

**REPORT ON THE
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW**

**SAN DIEGO COUNTY
BEHAVIORAL HEALTH SERVICES
SAN DIEGO, CALIFORNIA**

**FISCAL PERIOD ENDED
JUNE 30, 2010**

**Specialty Mental Health Section
Financial Review Outpatient and
Behavioral Health Division
Audits and Investigations
Department of Health Care Services**

**Chief: Jeff Vogel
Audit Manager: Fay Chu
Auditor: Virginia Tam**



Michelle Baass | Director

February 10, 2025

Dr. Luke Bergmann, Director
Behavioral Health Services
San Diego County Health and Human Services Agency
3255 Camino Del Rio South
San Diego, CA 92108
Luke.Bergmann@sdcounty.ca.gov

Via Electronic Mail

**SAN DIEGO COUNTY BEHAVIORAL HEALTH SERVICES
FISCAL PERIOD ENDED JUNE 30, 2010**

We have examined the Revenue and Expenditure Report and other financial records pursuant to the Mental Health Services Act (MHSA) for the above-referenced fiscal period. We made our examination under the authority of Welfare and Institutions (W&I) Code Sections 14124.2 and 5897(d); and, accordingly, included such tests of the accounting records and such other auditing procedures, as we considered necessary under the circumstances.

We held an Exit Conference with San Diego County (County) on April 17, 2024. Prior to the Exit Conference, the County received a report of the preliminary findings. During the Exit Conference, the Audit team discussed the findings in the preliminary report and gave the County the opportunity to submit additional documentation. The findings in the report reflect the evaluation of all relevant information received prior and subsequent to the Exit Conference.

Please review the enclosed report. This report includes Findings and Recommendations and Audit Adjustment Schedule. Pursuant to W&I Code Section 5897(e), the Department of Health Care Services (DHCS) hereby requests that the County submit a Plan of Correction (POC) for all items identified in the report within 60 calendar days of receipt of this report. DHCS will review the POC. If DHCS determines the POC is not sufficient, DHCS will notify the County and request that the County propose an alternative corrective action plan to DHCS. DHCS Form 5290, which is the MHSA POC template and instructions will be sent separately via email, and may also be found here: https://www.dhcs.ca.gov/Documents/CSD_BL/MHSA/DHCS-5290.pdf. The completed POC and supporting evidence of correction must be submitted electronically to DHCS at MHSA@dhcs.ca.gov. In the subject line place the county name and Fiscal POC (i.e., San Diego County Fiscal POC). DHCS is required under W&I Code Section 5897(e) to post on its Internet website the Finding Report and any related POC(s).



Dr. Luke Bergmann
Page 2

If the County would like to dispute the findings in the report, please informally discuss any concerns and/or issues with the DHCS Program Contract Manager. For purposes of this process, you may contact MHSA@dhcs.ca.gov to arrange this discussion. If your concerns and/or issues are not resolved, and you still would like to dispute the findings in the report, the County may submit a written grievance together with any evidence within 60 calendar days from the day you receive this letter. Please send the grievance to MHSA@dhcs.ca.gov. The grievance shall state the issues in dispute, the legal authority or other basis for County's position and the remedy sought.

If you have questions regarding this report, you may email or call the Specialty Mental Health Section at SMHAudits@dhcs.ca.gov or (415) 557-0189.

Digitally signed by Jeff Vogel
Date: 2025.02.10 14:27:32 -08'00'

Jeff Vogel

Jeff Vogel, Chief
Specialty Mental Health Section
Financial Review Outpatient and Behavioral Health Division

Served Electronically per Consent Form signed on January 3, 2025

cc: MHS
MHSA@dhcs.ca.gov

Via Electronic Mail

Amy Thompson, Executive Finance Director
Amy.Thompson@sdcountry.ca.gov

Nadia Privara, Assistant Director of Departmental Operations
Nadia.Privara@sdcountry.ca.gov

Debbie Ordonez, Revenue Budget Manager
Debbie.Ordonez@sdcountry.ca.gov

Lalaine Banaag, Principal Accountant
Lalaine.Banaag@sdcountry.ca.gov

**SAN DIEGO COUNTY BEHAVIORAL HEALTH SERVICES
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL PERIOD ENDED JUNE 30, 2010**

**FINDING NO. 1: COMMUNITY SERVICES AND SUPPORTS (CSS)
PROGRAM EXPENDITURES REVIEW**

The Revenue and Expenditure Report (RER) identified that CY- Full Services Partnership (FSP), TAOA-FSP and Other CSS Non- FSP Program reported total expenditures in the amounts of \$9,964,071, \$21,397,907, and \$30,521,139. These amounts were traced and did not tie to the County's Mental Health Services Act (MHSA) Expenditure Tracking work paper. Variances of (\$644,150), \$756, and \$330,422 were noted which included \$16,779, \$77,109, and (\$151,238) pertaining to MHSA funding, respectively.

CONCLUSION

Based on the above findings, Audit Adjustment Nos. 1 to 9 are proposed to adjust the expenditures by funding source.

AUDIT AUTHORITY

- WIC, Sections 5892(g) and 5891(d)
- CCR, Title 9, Section 3510
- CMS Pub. 15-1, Sections 2300 and 2304

RECOMMENDATIONS

We recommend that County exercise due care in the preparation of the RER and Short Doyle Medi-Cal (SD/MC) cost report and maintain accuracy on the report submitted to the Department.

