

**ORANGE COUNTY
BEHAVIORAL HEALTH DEPARTMENT
MENTAL HEALTH SERVICES ACT PROGRAM AUDIT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2010**

**FINDING NO. 1: THREE-YEAR PROGRAM AND EXPENDITURE PLAN
DOES NOT ADDRESS ALL COMPONENTS REQUIRED**

Audits requested and reviewed the Three-Year Program and Expenditure Plan updated for fiscal year 2009-10. It is noted that the plan did not included components Workforce Education and Training (WET), Capital Facilities (CF), Technological Needs(TN), Innovation(INN), Training Technical Assistance and Capacity Building (TTACB). Per California Code of Regulation (CCR), Title 9, Section 3310:

“(a) To receive Mental Health Services Act (MHSA) funds under this Chapter, the County shall submit a Three-Year Program and Expenditure Plan or update; comply with all other applicable requirements; obtain the necessary approvals in accordance with Welfare and Institutions Code Sections 5830, 5846, and 5847; and enter into a valid MHSA Performance Contract with the Department.”

“(b) Three-Year Program and Expenditure Plans shall address each of the following components:

- (1) Community Services and Supports, for:
 - (A) Children and Youth, as defined in Section 3200.030.
 - (B) Transition Age Youth, as defined in Section 3200.280.
 - (C) Adults, as defined in Section 3200.010.
 - (D) Older Adults, as defined in Section 3200.230.
- (2) Capital Facilities and Technological Needs.
- (3) Workforce Education and Training.
- (4) Prevention and Early Intervention.
- (5) Innovative Programs.”

Although the need of funds for WET, CF, TN, and INN were requested and approved, the updated Three-Year Program and Expenditure Plans did not address these components until fiscal year 2011-12.

CONCLUSION

As indicated above, the updated Three-Year Program and Expenditure Plans did not meet CCR, Title 9, Section 3310 requirements.

AUDIT AUTHORITY

- W&I Code, Sections 5892, 5830, 5847
- CCR, Title 9, Section 3310(c)

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RECOMMENDATION

The County should ensure that the updated Three-Year Program and Expenditure Plans addresses all components that will be implemented during applicable fiscal years.

FINDING NO. 2: NON-SUPPLANT POLICY COMPLIANCE

W & I Code 5891(a) requires that the funding established under this act shall be utilized to expand mental health services; these funds shall not be used to supplant existing state or county funds utilized to provide mental health services. Audits' review found that the County did not comply with this non-supplant requirement.

CCR, Title 9, Section 3410(a) requires that "Funds distributed under this chapter should not be used to provide mental health programs and/or services that were in existence in November 2, 2004".

According to DMH Letter No. 05-08, Enclosure 1, the aggregate amount of the specified funding sources Orange County was required to spend on mental health services in order to comply with the non-supplant policy was \$99,935,820 (FY 04/05 base year amount). However, Orange County's FY 09/10 expenditures on mental health services by the specified funding sources were \$91,466,019, or \$8,469,801 less than the required aggregate amount. Therefore, the County was not in compliance with the non-supplant requirement. MHSA funds may have supplanted \$8,469,801 worth of mental health services that have been historically funded by other funding sources as defined by DMH Letter 05-08. The County stated Other Revenue including SB90 should be counted toward the threshold of \$99,935,820 to be spent on mental health service. However, Audits did not receive required documents for verification.

CONCLUSION

The County was not in compliance with the non-supplant requirement.

AUDIT AUTHORITY

- W&I Code, Section 5891(a)
- CCR, Title 9, Section 3410(a)
- DMH Letter No. 05-08

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RECOMMENDATION

The County needs to spend an aggregate of at least \$99,935,820 on mental health services by the following funding sources in order to comply with the non-supplant policy:

- Realignment
- SGF Community Services
- SGF Managed Care
- PATH
- SAMHSA
- EPSDT SGF

FINDING NO. 3: CSS PROGRAMS REVIEW

Thirteen work plans were selected from the CSS component to be reviewed. Our review of the County's approved program plan and the outcome reports disclosed that three work plans were on hold or delay; four executed work plans did not meet the goals of the approved plans due to insufficient funds and two work plans did not meet goals since the number of patients served were below minimum number of patients on the approved plans.

The reported CSS expenditures were compared to the approved County MHSA CSS Plan Budget. Variances were noted in the following table on page 4:

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	CSS Programs:	Reported RER	Variance	Approved CSS
1	C1 Children's Full Service Wraparound	5,222,903	2,439,583	7,662,486
2	C2 Children's Outreach & Engagement	300,762	56,540	357,302
3	C3 Children's In-HomeCrisis Stabilization	894,159	(78,503)	815,656
4	C4 Children's Crisis Residential	1,199,158	(65,289)	1,133,869
5	C5 Children's Mentoring	301,320	8,680	310,000
6	C6 Children's CAT	644,504	577,038	1,221,542
7	C7 Parent Phone Mentors	-	85,000	85,000
8	C8 Parent - Child Interactive Therapy	26,040	223,960	250,000
9	C9 Dual Diagnosis Residential Treatment	-	300,000	300,000
10	C10 Medi-Cal Match Mental Health Services	-	150,000	150,000
11	T1 TAY Full Service Wraparound	4,640,088	2,878,279	7,518,367
12	T2 TAY Outreach & Engagement	388,256	101,058	489,314
13	T3 TAY Crisis Residential	1,173,380	27,802	1,201,182
14	T4 TAY Mentoring	184,680	5,320	190,000
15	T5 TAY - CAT	146,820	424,724	571,544
16	T6 TAY PACT	852,196	47,804	900,000
17	T7 TAY Discovery Program	-	686,333	686,333
18	A1 Adult Full Service Partnership	12,272,875	(108,390)	12,164,485
19	A2 CAT/PERT	1,690,951	142,357	1,833,308
20	A3 Adult Crisis Residential	342,732	1,471,805	1,814,537
21	A4 Supportive Employment	996,904	24,513	1,021,417
22	A5 Adult Outreach & Engagement	845,534	130,644	976,178
23	A6 PACT	5,395,243	(2,077,598)	3,317,645
24	A7 Wellness Center	1,196,177	303,823	1,500,000
25	A8 Recovery Center	7,004,598	(374,598)	6,630,000
26	A9 Adult Peer Monitoring	-	324,888	324,888
27	O1 Older Adult Recovery Services	1,897,759	(44,276)	1,853,483
28	O2 Older Adult Support & Intervention	2,602,216	1,479,565	4,081,781
29	O3 Older Adult PACT	499,801	275,400	775,201
30	O4 Older Peer Mentoring	-	800,000	800,000
31	O5 Community Based Senior Support Team	-	961,461	961,461
	Total	50,719,056	11,177,923	61,896,979

The reported CSS program expenditures were less than the County's requested and approved budget of the CSS program plan by \$11,177,923. The County's approved Three-Year Program and Expenditure Plan update did not identify unserved or underserved population.

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CONCLUSION

As shown in the table on page 4 above, six out of thirteen selected work plans did not meet goals of approved plans. Three-Year Program and Expenditure Plan update and Outcome Report did not identify unserved or underserved population.

AUDIT AUTHORITY

- CCR, Title 9, Section 3650(a)(1)

RECOMMENDATION

The County should develop assessment mechanisms for mental health needs.