Issues in the System

Recently, the Utah Legislature passed many behavioral health-related bills addressing homelessness, drug treatment in jails, overdoses, mental health in schools, suicide, and licensing of behavioral health professionals.

The state has also launched numerous crisis response services to manage or prevent mental health crises and provide support services, such as the 988 Crisis Line, Mobile Crisis Outreach Teams (MCOT), and the SafeUT app. In addition, Utah created a variety of specialty problem-solving courts, such as mental health and drug courts as part of a collaborative approach with an individualized plan for each participant.

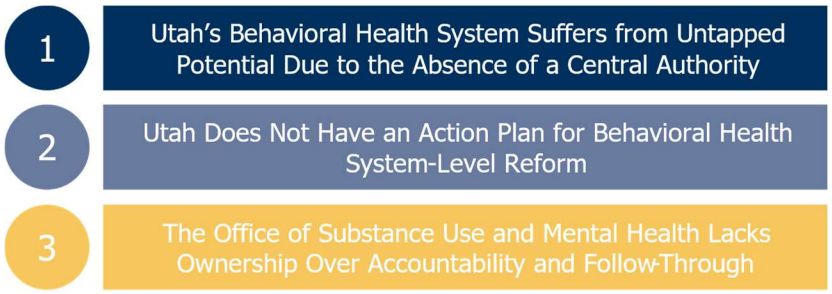
[6] ***Utah Code** 26B-5-102*

Investing in and improving access to high-quality behavioral health services can help reduce or neutralize costs across these public and private health systems and sections—and saves lives.

These actions are important because investing in and improving access to high-quality behavioral health services can help reduce or neutralize costs across these public and private health systems and sections—and saves lives. The reverse means increased costs to public and private health systems and sectors such as education, corrections, the criminal legal system, housing, and child welfare.

The release of the *Utah Behavioral Health Assessment & Master Plan* in January 2024,[7] and previous forms,[8] identified potential steps for future reform. However, this work must go further. There is a continued need for the state to take on fundamental reform when addressing behavioral health policy. Behavioral health policies should coordinate resources and essential services for those in need or create incentives to improve outcomes or to promote efficiencies in the system of care and treatment. To do so, policy requires a plan that lays out a detailed scheme to implement the policy vision and objectives, that identifies targets to be achieved, and that specifies the roles of various stakeholders in the implementation process. Finally, evaluation is important to inform and improve policy development, adoption, implementation, and effectiveness, and builds the evidence base for further policy interventions.

This report makes recommendations to improve the plan shortages discussed above and to improve accountability and coordination regarding Utah's governance of its behavioral health system. The chapters of this report address the following causes of weak governance over the behavioral health system.



[7] Utah Behavioral Health Coalition. (2024). *Utah Behavioral Health Assessment & Master Plan.*

[8] Kem C. Gardner Policy Institute and Utah Hospital Association. (2019). *Utah's Mental Health System.*; Utah Hospital Association. (2020). *A Roadmap for Improving Utah's Behavioral Health System.*; Kem C. Gardner Policy Institute. (2020). *Early Childhood Mental Health in Utah.*; and Utah Early Childhood Mental Health Working Group. (2022). *A Pathway for Improving Early Childhood Mental Health in Utah.*

CHAPTER 1 Summary

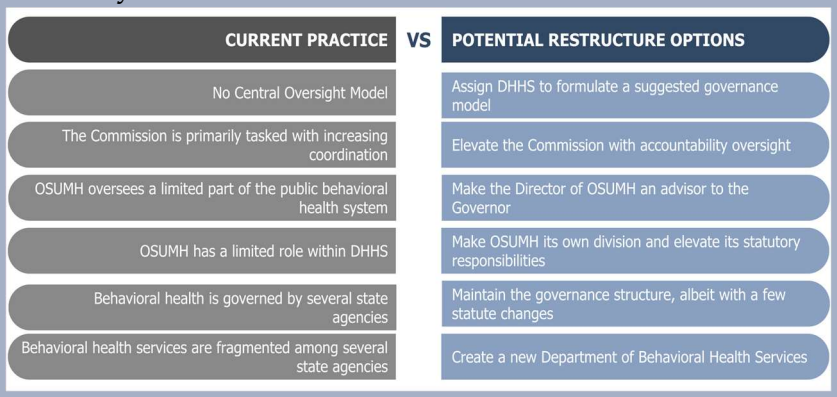
Utah's Behavioral Health System Suffers from Untapped Potential Due to the Absence of a Central Authority

BACKGROUND

Several of Utah's state entities handle the behavioral health services, leading to fragmentation. This has caused silos to appear that affect service accessibility, delivery, and outcomes. Because of these impacts, Utah needs a statewide, unified approach to addressing behavioral health concerns. We provide a range of options that could be implemented.

FINDING 1.1
Utah Has Multiple Options to Create a Stronger Central Authority

RECOMMENDATION 1.1
The Legislature should consider the options presented to consolidate and provide oversight for the behavioral health system.



RECOMMENDATION 1.2
If the Legislature decides to create a central oversight body over the behavioral health system, it should consider amending statute to specify which entity has decision-making authority, and how much power that entity has over other state entities providing behavioral healthcare.

FINDING 1.2
Silos Create Obstacles to Governance and Coordination

RECOMMENDATION 1.3
If the Legislature creates a central authority, that central authority should prioritize a plan to reduce silos.

CONCLUSION

A statewide issue like behavioral health coordination requires a statewide solution. While all entities are eager to provide solutions to gaps in behavioral healthcare, silos in care require an entity that is enabled to provide system-level solutions.

Chapter 1
Utah's Behavioral Health System Suffers From Untapped Potential Due to the Absence of a Central Authority

Currently, there is no central authority for Utah's public behavioral health system. While the Legislature has made strides in the right direction by creating the Utah Behavioral Health Commission (commission) and consolidating the Department of Health and Human Services (DHHS), there is still no overarching governance entity. Because of this, the current governance structure is limited in its ability to coordinate and hold accountable the many entities providing and overseeing behavioral health services.

To provide this necessary oversight, we recommend creating a central authority governance structure, and we offer some options that could be used to implement that structure. The Legislature could choose to implement one of these or potentially combine two or more. Any of these options will likely need statutory changes to be effective. The range of options discussed in this chapter are listed below:

Potential Options for a Public Structured Behavioral Health System

CURRENT PRACTICE	VS	RESTRUCTURE OPTIONS
No Central Oversight Model		Assign DHHS to formulate a suggested governance model
The Commission is primarily tasked with increasing coordination		Elevate the Commission with accountability oversight
OSUMH oversees a limited part of the public behavioral health system		Make the Director of OSUMH an advisor to the Governor
OSUMH has a limited role within DHHS		Make OSUMH its own division and elevate its statutory responsibilities
Behavioral health is governed by several state agencies		Maintain the governance structure, albeit with a few statute changes
Behavioral health services are fragmented among several state agencies		Create a new Department of Behavioral Health Services

Source: Auditor generated.

Governance is vital to the success of any entity (or, in this case, entities). Having a system in place facilitates clear decisions, planning, coordination, innovation pathways, and accountability supported through clear outcomes. In this specific case, the governance structure needs to clearly define the relationships between the many entities involved in providing better behavioral health outcomes for Utah's citizens.

1.1 Utah Has Multiple Options to Create a Stronger Central Authority

In 2022, the Legislature merged the Department of Health (DOH) and the Department of Human Services (DHS) into one, overarching organization—the Utah Department of Health and Human Services (DHHS).[9] The purpose of this merger was to align funding and services within a single organization, citing that "interacting with multiple case managers and departments makes customer service challenging and creates redundancy." Furthermore, the merger created the Division of Integrated Healthcare, which was meant to join behavioral and physical health services into one organization. The Office of Substance Use and Mental Health (OSUMH), previously a division of DHS, was made an office under the Division of Integrated Healthcare. While the merger steps towards integrating behavioral health services between entities now within DHHS, it does not address the need for that same integration systemwide.

Governance describes an institutionalized system that establishes decision rights and an accountability framework for planning, overseeing, and managing standards.

Despite legislative improvements, there is no entity designated to be ultimately responsible for governance of the behavioral health system. In 2024, the Legislature created the Utah Behavioral Health Commission and established its mission.[10]

***Utah Code** 26B-5-703(1)*

*"The purpose of the commission is to be the **central authority for coordinating** behavioral health initiatives between state and local governments, health systems, and other interested persons, to ensure that Utah's behavioral health systems are comprehensive, aligned, effective, and efficient."*

[9] House Bill 365, 2021 General Session

[10] Senate Bill 27, 2024 General Session

While representing a step forward in coordination and unity, this commission lacks the oversight authority necessary to enact actual change.

***Healing* by Dr. Thomas Insel**

"We can improve training, care coordination, and access; but ***the real key to improving quality is accountability****, gained by measuring outcomes."*

Best practices in many fields recognize that an oversight body is necessary to implement an effective system. For example,

- The U.S. Government Accountability Office explains that in order to guide the strategic direction of an entity and promote accountability, there must be an oversight body.
- Our office's 2018 *Performance Audit of Utah's Homeless Services* stated that the first step in formulating a coordinated response to the issue is creating an oversight body responsible for strategic planning, goal setting, and results monitoring.[11] In response, the Legislature created the Utah Office of Homeless Services, which has led to a more coordinated response to homelessness.
- The World Health Organization asserts that governments have the lead responsibility to ensure that the mental health needs of their population are met. It also points out that strong governmental leadership is necessary to develop effective policies and plans.

A Central Authority Could Be Elevated Within Existing Organizations

While still requiring significant change, policy makers may be able to elevate the responsibilities of existing state entities to provide the appropriate oversight. In addition, policymakers should give careful consideration to the benefits and drawbacks of each option to ensure that additional silos are not created. The most logical entities to elevate in one way or another are the Utah Behavioral Health Commission, OSUMH, or DHHS itself. We'll discuss policymakers' options for existing entities in this section.

[11] Office of the Legislative Auditor General, State of Utah. *A Performance Audit of Utah's Homeless Services* (Report No. 2018-12). Report to the Utah Legislature.

Policymakers Could Assign DHHS to Be the Central Authority

As the entity with the most direct effect on behavioral health services, policy makers could appoint DHHS itself as the central authority. This would require a new structure and likely agreements with other state agencies as to which entity will do what.

We recommend that if this option is chosen, the Legislature should require DHHS to report back its planned governance structure. Statutorily, the new commission is required to report to the Legislature with recommendations for consolidating other commissions and committees, along with potentially redefining state law regarding community-based services.[12] However, ***Utah Code*** is silent on whether the commission should propose recommendations to consolidating behavioral health efforts across state agencies. Assigning DHHS this responsibility may fill this gap and help unify state initiatives.