FINDING NO. 2: ADMINISTRATIVE COSTS REVIEW

The County is required to prepare and maintain adequate accounting records to support program costs and to be available for audit (42 CFR 413.24; CMS Pub. 15-1, Sections 2300 and 2304; MHSA Agreement No. 07-77337-000, Modification No. NEW, Exhibit B (13) and (14); WIC 5891 and 5892; CCR, Title 9, Sections 940, 3510, and 3420.45).

The County submitted an informal appeal to an FY 08/09 SDMC audit finding on the Short Doyle audit administrative methodology which directly impacted the allocation of MHSA administrative costs. Increased administrative costs allocated to Short Doyle would generally reduce those allocated to MHSA. The appeal was granted in part; the County and the Department worked together on an updated methodology based on a distribution using a gross cost methodology.

**SAN DIEGO COUNTY BEHAVIORAL HEALTH SERVICES
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL PERIOD ENDED JUNE 30, 2010**

Consistent with the FY 08/09 MHA audit, the audited FY 09/10 MHA administrative costs were calculated based on the County's supporting records and audited SDMC cost report using the gross cost methodology noted above.

Audited MHA administrative costs are as follows:

- \$10,906,522 for CSS with adjustment of (\$10,295,076) which included (\$3,439,929) pertaining to MHA funding
- \$2,154,085 for Prevention and Early Intervention (PEI) with adjustment of \$1,463,751 which included \$1,350,349 pertaining to MHA funding

The County reviewed, provided input, and agreed with the final audited MHA administrative cost calculation. As such, the County had partially made updates to the FY 09/10 administrative costs for MHA on subsequent RERs to reflect the methodology. There are still some remaining updates to make reflecting timing as to when the final audits were completed.

CONCLUSION

Based on the findings above, Audit Adjustment Nos. 10 through 13 are proposed to present the details of the adjustments needed to the FY 09/10 RER, by funding source, to fully implement the above methodology.

AUDIT AUTHORITY

- WIC, Sections 5890, 5891, and 5892
- 42 CFR, Sections 413.20 and 413.24
- CMS Pub. 15-1, Sections 2300 and 2304
- CCR, Title 9, Sections 640 and 3510
- MHA Agreement No. 07-77337-000, Modification No. NEW, Exhibit B

RECOMMENDATIONS

1. The County should ensure that the records have been corrected and provide evidence of correction in the Plan of Correction, including details of adjustments that have been or will be made on subsequent RERs, for this fiscal year's RER and all other fiscal years impacted by this finding.

**SAN DIEGO COUNTY BEHAVIORAL HEALTH SERVICES
MENTAL HEALTH SERVICES ACT
REVENUE AND EXPENDITURE REPORT REVIEW
MANAGEMENT FINDINGS AND RECOMMENDATIONS
FISCAL PERIOD ENDED JUNE 30, 2010**

2. The County should: a) ensure the allocation methodology developed through the informal appeal is applied consistently among supported programs, including but not limited to MHSA and Medi-Cal; b) report administrative costs in accordance with all applicable regulations, guidelines and policies.

**SAN DIEGO COUNTY BEHAVIORAL HEALTH SERVICES
 MENTAL HEALTH SERVICES ACT
 AUDIT ADJUSTMENTS TO REVENUE OR EXPENDITURE SUMMARY WORKSHEET
 FISCAL PERIOD ENDED: JUNE 30, 2010**

#	A Type of Adjustment	B Adj. to FY	C Account		D As Audited (County Amount)	E As Reported (State Amount)		F Adjustment Amount	G Reason/Management Comment
1	Expenditure	09/10	CSS - FFP	*	\$ 81,424,370	\$ 83,084,716		\$ (1,660,346)	CSS CY-FSP program expenditure adjustments (Finding 1) CSS TAOA-FSP program expenditure adjustments (Finding 1) CSS Non-FSP program expenditure adjustments (Finding 1) CSS administration costs adjustments (Finding 2) PEI administration costs adjustments (Finding 2)
2	Expenditure	09/10	CSS - OTHER	*	\$ 82,423,787	\$ 81,424,370	*	\$ 999,417	
3	Expenditure	09/10	CSS - MHSA	*	\$ 82,440,566	\$ 82,423,787	*	\$ 16,779	
4	Expenditure	09/10	CSS - FFP	*	\$ 82,351,785	\$ 82,440,566	*	\$ (88,781)	
5	Expenditure	09/10	CSS - OTHER	*	\$ 82,364,213	\$ 82,351,785	*	\$ 12,428	
6	Expenditure	09/10	CSS - MHSA	*	\$ 82,441,322	\$ 82,364,213	*	\$ 77,109	
7	Expenditure	09/10	CSS - FFP	*	\$ 83,109,438	\$ 82,441,322	*	\$ 668,116	
8	Expenditure	09/10	CSS - OTHER	*	\$ 82,922,982	\$ 83,109,438	*	\$ (186,456)	
9	Expenditure	09/10	CSS - MHSA	*	\$ 82,771,744	\$ 82,922,982	*	\$ (151,238)	
10	Expenditure	09/10	CSS - MHSA	*	\$ 79,331,815	\$ 82,771,744	*	\$ (3,439,929)	
11	Expenditure	09/10	CSS - FFP		\$ 72,476,668	\$ 79,331,815	*	\$ (6,855,147)	
12	Expenditure	09/10	PEI - MHSA	*	\$ 13,940,406	\$ 12,590,057		\$ 1,350,349	
13	Expenditure	09/10	PEI - FFP		\$ 14,053,808	\$ 13,940,406	*	\$ 113,402	

*Balance carried forward from prior/to subsequent adjustments

ocousign Envelope ID: 3A796545-9507-4911-8532-9AE44124FBB7