Policymakers Could Assign the Behavioral Health Commission to Be the Central Authority with Accountability Measures

The commission's statutory mission, and much of the required membership, could be elevated to increase accountability. The commission is a response to the *Utah Behavioral Health Assessment & Master Plan*'s call to align services and reduce the disparity of quality between public and private behavioral health services. The commission's integrated, coordinated approach across all systems could help improve access to services and parity between the different markets.

The commission's integrated, coordinated approach across all systems could help improve access to services and parity between the different markets.

Despite the commission's vital role in improving collaboration across the state, it lacks the necessary tools and authority to fully provide accountability—even within the state system. In statute, the commission is given a number of duties, one of which is to hold the state's behavioral health systems "accountable for clear, measurable outcomes."[13] However, statute is silent on specific measures and how the commission is to hold entities accountable to meet those measures.

[12] ***Utah Code*** *26B-5-703(4)(b) and (c)*

[13] ***Utah Code*** *26B-5-703(2)*

While the commission is an important step towards a unified system, its authority would need to be increased to actually reach that goal.

If given governance authority, the commission will need a full-time entity to move accountability systems in place and provide the day-to-day oversight needed to ensure the governance is operating correctly. OSUMH is already well placed to handle the operational support required for the commission's potentially enhanced role. It is already responsible for overseeing the local behavioral health system and would need little additional authority.

This structure, if chosen, would resemble that of the Utah Transportation Commission within the Utah Department of Transportation. The Utah Transportation Commission represents a commission appointed by the Governor that decides transportation projects and funding. Likewise, the Utah Behavioral Health Commission is an appointed body that could determine projects and instruct OSUMH to carry out their decisions.

Policymakers Could Make the Director of OSUMH an Advisor to the Governor

Utah Code already designates OSUMH as the state authority over behavioral health.[14] Furthermore, statute instructs the office to ensure the establishment of a statewide comprehensive continuum of substance use and mental health services.

Utah Code *26B-5-102(2)(a)(vi)*

OSUMH shall "establish and promote an evidence-based continuum of screening, assessment, prevention treatment, and recovery support services in the community for individuals with a substance use disorder or mental illness . . ."

Our office's 2018 *A Performance Audit of Utah's Homeless Services* highlighted similar concerns, such as the lack of a coordinated effort and the need for better oversight regarding homeless services in Utah. In 2021, the Legislature passed House Bill 347, which created the Office of Homeless Services led by the State Homelessness Coordinator. It also designated that the State Homelessness Coordinator be appointed by the Governor and serves as an advisor.

A sub-cabinet group encompassing executive leadership from various state agencies was created to help the newly appointed Homeless Services Coordinator. The purpose of this group was to advise, organize the state's

[14] ***Utah Code*** *26B-5-102*

response, and advance the Governor's goal. A similar solution to Utah's behavioral health concerns could unify state efforts and would mirror a proven solution to improving outcomes.

Policymakers Could Elevate OSUMH to a Division within DHHS and Increase its Authority

Currently, OSUMH considers the office's accountability role is limited to the local behavioral health system. To establish a continuum of care for all Utahns, statute would need to be clarified to specify that OSUMH has statutory authority to provide accountability for all entities receiving public funding to provide behavioral health in Utah. Required statutory clarification would include:

- Access to data from all entities receiving public funding to provide behavioral health services
- Authority to require other entities to follow coordinating decisions
- Authority to create and enact a statewide strategic plan[15]

However, some entity directors have expressed concern that even with adjustments, OSUMH alone would be insufficient to make meaningful change.

Policymakers Could Choose to Maintain the Current Governance Structure, Adding Clarification to Multiple Sections of Code

If policymakers decide against appointing a central authority, the Legislature could make changes to statute specifying which entity is responsible for eliminating which silo. For example, there are gaps between behavioral health services provided by local education authorities and those provided by local authorities. Statute could be clarified to identify which of these entities (or others) is responsible for oversight and elimination of this silo.

Policymakers Could Also Choose to Create a New Entity to Address Behavioral Health Oversight

If none of the options previously discussed appear to solve the issues, the Legislature could create a new entity. This suggested entity would need to be authorized to make and enforce decisions for all state entities involved in providing behavioral health services.

[15] The need for a statewide behavioral health strategic plan is discussed in detail in Chapter 2.

Policymakers Could Create a New Department of Behavioral Health Services

With various state agencies working in the behavioral health sphere, there could be a benefit to creating a new department that manages and oversees the state's involvement in the behavioral health system. This option would require consolidating initiatives and programs relating to community services, child and family services, services to incarcerated individuals, school-based services, and so forth under one umbrella. Statute would need to clarify the responsibilities of this department in relation to other state agencies and clearly establish oversight measures.

A statewide issue like behavioral health coordination requires a statewide solution. While all entities are eager to provide solutions to gaps in behavioral healthcare, silos in care require an entity enabled to provide system-level solutions.

RECOMMENDATION 1.1

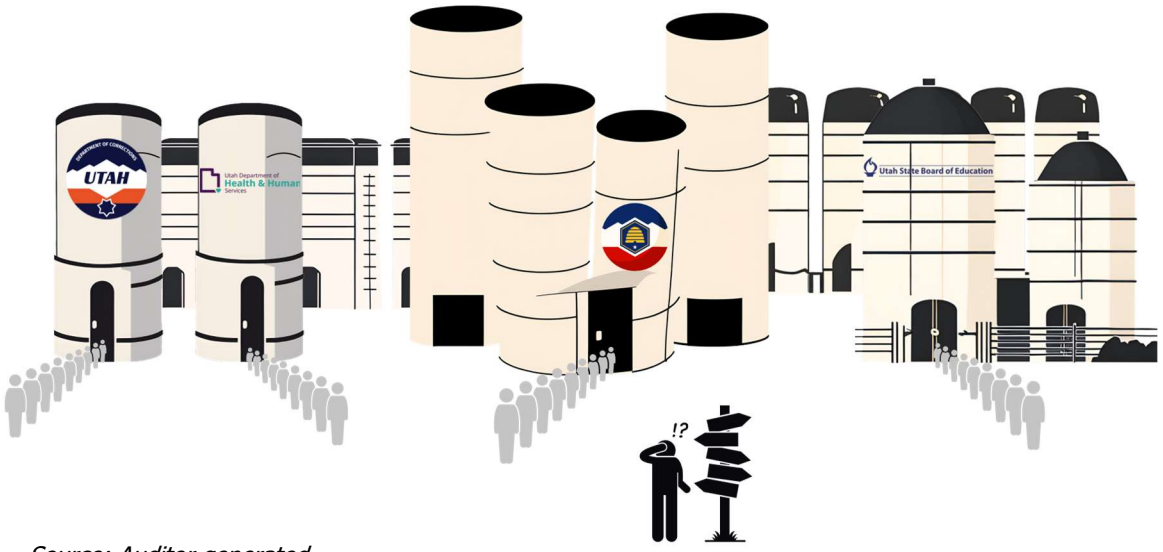
The Legislature should consider the options presented to consolidate and provide oversight for the behavioral health system.

RECOMMENDATION 1.2

If the Legislature decides to create a central oversight body over the behavioral health system, it should consider amending statute to specify which entity has decision-making authority and how much power that entity has over other state entities providing behavioral healthcare.

1.2 Silos Create Obstacles to Governance and Coordination

***Utah Code**, Administrative Rule,* and established practices have resulted in fragmented roles in the behavioral health system. This fragmentation raises concerns about accountability and coordination for public behavioral health services, which are currently governed by multiple state and local agencies. Providing these vital services without unified governance can result in subpar outcomes. These silos further emphasize the need for a strong central authority.



Source: Auditor generated.

The Current Governance Framework for Behavioral Health in Utah Has Led to a Fragmented System

Utah's behavioral health system has expanded over the decades necessitating new legislation and practices implemented to close gaps within the system. However, these solutions have led to a fragmented system that has naturally created silos. Fragmentation refers to a system in which multiple entities have clearly defined roles and responsibilities over the same general area. Operation silos are the result of a fragmented system with limited communication between entities that may result in a decrease of both service access and quality.

Utah's current behavioral health system is fragmented among several entities, leading to silos and a lack of a statewide approach.

Throughout the state, local authorities (LAs) are required by ***Utah Code*** to fund and deliver behavioral health services for adults, youth, and children in their area "within legislative appropriations and county matching funds".[16] These services typically cover Medicaid recipients, or people who are uninsured or underinsured. Recently, legislation has continued to "carve out" targeted populations from receiving mental health services through the county system. This separation forces individuals into siloed treatment avenues.

Several populations have been "carved out" of the community-based system, leading to coordination and accountability concerns.

Policies enacted by policymakers to address shortages in behavioral health care aimed to improve access and outcomes but may have inadvertently contributed to fragmentation in the system. For example, in 1998, foster care youth were carved out of the Medicaid plan. Currently, Utah requires children in state custody to enroll in the Prepaid Mental Health Plan for inpatient psychiatric care but employs a Fee-For-Service model for outpatient services. The result is that children in foster care are separated from the community system, creating a silo which may limit children's access to care. This fragmentation has led to coordination issues within the state, the local authority, and the Division of Child and Family Services.

Further, in 2018 the Legislature authorized the Utah State Board of Education to award grants to elementary schools to expand their mental health supports. The next year, the grant was expanded to include Local Education Agencies (LEAs) and allowed the hiring of mental health professionals, including psychologists, social workers, nurses, and counselors. The introduction of school-based behavioral services has created coordination and accountability issues.

Introducing school-based behavioral health services and transferring some but not all behavioral health services to DHHS have created coordination and accountability issues.

In 2022, the Governor recommended the Utah Department of Corrections (UDC) transfer health services to the Department of Health and Human Services (DHHS). The change was an attempt to "align governmental services under those agencies best-equipped to oversee them."[17] The Legislature approved this transition the following legislative session, and UDC began

[16] ***Utah Code*** *Title 17, Chapter 43, Part 2 and Part 3* outlines specifics of local substance abuse authorities and local mental health authorities respectively. "Within legislative appropriations" does not excuse LAs from not providing the required services.

[17] This came after our office released *A Performance Audit of Healthcare in State Prisons* in 2021.

transferring oversight of health services, including mental health, to the Division of Correctional Health Services (CHS) in July 2023.[18] However, substance-use treatment services were left under the Department of Corrections (UDC) and are now part of the new Division of Reentry and Rehabilitation. Behavioral health encompasses both mental health and substance use. This bifurcation has caused service delivery concerns in the prison.

Lastly, DHHS has several divisions and offices that handle aspects of behavioral health. For example, at least three offices within DHHS provide oversight or potentially overlapping behavioral health services.

- **The Office of Substance Use and Mental Health** (OSUMH) directly oversees LAs to ensure they provide quality behavioral health services.
- Both OSUMH and **the Utah Medicaid Office** provide funding to LAs.
- **The Office of Licensing** is responsible for checking compliance with licensing requirements at mental health facilities.
- The **Utah Medicaid's Office of Managed Care** contracts with LAs to provide behavioral health services for Medicaid members.
- **The Division of Child and Family Services** contracts behavioral health services for children and their families involved in active cases.
- **The Division of Juvenile Justice and Youth Services** provides a continuum of intervention, supervision, and rehabilitation programs to youth offenders.

In some cases, the first three entities have different reporting and auditing requirements. In other cases, coordination has historically been limited and caused an overlap leading to additional administrative burdens.

A lack of system-level coordination increases fragmentation and complexity of behavioral health care delivery. Any central authority should focus on eliminating these silos.

RECOMMENDATION 1.3

If the Legislature creates a central authority, that central authority should prioritize a plan to reduce silos.

[18] CHS is housed within the Department of Health and Human Services.

CHAPTER 2 Summary

Utah Does Not Have an Action Plan for Behavioral Health System-Level Reform

BACKGROUND

The Best Practice Handbook was released by our office as a resource for all government organizations to strengthen their performance. We used this handbook, in addition to GOPB's *Guide to Strategic Planning*, to analyze the previous and current efforts to address behavioral health concerns in the state.

FINDING 2.1
The Current Lack of a Statewide Strategic Plan Makes It Difficult to Address and Implement Recommendations

RECOMMENDATION 2.1
Depending on the governance structure chosen in Chapter 1, the Legislature should consider assigning formal ownership and implementation of the *Utah Behavioral Health Assessment & Master Plan* to a designated central authority.

RECOMMENDATION 2.2
The *Utah Behavioral Health Assessment & Master Plan* should be further developed into an actionable statewide behavioral health strategic plan to include the following elements:

- Vision, mission, and core values
- Goals, objectives, strategies, and actionable steps fulfilling the goals
- Measurable outcomes of long-term objectives
- Key data elements to evaluate performance of measurable outcomes

RECOMMENDATION 2.3
After creating a complete strategic plan, the central authority should prioritize the many areas for improvement into the most foundational goals.

CONCLUSION

While we recommend the creation of a strategic plan to help drive forward access to behavioral health services and positive outcomes, a central authority should be given ownership to provide guidance on priorities and ensure alignment.

Chapter 2
Utah Does Not Have an Action Plan for Behavioral Health System-Level Reform

Despite multiple groups identifying issues and offering recommendations for how they should be fixed, Utah does not have a strategic plan with action steps to actually implement these recommendations. The Utah Behavioral Health Coalition released its *Utah Behavioral Health Assessment and Master Plan* (Master Plan) in January 2024.[19] We are encouraged by this plan and consider it a valuable starting point. To maximize its impact, it should outline actionable steps and establish metrics for measuring success. Depending on the governance structure chosen in Chapter 1, the central authority should adopt best practices into a statewide strategic plan to help drive forward access to behavioral health services and positive outcomes.

A statewide strategic plan may help drive forward access to behavioral health services and positive outcomes.

2.1 The Current Lack of a Statewide Strategic Plan Makes It Difficult to Address and Implement Recommendations

Our office and the Governor's Office of Planning and Budget (GOPB) emphasize the need for effective strategic plans. Our *Best Practice Handbook* states, "Effective strategic plans shape the vision of the organization and *direct actions to provide reasonable assurance that objectives and goals are being met*"(emphasis added).[20] They serve as a crucial roadmap that guides an organization's actions, decisions, and resource allocation. A strategic plan encourages a long-term perspective. When leaders are faced with choices and opportunities, a strategic plan can orient the leaders to the values of the organization and to the organization's long-term goals and objectives, as noted by the Governmental Accountability Office.

"Effective strategic plans shape the vision of the organization and direct actions to provide reasonable assurance that objectives and goals are being met."

[19] Many other reports and studies came before the Master Plan, including *A Pathway for Improving Early Childhood Mental Health in Utah* in 2022, *Early Childhood Mental Health in Utah* and *A Roadmap for Improving Utah's Behavioral Health System* in 2020, and *Utah's Mental Health System* in 2019.

[20] Office of the Legislative Auditor General, State of Utah. *The Best Practice Handbook. A Practical Guide to Excellence For Utah Government* (Report. No. 2023-05). Report to the Utah Legislature and Utah Government Organizations.

Governmental Accountability Office

"Strategic plans are the starting point and basic underpinning for a system of program goal setting and performance measurement . . . A multi-year strategic plan articulates the fundamental mission (or missions) of an organization, and lays out its long-term general goals for implementing that mission, including the resources needed to reach these goals."

Current Plans Lack Concrete Steps to Address Hundreds of Recommendations Because There is No Central Authority to Set Clear Direction

Since 2019, Utah has released multiple reports with nearly 500 recommendations. The most recent (Master Plan) alone has over 200 recommendations that may help improve the system, with no concrete steps or an action plan for how to prioritize and then implement these recommendations. Also, none of the studies identify which group or entity should be responsible for addressing the recommendations. Because of this, there is no unified, strategic approach to fix the problems and concerns pointed out in the various reports. Because of the work done to compile the Master Plan and what it points out, it should be used as the foundation to build a statewide behavioral health strategic plan.

The Master Plan and previous studies do not provide concrete steps or an action plan for how to prioritize and implement these [nearly 200] recommendations.

Statutorily, as of May 2024, the Utah Behavioral Health Commission (commission) is responsible for continually reviewing and revising the master plan.[21] This seemingly assigns ownership of the Master Plan to the commission. Importantly, while the commission has a degree of ownership, it has neither the authority nor the mandate to implement these recommendations. Depending on the central authority chosen (see Chapter 1), these responsibilities will need to be assigned and statutorily clarified.

GOPB created a guide to help executive branch agencies more effectively develop and use strategic plans. The infographic below shows the elements of a strategic plan, as outlined by the *GOPB Guide to Strategic Planning*. GOPB

[21] ***Utah Code*** *26B-5-703(2)(f)*

emphasizes the important relationships between these elements, "Each of these key elements should nest within one another, beginning with long-term desired outcomes, *breaking down into actionable implementation steps, and then evaluating agency progress to determine effectiveness*" (emphasis added).[22] The Master Plan offers four of the eight required elements, indicated in blue in the infographic. However, it does not currently contain any of the elements designed to implement or evaluate progress towards the goals.

Source: GOPB Guide to Strategic Planning by the Governor's Office of Planning and Budget.

Furthermore, the infographic below illustrates the Management Cycle, which is a continuous improvement framework that can be used to advance Utah's behavioral health system goals and mission. The different elements of a strategic plan coincide with the different phases of the Management Cycle. The steps listed outside the cycle, which are key components of a strategic plan, appear next to the management phase they most closely relate to.

The Master Plan and previous studies and reports have been crucial to identifying some of the key concerns and questions that Utah should address to improve the behavioral health system. However, they do not identify specific initiatives, strategies, metrics, or how responsibilities should be delegated. For that to happen, the state needs an operational strategic plan with actionable steps and guidance and a central authority to ensure alignment and set a clear direction.

Source: The Best Practice Handbook by the Office of the Legislative Auditor General.

The Utah Behavioral Health Coalition and many other entities in Utah have created behavioral health-related reports and plans, which is encouraging. These are intended to guide efforts;

[22] The Governor's Office of Planning & Budget. (2022). *GOPB Guide to Strategic Planning*.

however, there is no coordinated approach that holds agencies accountable to their duties, which contributes to minimal improvement in accessibility, treatment, and outcomes. For example, suicide rates in Utah have increased since 2005. Meanwhile, the number of youths receiving mental health services from local authorities has declined in recent years. Finally, coordination issues have persisted between agencies.

There is no unified approach, which contributes to minimal improvements in accessibility, treatment, and outcomes.

Too Many Goals Can Lead to Limited Change. As mentioned previously, the Master Plan alone has over 200 recommendations. While thorough identification of issues is vital, no less important is prioritizing those issues into approachable steps. The Harvard Business Review states

> *It's easy to assume that, because each strategic initiative is valuable to the overall business strategy, they should all be pursued. Yet, the strongest strategists know that trying to spread effort and resources over too many projects can lead to burnout, confusion, and unsuccessful results.*[23]

If a central authority is chosen and a strategic plan created, the central authority must intentionally focus on the most vital goals and recommendations. With well over 200 recommendations on the subject, it is difficult to imagine long-term success if everything is tried at once.

For years, the Master Plan and previous versions have discussed the need to expand systemwide collaboration due to the prevalence of silos across public and private sectors resulting from fragmentation. While these reports consulted many of the same people, they were each produced by a different entity. A statewide strategic plan may help drive forward access to behavioral health services and positive outcomes. By designating a single entity to be responsible for and monitor a statewide strategic plan, state efforts to address behavioral health concerns can be better unified and aligned under the same approach. Although coordinating with many entities can be challenging, collaboration and coordination are vital to ensure comprehensive planning efforts and to avoid overlap.

[23] Catherine Cote. (2022). "How to Prioritize Strategic Initiatives." *Harvard Business School.*

RECOMMENDATION 2.1

Depending on the governance structure chosen in Chapter 1, the Legislature should consider assigning formal ownership and implementation of the *Utah Behavioral Health Assessment & Master Plan* to the designated central authority.

RECOMMENDATION 2.2

The *Utah Behavioral Health Assessment & Master Plan* should be further developed into an actionable statewide behavioral-health strategic plan to include the following elements:

- Vision, mission, and core values
- Goals, objectives, strategies, and actionable steps fulfilling the goals
- Measurable outcomes of long-term objectives
- Key data elements to evaluate performance of measurable outcomes

RECOMMENDATION 2.3

After creating a complete strategic plan, the central authority should prioritize the many areas for improvement into the most foundational goals.

CHAPTER 3 Summary

The Office of Substance Use and Mental Health Lacks Ownership Over Accountability and Follow-Through

BACKGROUND

The Office of Substance Use and Mental Health is responsible for overseeing the local behavioral health system. Although local authorities have some discretion in operating their respective organizations, ***Utah Code*** requires the office to hold locals accountable to statute and office directives.

FINDING 3.1
The Office of Substance Use and Mental Health's Insufficient Oversight Has Enabled Deficiencies to Persist

RECOMMENDATION 3.1
The Office of Substance Use and Mental Health should establish a system of accountability including consistently enforcing the monitoring and audit requirements of ***Utah Code***.

RECOMMENDATION 3.2
The Office of Substance Use and Mental Health should engage with local authorities to directly address issues associated with noncompliance.

RECOMMENDATION 3.3
The Office of Substance Use and Mental Health should develop and implement standards for corrective action plans resulting from yearly audit findings, including a root cause analysis and guidelines for follow up.

RECOMMENDATION 3.4
The Office of Substance Use and Mental Health should establish enforcement mechanisms to address multi-year findings.

FINDING 3.2
Local Authorities Inconsistently Monitor Subcontractors, Making It Difficult to Measure Effectiveness

RECOMMENDATION 3.5
The Office of Substance Use and Mental Health should require local authorities to monitor the effectiveness of their subcontractors.

RECOMMENDATION 3.6
The Office of Substance Use and Mental Health should develop standards for subcontractor monitoring, including sections on measuring service quality and providing a detailed narrative on significant findings.

CONCLUSION

The Office of Substance Use and Mental Health is failing to address critical issues that hinder their oversight responsibilities. By setting up a robust accountability process and engaging local authorities in corrective action, the office can better address quality concerns in the behavioral health system and improve accessibility to services across the state.

Chapter 3
The Office of Substance Use and Mental Health Lacks Ownership Over Accountability and Follow-Through

The Office of Substance Use and Mental Health (OSUMH or the office) is not adequately fulfilling its oversight responsibilities for the local mental health and local substance abuse authorities (LAs, or local authorities).[24] Although ***Utah Code*** grants local authorities some autonomy,[25] it also outlines how OSUMH's oversight role is critical to ensure positive outcomes and accountability within the system.[26] While collaboration is valuable, governance, oversight, and consistency must be prioritized. However, OSUMH has consistently focused on collaboration instead of exercising their oversight responsibilities. This has permitted deficiencies in LAs to persist for years.[27] It has also allowed the LAs to devalue OSUMH's oversight and resulted in reduced accountability. We recognize the complex nature of oversight and funding mechanisms, underscoring the significance of a robust governance structure, as detailed in Chapter 1. Still, finding a balance between the two approaches—collaboration and accountability—is essential to ensuring that behavioral health services are responsive to local needs while upholding state standards and directives.

Finding a balance between collaboration and accountability essential to ensuring that behavioral health services are responsive to local needs while upholding state standards and directives.

3.1 The Office of Substance Use and Mental Health's Insufficient Oversight Has Enabled Deficiencies to Persist

Although LAs are given the discretion to formulate plans according to the needs of their population, they are accountable to OSUMH for statutory and office

[24] During this process, we met or spoke with all local authorities.

[25] ***Utah Code*** *17-43-201* for LSSAs and ***Utah Code*** *17-43-301* for LMHAs.

[26] ***Utah Code*** *26B-5-102(2)*

[27] This chapter includes deficiencies from all local authorities, without naming those local authorities. It should be noted that Summit County has many of the most concerning deficiencies. OSUMH reports that progress has recently been made. However, to address some of the issues, we strongly encourage Summit to formulate an action plan and collaborate with OSUMH to promptly resolve any ongoing issues affecting service delivery and outcomes.

directives.[28] OSUMH's oversight is intended to provide uniformity within the public system that delivers behavioral health services to the community. Statute specifies OSUMH's role in governing local authorities.[29]

A service delivery system focused on the local level allows for greater responsiveness to local issues and enables programs to be tailored to community needs. Utah's community system is structured in a way that allows for this autonomy while providing accountability for state-funded organizations. However, this requires a balance between enabling local authorities to guide services according to local needs and ensuring that office directives are met. OSUMH has defaulted towards a collaborative role to-address deficiencies.[30] This practice has led both OSUMH and LAs to undervalue the importance of accountability and improvement.

Utah's system requires a balance between enabling local authorities to guide services according to local needs and ensuring that office directives are met.

Oversight Failures Have Hindered Behavioral Health Services Delivery and Outcomes

Insufficient accountability measures have led to deficiencies in the amount or quality of services offered. We recognize that local authorities are ultimately responsible for providing services; however, OSUMH's role is to provide accountability in the system by ensuring that LAs resolve issues in a timely manner.

Several local authorities had reoccurring issues with the administration or application of the required outcome questionnaire. By pinpointing key concerns and tracking scores, this tool guides treatment and monitors improvement. Specifically, LAs should engage the client in treatment by addressing the areas of concern identified and develop a plan accordingly. Some LAs either did not administer the outcome questionnaire or did not utilize the results in treatment. Both are important to ensure quality in service delivery and track the effectiveness of interventions. Despite the tool's global recognition and

The use of the outcome questionnaire and its results are important to ensure quality in service delivery and track the effectiveness of interventions.

[28] ***Utah Code*** *17-43-201(5)(i) & 17-43-301(6)(ix)*

[29] ***Utah Code*** *26B-5-102 and 104*

[30] In OSUMH's yearly audit reports, the most severe issues are categorized into "noncompliance" and "deficiencies". For this report, we labeled any issue requiring corrective action as a deficiency.

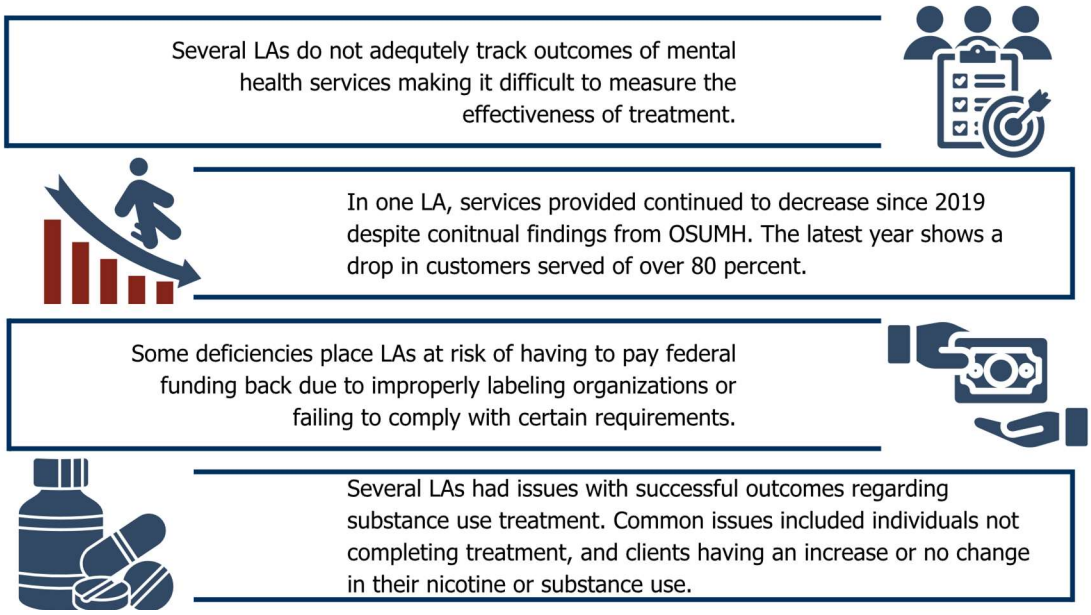
implementation, one local authority failed to comply with the office directives because they disagreed with the tool's effectiveness. A failure to comply with treatment requirements may result in gaps in measuring the progress of each patient and tracking outcomes across the state. We are particularly concerned with this deficiency in this area as behavioral health patient outcomes are hard to track, making the use of any recognized tool vital.

A failure to comply with treatment requirements may result in gaps measuring the progress of each patient and tracking outcomes across the state.

In one area, a local authority went from providing mental health services to 1,036 individuals in 2018 to 194 individuals in 2023. This is a drop of more than 81 percent, resulting in significantly fewer people receiving the services they need. Despite continual audit findings from OSUMH since 2019, the problem has worsened each year.

The local authority responded that they were providing required services—it is just that their data is incompatible with the state system. However, office directives mention specific data requirements. In addition, our own review of the LA's data confirmed that services have decreased significantly since 2018. The LA told us that they were aware of the deficiencies but would continue to operate as they have in previous years, disregarding OSUMH's recommendations. We are concerned that OSUMH has allowed this local authority to provide fewer services with little accountability.

Finally, OSUMH identified two local authorities that may be at a risk of having to reimburse federal funds due to noncompliance with reporting requirements. If this is the case, then they are potentially liable for repaying up to seven million dollars. OSUMH identified this concern in its 2023 and 2024 audits with the recommendation to hire a finance manager to help resolve these findings; however, the local authority rejected any proposal to do so. Despite the significant concerns of these findings, OSUMH has not taken a proactive approach to addressing these issues. The infographic on the next page provides a summary of similar findings that raise concerns over service accessibility and quality.



Source: Auditor generated from OSUMH's yearly audit reports.

OSUMH Is Not Adequately Fulfilling Their Statutory Responsibility as a Regulator

Local authorities are guided by ***Federal Code***,[31] ***Utah Code***,[32] *Administrative Rule*,[33] office directives,[34] and other contract and audit requirements. At a minimum, ***Utah Code*** says they should plan for and provide what is commonly referred to as the ten mandated services.[35]

OSUMH's accountability tools include a monthly billing report and a yearly audit. The billing reports are used to ensure that funds are spent according to federal and state guidelines. The yearly audits focus on monitoring the local authorities' performance and oversight of behavioral health services. These audits are OSUMH's primary tool to evaluate quality of services and how often they are provided.

We reviewed OSUMH's audits of LAs for the last five years and found that OSUMH identified at least one deficiency per LA that occurred for years and was not corrected. This is despite continuous findings and recommendations. We recognize that some of the deficiencies dealt with administrative issues. As such,

[31] *2* ***Code of Federal Regulations*** *200*

[32] ***Utah Code*** *Title 17 and Title 26B*

[33] *Utah Administrative Code Title R523*

[34] OSUMH is located within the Division of Integrated Healthcare. The Division has statutory authority to establish directives that LAs are required to follow.

[35] ***Utah Code*** *17-43-301(6)(b)*

our report only focuses on concerns that affect the continuum of behavioral health services. For example, many of the local authorities either failed to provide one or more of the ten mandated services, or failed to provide them at an adequate level compared to similar local authorities.[36] The infographic below shows mandated behavioral health services, and the number of deficiencies issued over the last five years. Some of these deficiencies persisted over several years in the same local authority. In fact, many were listed as recommendations in OSUMH's audits prior to being issued as deficiencies in subsequent years.

Source: Auditor generated from OSUMH's yearly audit reports.

When OSUMH finds a deficiency, ***Utah Code*** requires OSUMH to:[37]

- Withhold funds for noncompliance with contract requirements or office directives
- Review and determine whether the local authority is complying with the oversight requirements before renewing a contract with any local authority

[36] Psychosocial rehabilitation, case management, respite, and community supports were the most cited deficiencies for service levels not being adequate.

[37] ***Utah Code*** *26B-5-102(2)(c)(xiv) and (5)*

Additionally, the Office may:

- Refuse to contract with any local authority that fails to spend public funds in accordance with state guidelines[38]

Withholding funding is often seen as a last resort by the office as it would likely impact services to populations with severe mental illnesses. Additionally, it may be counterproductive, since reducing funds may create situations in which the local authority is no longer able to provide those services—rather than the local authority doing so but at an inadequate level. Despite this, it is important for OSUMH to adopt a graduated response to noncompliance, starting with intermediary steps and reserve fund withholding for persistent or severe violations to establish accountability and prompt local authorities to correct deficiencies.

It is important to adopt a graduated response to noncompliance to establish accountability and prompt local authorities to correct deficiencies.

To be clear, OSUMH has neither the resources to provide services at the local level nor the authority to do so in cases where it refuses to renew a contract with a local authority. Due to this lack of intermediate enforcement options, OSUMH said that it moved towards a collaborative approach with local authorities. We are concerned that this approach has enabled LAs to disregard audit findings. In our discussions with local authorities, at least three stated that they willfully did not comply with OSUMH's recommendations. Furthermore, two of these dismissed OSUMH's multi-year findings with no indication of planning to correct the issue.

Compliance with office directives and recommendations is crucial to ensure comprehensive care, integrity, and ethical behavior in the behavioral health system. As mentioned previously, ongoing issues of willful noncompliance need to be addressed to ensure quality care and improve patient outcomes. In cases of willful noncompliance, reporting organizations may be less likely to comply with established norms and regulations, which can result in inadequate care. Such actions may arise for several reasons, including a lack of leadership, a lack of accountability, a lack of training, a lack of understanding, or a sense that the rules are arbitrary or unreasonable.

Ongoing issues of willful noncompliance need to be addressed to ensure quality care and improve patient outcomes.

[38] ***Utah Code*** *26B-5-102(4)*

Lastly, the office has not established specific procedures or processes for dealing with multi-year findings or willful noncompliance. Ideally, the division should use its position as the oversight agency (and state mental health and substance use authority) to enforce statutory minimum standards and take appropriate corrective action when necessary. Without consistent compliance with ***Utah Code*** and office directives, it becomes difficult to measure outcomes and may negatively impact individuals.

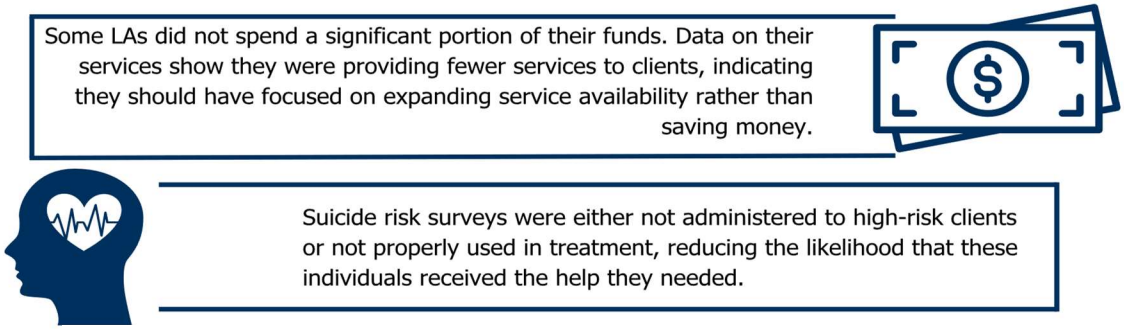
RECOMMENDATION 3.1

The Office of Substance Use and Mental Health should establish a system of accountability, including consistently enforcing the monitoring and audit requirements of ***Utah Code***.

RECOMMENDATION 3.2

The Office of Substance Use and Mental Health should engage with local authorities to directly address issues associated with noncompliance.

As OSUMH Reevaluates Its Compliance Model, It Is Equally Important to Ensure that Local Authorities Are Held to Consistent Standards. While local authorities should be held accountable for noncompliance, if OSUMH does not consistently evaluate LAs, then the disparity may grow in the types and quality of services between local authorities.



Source: Auditor generated from OSUMH's yearly audit reports.

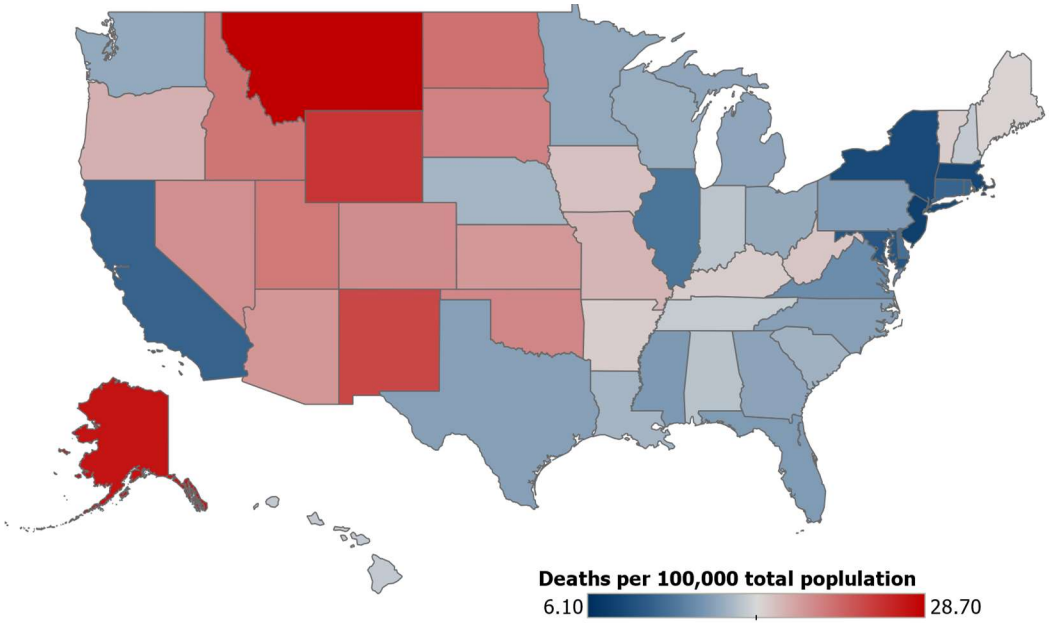
For example, OSUMH held two local authorities in noncompliance for leaving more than 20 percent of their budget unspent in 2024. The number of clients served by both organizations has dropped over the last few years. This decline raises concerns over whether the LAs are properly utilizing their funds to provide services. Additionally, we found three other authorities in the last two years with similar funding issues that were not penalized. In our discussions,

OSUMH stated that the deficiencies were issued because those two local authorities did not have a sufficient financial plan to rectify the issue, while the other three local authorities did. However, this reasoning was not documented in the audit reports.

In another instance, OSUMH cited a local authority for a deficiency because the LA did not administer the suicide risk survey to individuals who were flagged as having a high risk for suicide.[39] Another LA administered the survey but then failed to formulate a required safety plan and was not issued a deficiency.

The last example is concerning due to Utah's high rate of suicide compared to the rest of the United States.[40] While the state experienced some improvements from 2017 to 2021, the latest data show the rate of suicides increased in 2022. The map below shows Utah's rate in 2022 compared to the rest of the country.

Suicide Mortality by State (2022)



Source: Auditor generated from CDC data for 2022.

Corrective Action Plans Are Not Detailed, Do Not Identify Root Causes, and Do Not Establish Target Goals for Improvement

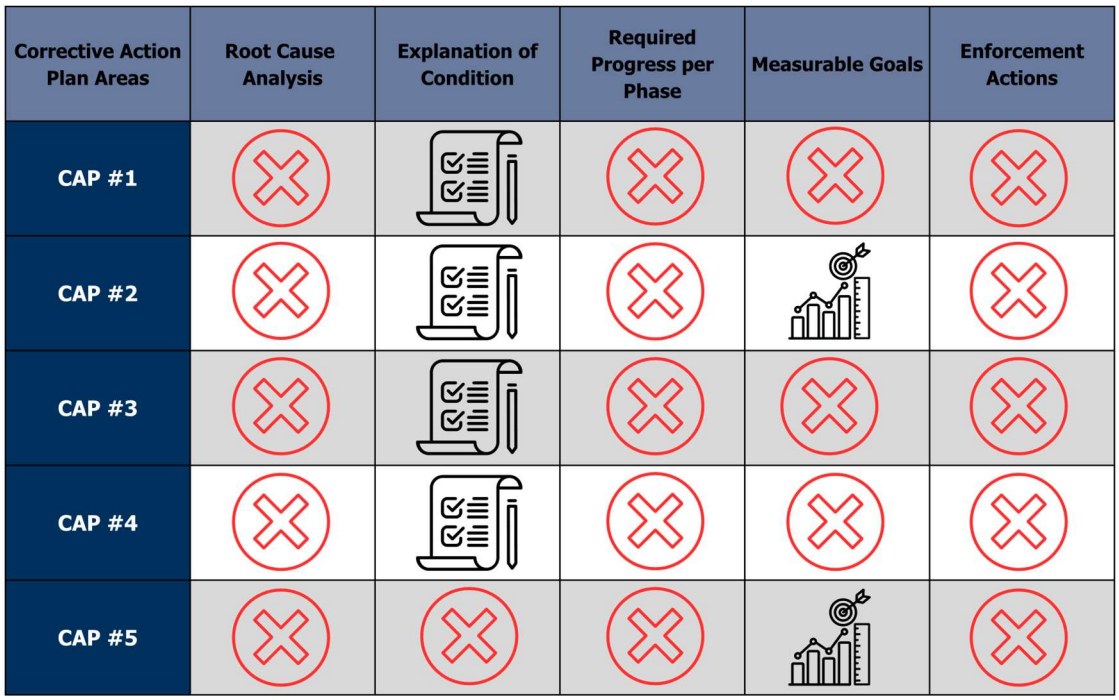
Office directives require the LA to develop a written formal action plan when it has a corrective action. The plan will be subject to approval and follow-up by OSUMH. OSUMH's directives provide the LA some guidance on what should be

[39] Columbia-Suicide Severity Rating Survey (C-SSRS).

[40] Based on data from the Centers for Disease Control and Prevention for number of deaths per 100,000 total population.

included in a corrective action plan (CAP), such as the expected completion date, steps that will be taken, and who is responsible for ensuring completion. However, current practices approve corrective action plans that are comprised of a few sentences claiming that the deficiency will be resolved by next year.

For example, one local authority did not provide psychosocial support services, which help individuals with a serious mental illness develop the skills needed to live and work as independently as possible. Despite OSUMH noting this for two years, the local authority submitted a CAP comprised of two sentences only stating that they'll work to provide these services and collect data. The issue was noted again the following year. Additionally, we reviewed multiple CAPs developed in 2023 and noted similar issues with each one in the infographic below. In all cases listed below, the issues persisted in 2024, which indicates that the CAPs were likely insufficient to properly rectify the deficiencies.



Source: Auditor generated from OSUMH's yearly audit reports.

Best practices recommend that a corrective action plan should include conducting a root cause analysis to identify the source of a problem.[41] This process helps ensure that an issue is effectively resolved while preventing reoccurrence. Other elements may include the following:

- Reason or explanation for the condition, or the factors responsible

[41] Best practices derived from the U.S. Department of Labor, the University of Indiana, and discussions with other states.

- Required progress at each phase of the CAP
- Enforcement actions if the situation is not improved

Other states have established reporting requirements on CAPs, such as quarterly updates. These can include measuring the progress of each measurable goal, explanation on any setbacks, and written reports.

Source: Auditor generated.

In addition, Pennsylvania requires organizations with deficiencies to conduct a root cause analysis.[42] State officials hold that the main role of an oversight body should be to help the system improve, rather than focusing solely on compliance. We believe that an established process for determining issues, like the one shown in the adjacent infographic, and a detailed plan for achieving those goals will help correct some of the persisting problems at the local level.

Pennsylvania state officials hold that the main role of an oversight body should be to help the system improve, rather than focusing solely on compliance.

RECOMMENDATION 3.3

The Office of Substance Use and Mental Health should develop and implement standards for corrective action plans resulting from yearly audit findings, including a root cause analysis and guidelines for follow up.

RECOMMENDATION 3.4

The Office of Substance Use and Mental Health should establish enforcement mechanisms to address multi-year findings.

[42] This includes both Pennsylvania's Office of Mental Health and Substance Abuse Services and Montgomery County's Office of Mental Health, Developmental Disabilities, Early Intervention.

3.2 Local Authorities Inconsistently Monitor Subcontractors, Making It Difficult to Measure Effectiveness

In addition to expanding the enforcement of its own statutory responsibility as an oversight agency, OSUMH should also establish clear and specific criteria by which local authorities are required to monitor their subcontractors.[43] Currently, the office maintains a minimal role in reviewing subcontractor audits. The office does not have the capacity to monitor every subcontractor in the state. Nevertheless, LAs have the responsibility to monitor contracted services and ensure quality, which is not currently occurring.

Utah Administrative Rule R523-2-6

Each local authority is responsible for monitoring and evaluating all subcontractors to ensure:

- *Services delivered to consumers commensurate with funds provided*
- *Progress is made toward accomplishing contract goals and objectives*

Given the role of OSUMH, we believe that it should employ greater efforts to establish some form of consistency in subcontractor audits across the state.

OSUMH Does Not Consistently Hold LAs Accountable for Subcontractor Audits

OSUMH's yearly audits include an evaluation of local authorities' monitoring of subcontractors. In our discussions, OSUMH stated that the purpose and benefit of these subcontract audits is to follow statutory requirements, rather than using this tool as an opportunity to evaluate effectiveness. On the other hand, some local authorities stated that these audits provide the following benefits:

- Evaluate the quality of services being provided
- Identify areas for improvement or training of subcontractors to help improve outcomes
- Ensure compliance with statute and office directives
- Provide accountability of state dollars

[43] ***Utah Code*** *26B-5-102(2)(f)*. In addition, ***Utah Code*** *26B-5-102* uses the term "contract providers," while OSUMH and *2* ***Code of Federal Regulations*** *200.331* define both subrecipient and contractor separately. To avoid confusion, we refer to them as subcontractors in this chapter.

In our opinion, it appears that OSUMH has failed to recognize the benefit these audits could have in improving service delivery and outcomes. Currently, OSUMH checks licensing, evidence of a monitoring tool, and insurance. Although these are necessary components of any audit, it is important that subcontractor effectiveness and efficiency also be considered.

Establishing standards for accountability statewide will allow for a proper evaluation of performance and help ensure quality services.

Furthermore, the quality of subcontractor audits differs from county to county. While recognizing that subcontractors provide a range of services which may lead to different evaluation needs across local authorities, it is important to establish standards for accountability statewide. Doing so will allow for a proper evaluation of performance and help ensure quality services.

Salt Lake County Behavioral Health provides a detailed account of strengths and improvements for their subcontractors, along with a narrative describing any findings. On the other hand, we found that some local authorities either did not properly monitor their subcontractors or did not provide detailed documentation on what they were evaluating. Other local authorities audit their subcontractors using a brief checklist with little to no narrative regarding plans for improvement. This may result in a lack of consistency or quality of services between local authorities and subcontractors.

Subcontractors are required to comply with division directives. Failure to properly monitor them may result in significant issues going unresolved.

Effective Subcontractor Audits May Improve Quality of Services and Identify Improper Payments. Currently, local authorities have vast discretion in determining how to conduct subcontractor audits. Some counties provide a detailed level of review that facilitates significant findings or improvement areas.

Benefits of Subcontractor Audits

- *Salt Lake County Behavioral Health discovered nearly $1 million dollars in improper payments from one of their providers.*
- *Wasatch Behavioral Health expressed that these subcontractor audits enable them to gauge the quality of services and ensure that standards are compliant with state objectives.*
- *OSUMH discovered that a new contracted provider did not implement best practices and improperly billed Medicaid. This affected quality of care for individuals with a serious mental illness. If the local authority had had a proper monitoring process in place, it could have identified this issue earlier on and provided the necessary training to correct the issue.*
- *Other states note that these audits allow for accountability in the system while emphasizing improvement.*

LAs act as an accountability arm of the state in monitoring subcontractors. We understand that subcontractor audits may vary depending on the local authority's structure and scale. Still, we believe that OSUMH has a unique opportunity to establish guidelines that will ensure behavioral health services are delivered consistently and effectively across all state contracted providers.

RECOMMENDATION 3.5

The Office of Substance Use and Mental Health should require and ensure local authorities monitor the effectiveness of their subcontractors.

RECOMMENDATION 3.6

The Office of Substance Use and Mental Health should develop standards for subcontractor monitoring, including measuring service quality and providing a detailed narrative on significant findings.

Complete List of Audit Recommendations

Complete List of Audit Recommendations

This report made the following 12 recommendations. The numbering convention assigned to each recommendation consists of its chapter followed by a period and recommendation number within that chapter.

Recommendation 1.1

We recommend that the Legislature consider the options presented to consolidate and provide oversight for the behavioral health system.

Recommendation 1.2

We recommend that, if the Legislature decides to create a central oversight body over the behavioral health system, it consider amending statute to specify which entity has decision-making authority and how much power that entity has over other state entities providing behavioral healthcare.

Recommendation 1.3

We recommend that, if the Legislature creates a central authority, that central authority prioritize a plan to reduce silos.

Recommendation 2.1

We recommend that, depending on the governance structures chosen in Chapter 1, the Legislature consider assigning formal ownership and implementation of the *Utah Behavioral Health Assessment & Master Plan* to the designated central authority.

Recommendation 2.2

We recommend that the *Utah Behavioral Health Assessment & Master Plan* be further developed into an actionable statewide behavioral health strategic plan to include the following elements:

- Vision, mission, and core values
- Goals, objectives, strategies, and actionable steps fulfilling the goals
- Measurable outcomes of long-term objectives
- Key data elements to evaluate performance of measurable outcomes

Recommendation 2.3

We recommend that, after creating a complete strategic plan, the central authority prioritize the many areas for improvement into the most foundational goals.

Recommendation 3.1

We recommend that the Office of Substance Use and Mental Health establish a system of accountability, including consistently enforcing the monitoring and audit requirements of ***Utah Code***.

Recommendation 3.2

We recommend that the Office of Substance Use and Mental Health engage with local authorities to directly address issues associated with noncompliance.

Recommendation 3.3

We recommend that the Office of Substance Use and Mental Health develop and implement standards for corrective action plans resulting from yearly audit findings, including a root cause analysis and guidelines for follow up.

Recommendation 3.4

We recommend that the Office of Substance Use and Mental Health establish enforcement mechanisms to address multi-year findings.

Recommendation 3.5

We recommend that the Office of Substance Use and Mental Health require and ensure local authorities monitor the effectiveness of their subcontractors.

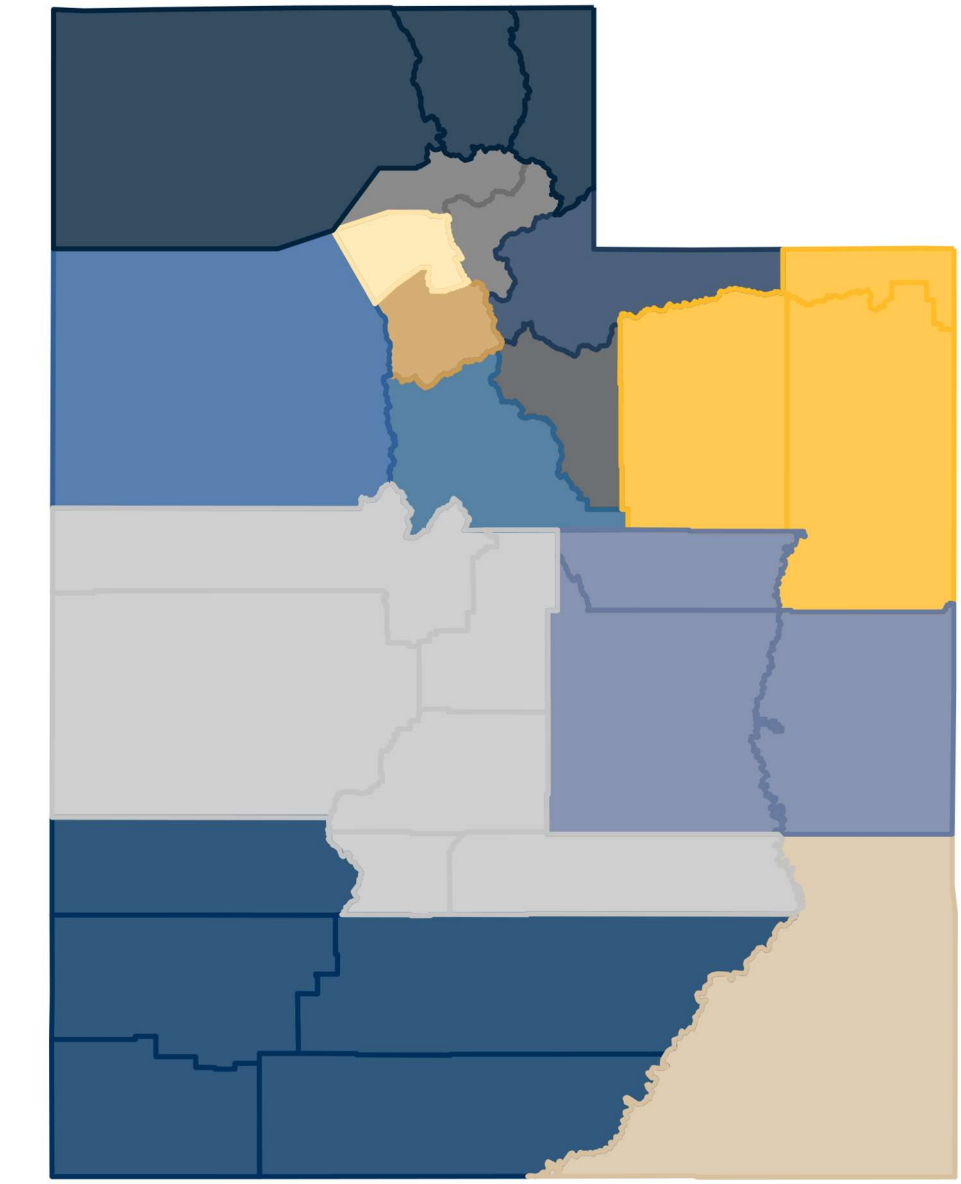
Recommendation 3.6

We recommend that the Office of Substance Use and Mental Health develop standards for subcontractor monitoring, including measuring service quality and providing a detailed narrative on significant findings.

Appendix

A. Map of Local Authorities

As noted in the introduction of this report, Utah is currently served by either single or multi-county local authorities (LA). This map provides a more detailed breakdown of how the local authorities are structured.



Source: Auditor generated from OSUMH's map.

Agency Response

A. Audit Response - Department of Health and Human Services

State of Utah

SPENCER J. COX
Governor

DEIDRE M. HENDERSON
Lieutenant Governor

Department of Health & Human Services

TRACY S. GRUBER
Executive Director

NATE CHECKETTS
Deputy Director

DR. MICHELLE HOFMANN
Executive Medical Director

DAVID LITVACK
Deputy Director

NATE WINTERS
Deputy Director

October 7, 2024

Mr. Kade Minchey
Utah Legislative Auditor General
Utah Capitol Complex
P.O. Box 145315
Salt Lake City, UT 84114-5315

Dear Mr. Minchey,

Thank you for the opportunity to respond to the recommendations in *A Performance Audit of Utah's Behavioral Health System - A Case for Governance, Strategic Planning, and Accountability* (Report #2024-14). We appreciate the effort and professionalism of you and your staff in this review and the collaboration needed from our staff to provide requested information, answer questions, and plan changes to improve the program. We believe that the results of our combined efforts will make a better, more efficient program for people experiencing behavioral health challenges in Utah.

We concur with all of the recommendations requiring response from the Utah Department of Health and Human Services (DHHS) which are primarily outlined in Chapter 3. Our response includes actions we will take to implement each recommendation, including relevant timelines. Although the recommendations in Chapters 1 and 2 of the report are not directed to DHHS, we provided our perspective on the recommendations included in these two chapters. Our entire department, including the Office of Substance Use and Mental Health, looks forward to partnering with the Utah Legislature on implementing additional modifications to Utah's behavioral health system to ensure it is providing the highest quality of services and leading to the best outcomes for Utahns relying on the system to improve their health.

DHHS is committed to efficient operational processes and effective use of taxpayer funds and values the insight this report provides on areas that need improvement.

Sincerely,

Tracy S. Gruber
Executive Director

State Headquarters: 195 North 1950 West, Salt Lake City, Utah 84116
telephone: (801) 538-4001 | email: dhhs@utah.gov | web: dhhs.utah.gov

Chapters 1 and 2

Although the recommendations in Chapters 1 and 2 are not directed to the Department of Health and Human Services (DHHS), we appreciate the opportunity to comment on the analysis and recommendations in this area.

Central Oversight Body

As the report highlights, behavioral health is an important topic that touches many aspects of our lives, including health coverage, schools, and incarceration. The report recommends that the Utah Legislature (Legislature) consider creating a central oversight body for the behavioral health system. DHHS supports the establishment of the oversight body and recommends the Legislature consider DHHS fulfill that responsibility under the direction of the Executive Director. This option ensures that the vision of the merger of the former departments of health and human services is realized through an integrated model of behavioral and physical health.

As noted in the report, strong government leadership is necessary to develop effective policies and plans. With the support of the Legislature, DHHS is best situated to serve as the central oversight body. Our department has the expertise to coordinate with the Behavioral Health Commission to develop outcomes and metrics. We also have the tools to implement the recommendations of this audit to ensure stronger accountability by aligning federal and state funding appropriated to the department through legal arrangements with the Local Authorities, private entities, schools and other state agencies.

DHHS recommends that as the Legislature considers this action, it works with our department to further define the role of the oversight body. This includes areas where it will have direct oversight; areas the body may not direct oversight but may still have accountability; and areas where the body may strictly be operating in a collaborative or partnership role. This includes functions such as administering federal behavioral health grants, funding and requirements for school counselors, and private health insurance requirements. Additionally, as part of this consideration, the Legislature may need to determine what role, if any, this body would have related to private employers, providers, and health systems.

In an effort to break down silos, the department combined aspects of its responsibility for physical and behavioral health by creating a single entity, the Division of Integrated Healthcare (DIH), that includes both OSUMH and the Utah Medicaid program. While some of the department's integration efforts have been slowed by Medicaid unwinding, the implementation of a new claims payment system, and an outage by Medicaid's pharmacy provider, the division is poised to bring into alignment important policies regarding quality, data monitoring, and, as we discuss in our response to Chapter 3, auditing. Again, given additional time, we believe this integrated division will provide oversight of significant portions of the state's behavioral health efforts.

No one structure is going to automatically solve the issues identified in Chapters 1 and 2. Each structure comes with its own possibility of creating new silos and barriers to care.

However, the department remains committed to improving the health and safety of Utahns by improving their behavioral health. As directed by the Legislature, the department will lead out, partner, or support in these efforts to make sure Utahns get the behavioral health care they need.

Strategic Plan

Utah is fortunate to have a myriad of stakeholders committed to advancing behavioral health in our state in recent years. As this audit indicates, this has led to a complex system of behavioral health delivery in Utah. In an attempt to bring some order to these efforts, DHHS partnered with the Utah Hospital Association and others to create the Utah Behavioral Health Assessment & Master Plan in January 2024. Then again during the 2024 General Session, we worked with these partners and the Legislature to pass Senate Bill 27 (2024) and create the Behavioral Health Commission. The commission began meeting in July 2023 and has begun identifying priorities and plans to expand on the direction provided in the Master Plan. We agree with the audit that the commission should incorporate actionable strategic plan elements as it fulfills its statutory responsibility to "continually review and revise the master plan as appropriate". Utah Code §26B-5-703 (2)(f). Given additional time, we believe the commission will begin to fulfill this requirement and the others that have been set out in statute.

Chapter 3

Recommendation 3.1. We recommend that the Office of Substance Use and Mental Health establish a system of accountability including consistently enforcing the monitoring and audit requirements of *Utah Code*.

Department Response: We concur with this recommendation. DHHS is committed to complying with the requirements established by *Utah Code*. DHHS will ensure that OSUMH establishes an effective monitoring system and processes to increase accountability of the Local Authorities (LA). Through implementation of this recommendation, individuals receiving behavioral health services through the LAs will have access to care and improve their behavioral health.

What: Through multiple strategies, OSUMH will develop a system of accountability that will improve the oversight and enforcement of the monitoring and audit requirements in Utah Code.

How: Currently, monitoring and audit functions are performed by staff who also have programmatic responsibilities. This creates an inherent conflict. To increase accountability, OSUMH will form a new, separate audit team, apart from the programming team. OSUMH will take the following steps to develop a more effective system of accountability:

1. OSUMH will hire staff with behavioral health monitoring and audit experience to perform these functions. The team will work closely with other monitoring and audit and functions within DHHS, including the Division of Integrated Healthcare (DIH), Medicaid Office of Managed Healthcare auditors and staff, the Division of

Continuous Quality and Improvement, and the Internal Auditor's Office. This collaborative approach to monitoring aligns the OSUMH audit and monitoring with the DHHS goal of establishing a standard process for governance, oversight and consistency (completed by December 31, 2024).

2. The new audit team will develop standard processes that will be distributed to the LAs for transparency and to create a consistent and unified approach in audit review practices and enforcement actions for non-compliance. The team will also create standardized audit tools and tracking mechanisms. Additionally, this team will establish the policies and procedures for improving accountability, including training to ensure contract monitoring follows best practices (April 1, 2025).
3. Additional policies and procedures will be developed by OSUMH specific to addressing issues of non-compliance and corrective action plans. While Utah Code requires an annual audit of LAs, those LAs that are found non-compliant through audit will be placed on a corrective action plan and be subject to more frequent auditing and potential penalties if the corrective action plan is not fulfilled timely. The process for corrective action plans are outlined in response to Recommendation 3.3 below (April 1,2025).
4. By December 31, 2024, OSUMH will evaluate the need for additional statutory changes that may be necessary to enhance compliance and accountability of the LAs (December 31, 2024).

When: The new team will be in place by December 31, 2024. OSUMH will evaluate the need for additional statutory changes by December 31,2024. OSUMH will develop new processes, policies, and procedures by June 30, 2025.

Responsible Staff: Brent Kelsey, Director, OSUMH; Jennifer Strohecker, Director, DIH

Recommendation 3.2. We recommend that the Office of Substance Use and Mental Health engage with local authorities to directly address issues associated with noncompliance.

Department Response: We concur with this recommendation. DHHS, OSUMH understands its role in ensuring the terms of agreements with the LAs are met. While this role is balanced against its role as a collaborative partner, the outcome both roles are designed to achieve is improving the behavioral health of Utahns seeking care through the LAs. We will ensure effective enforcement of contractual agreements with the LAs by addressing issues of noncompliance.

What: OSUMH will work with other DIH offices to develop a standardized process to notify and engage contracted entities, including LAs, when noncompliant with statutory or contractual requirements. OSUMH will improve communication and enhance transparency of annual audit findings through several mechanisms, including the development of a plan and provider level scorecard and annual review of audit findings with local county authority boards and elected officials regarding audit results and specifically with noncompliance issues.

How: OSUMH will take the following actions to develop policies, processes and procedures to address issues of non-compliance:

1. OSUMH will establish a graduated approach to address non-compliance with escalated penalties for continued non-compliance (April 1, 2025).
2. OSUMH leadership will establish clear standards for the audit process, including greater transparency of performance. Financial incentives will be considered as an option to incentivize quality performance in audited areas and escalated penalties will be considered for persistent noncompliance. OSUMH will evaluate whether it has the authority to impose penalties for noncompliance and if it does not, coordinate with the Legislature (June 30, 2025).
3. OSUMH, in coordination with the Behavioral Health Commission, will develop audit scorecards, highlighting key areas of focus for annual audits, to incentivize greater LA accountability (June 30, 2025).
4. OSUMH will present the annual audit reports and audit scorecards to local county authority boards that directly oversee the LAs. These presentations will include all audit findings, steps taken to address non-compliance, and a chart in the audit report that identifies all funds allocated to the LA that are unspent, transferred to another LA, or withheld by OSUMH (June 30, 2025).
5. To create greater transparency and accountability, audit reports will be publicly posted by OSUMH (June 30,2025).

When: OSUMH will establish a graduated approach to address non-compliance by April 1, 2025. All other items identified will be completed by June 30, 2025.

Responsible Staff: Brent Kelsey, Director, OSUMH; Jennifer Strohecker, Director, DIH

Recommendation 3.3. We recommend that the Office of Substance Use and Mental Health develop and implement standards for corrective action plans resulting from yearly audit findings, including a root cause analysis and guidelines for follow up.

Department Response: We concur with this recommendation. A primary strategy within the DHHS strategic plan is to be a high quality and trusted department. This requires the department and its operational units to be committed to innovation, problem solving and achieving positive outcomes for those we serve. The department has a process for conducting root cause analyses within our operations. This process and commitment to performance improvement and outcomes will be implemented with the LAs when corrective action is necessary.

What: Develop a standardized and detailed process for implementing a corrective action plan (CAP) resulting from yearly audit findings. These standards will outline defined parameters for issuing and responding to a CAP with the intent of increasing the quality, remediation and follow up of CAPs resulting from audit findings.

How: OSUMH will take the following steps to develop standards for CAPs when those become necessary upon completion of an annual audit:

1. OSUMH will amend all contracts with the LAs to include Corrective Action Plan (CAP) language that is aligned with (identical to) Medicaid contractual CAP requirements. CAP contractual requirements will clearly outline what triggers the initiation of a CAP and steps to cure the contractor's noncompliance. The contract will outline components, including defined timeframes for contractor action and response to a CAP. Further, it will define penalties for non-compliance with a CAP which include but are not limited to financial penalties or payment withholds (June 30, 2025).
2. The OSUMH audit team will develop standardized tools and tracking mechanisms so that when non-compliance is identified, a CAP will be triggered and a process will be followed by both OSUMH and the relevant LA to adhere to contractual requirements (April 1, 2025).
3. OSUMH's new audit-specific team will develop a template for a root cause analysis and add requirements for corrective action plans to include root cause analysis (April 1, 2025).
4. OSUMH will create internal policies for follow up timelines and required progress at each phase of the CAP, including enforcement actions if the findings are not remedied (April 1, 2025).
5. OSUMH will provide training to the LAs to ensure transparency and understanding of all new contractual requirements and the implications of noncompliance of contractual obligations with DHHS (April 1, 2025).

When: Tools, templates, policies and training will be provided by April 1, 2025. Contracts will be amended by June 30, 2025.

Responsible Staff: Brent Kelsey, Director, OSUMH; Jennifer Strohecker, Director, DIH

Recommendation 3.4. We recommend that the Office of Substance Use and Mental Health establish enforcement mechanisms to deal with multi-year findings.

Department Response: We concur with this recommendation. As provided in prior responses to the recommendations included in this audit, DHHS is committed to establishing a comprehensive system of oversight and enforcement with its LA partners. The combined actions outlined in these responses will effectively address the audit's finding of insufficient oversight.

What: In addition to the actions outlined in this audit response, OSUMH will strengthen enforcement mechanisms by amending contracts with the LAs to include language that will describe a graduated enforcement process that will be imposed for multi-year findings. In addition, OSUMH will establish standardized policies and procedures for addressing continued non-compliance with mandated statutory requirements, as identified through annual audits. The policies and procedures will be outlined and a tracking mechanism will be developed.

How: The following enforcement mechanisms will be leveraged to deal with multi-year findings:

1. OSUMH will amend contracts with the LA's to include a graduated enforcement process that will be imposed for multi-year findings. The contract language will describe that the first time a finding is identified, providers are required to resolve the finding, in a timely manner, through a Corrective Action Plan. The contract will describe that failure to address a finding that leads to a repeat of the same finding in subsequent years will result in graduated penalties for non-compliance, including financial penalties or payment withholds. DHHS will evaluate whether it will withhold Medicaid quality incentive dollars from LAs with continued non-compliance (June 30, 2025).
2. The OSUMH audit team will revise internal procedures that address monitoring findings to ensure that definitions and approaches are aligned with DHHS requirements (April 1, 2025).
3. OSUMH will create policies that address multi-year audit findings with escalating enforcement actions for contractors that remain out of compliance year-over-year (April 1, 2025).
4. As discussed in the response to Recommendation 3.2, OSUMH leadership will present the annual audit reports, including any repeat findings to local county authority boards (June 30, 2025).
5. Additionally, audit scorecards will be publicly posted on the DHHS website by LA, with areas of non-compliance highlighted (June 30, 2025).

When: Internal procedures and policies will be created by April 1, 2025. Contracts will be revised and audit scorecards will be posted on the SUMH website by June 30, 2025.

Responsible Staff: Brent Kelsey, Director, OSUMH; Jennifer Strohecker, Director, DIH

Recommendation 3.5. We recommend that the Office of Substance Use and Mental Health require and ensure local authorities monitor the effectiveness of their subcontractors.

Department Response: We concur with this recommendation. Utah's behavioral health system is composed of the state, local, private sectors and community-based organizations. The ability to achieve improved health outcomes for those receiving services requires all entities to provide a high-quality service. DHHS recognizes that it must support its partners in holding entities receiving public funds accountable for outcomes and contractual obligations. Our responsibilities relating to the accountability of subcontractors remain despite the relationship the subcontractors have with the relevant LA.

What: OSUMH will clearly communicate that LAs are required to monitor their subcontractors to ensure compliance and effectiveness. This will include requirements of the LAs to establish mechanisms within the OSUMH audit process and to complete these auditing requirements by the LA. and will establish mechanisms within the OSUMH audit process that assure this work is completed by the LA.

How: OSUMH will take the following steps to ensure that the LAs are providing effective oversight of their subcontracts:

1. The OSUMH audit team will develop quality and effectiveness standards for subcontractor monitoring (April 1, 2025).
2. OSUMH will amend contracts with the LAs to include the new subcontracting monitoring standards and require that the LAs monitor their subcontractors using the quality and effectiveness standards developed by OSUMH. The amendment will require LAs to complete monitoring of their subcontracts at a frequency established based on a risk scale established by DHHS Office of Internal Audit (June 30, 2025).
3. Annually, OSUMH will review all LA subcontractor monitoring to evaluate compliance with the quality and effectiveness standards of the OSUMH contract. LAs found in non-compliance with the subcontractor monitoring standards will be issued a finding that will require corrective action as outlined above (June 30, 2025).

When: Subcontractor monitoring standards will be completed by April 1, 2025. Contracts will be amended and a new subcontractor monitoring process will be in place by June 30, 2025.

Responsible Staff: Brent Kelsey, Director, OSUMH; Jennifer Strohecker, Director, DIH; Randall Loveride, Director, DHHS Office of Internal Audit

Recommendation 3.6. We recommend that the Office of Substance Use and Mental Health develop standards for subcontractor monitoring, including measuring service quality and providing a detailed narrative on significant findings.

Department Response: We concur with this recommendation. OSUMH will establish subcontractor monitoring standards that will ensure behavioral health services are delivered consistently and effectively across all state contracted providers. These standards will be designed to result in improved service delivery and outcomes.

What: OSUMH will develop standards for subcontractor monitoring that the LAs will be required to follow.

How: OSUMH's audit team will develop standards for subcontractor monitoring and contractually require the LAs to implement this practice.

1. These standards and implementation requirements will be outlined in the LA contracts (June 30, 2025).
2. The standards will address measuring service quality and require a narrative report on significant findings The standards will be based on subcontractor performance in identified quality improvement areas and aligned with DIH quality performance goals for Medicaid, which are currently being developed. DHHS will consult with the states identified in this audit report (Pennsylvania, Indiana) to review their practices for possible adoption. The OSUMH team will also consult with LAs (such as Salt Lake County) currently using subcontractor monitoring best practices as identified in this audit report (April 1, 2025).

3. OSUMH will develop and provide training and guidance to all LAs related to the monitoring of subcontractors (April 1, 2025).
4. SUMH will monitor LA implementation of these standards at least annually (July 1, 2025).

When: Subcontractor monitoring standards will be developed and training will be provided by April 1, 2025. LA use of the subcontractor monitoring standards will begin July 1, 2025.

Responsible Staff: Brent Kelsey, Director, OSUMH; Jennifer Strohecker, Director, DIH

B. Audit Response - Utah Behavioral Healthcare Committee

October 4, 2024

To Whom It May Concern,

The Utah Behavioral Healthcare Committee (UBHC), representing all Local Mental Health and Substance Use Authorities (LMHAs) and partners, appreciates the opportunity to review the Behavioral Health Governance audit report and provide our response.

We concur with many of the audit's recommendations and believe they will enhance Utah's public behavioral health system. Elevating the Office of Substance Use and Mental Health (OSUMH) would streamline efficiencies and strengthen central authority. We acknowledge that some LMHAs require improvement and are committed to working collaboratively with OSUMH to address these issues and hold these counties accountable. Using LMHAs to provide services throughout the state allows for slight variations based on the needs of the local community, which benefits all residents in the state.

We are committed to providing high-quality care to people in need throughout the entire state, and part of that includes providing data to track the quality of our care. We believe that this has, in part, made this and other forthcoming behavioral health audits possible. We are one of the only states that has been able to implement a statewide outcome measure. Our robust system for tracking outcomes and reporting to OSUMH demonstrates our dedication to accountability. We also support the audit's recommendation that all entities receiving state funding for behavioral health services be required to report outcome data. This standardized approach will contribute to elevating the overall quality of care within the state.

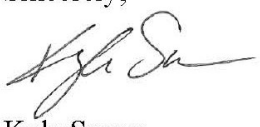
We find that at times, the audit lacks context, especially when discussing the shortcomings of the LMHA system. We believe that some of these shortcomings are mostly due to one or two LMHAs. However, we value the audit's insights regarding the annual monitoring provided by OSUMH and are committed to collaborating closely with OSUMH to refine the annual audit process. Our goal is to ensure that the process yields more meaningful behavioral health outcomes. Furthermore, we echo the sentiment from auditors that Utah's approach to monitoring behavioral health should mirror Pennsylvania state officials who stated that, "an oversight body should focus on improvement rather than solely on compliance." Utah's statute aligns with this principle, requiring OSUMH to balance monitoring and evaluation with consultation and coordination with LMHAs.

UBHC has a strong history of collaboration with the state. Our monthly Board Meetings include key state partners including the Deputy Director of DHHS, the Director of OSUMH, the Director of Utah Medicaid and others. This group meets monthly to promote and foster open dialogue and shared understanding. This collaborative approach is essential for system improvement. Over the years, there have been times when the system has struggled due to lack of collaboration between

the state and local authorities; however, the current partnership has been healthy and has benefited patients statewide.

We are grateful for the state's dedication to enhancing the public behavioral health system and are ready to assist in any way possible.

Sincerely,



Kyle Snow
Chair
Utah Behavioral Healthcare Committee

THE MISSION OF THE LEGISLATIVE AUDITOR GENERAL IS TO

AUDIT · LEAD · ACHIEVE

WE HELP ORGANIZATIONS IMPROVE