

MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)

1.	County/City:	Tehama County Health Services Agency – Behavioral Health
2.	POC Submitted for:	13/14 MHSA RER Fiscal Period Ended June 30, 2014
3.	Date of Audit/Performance Review	April 7, 2025
4.	Name of Preparer:	
5.	Preparer Contact Email:	
6.	Preparer Contact Telephone:	

	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
7.	FINDING NO. 1: REVENUE AND EXPENDITURE REPORT (RER) LATE FILING	<p>According to MHSUDS Information Notice No. 15-037, the RER filing date was extended to October 30, 2015, in conjunction with MHSUDS Information Notice No.15-044 that also extended the Fiscal Year 2013-14 cost report submission deadline to October 31, 2015.</p> <p>The completed and final FY 2013-14 RER was certified on March 31, 2016, by the Tehama County Mental Health Director</p>	The County should develop and implement procedures that will ensure certifying and submitting complete and accurate RERs on time.	<p>Tehama County will modify existing procedures for RER completion including the plan for back-up staffing in the event of continued staffing shortages by 8/1/2025, review with staff, and have an attestation signed.</p> <p>TCHSA was granted a temporary Accountant allocation by the Board of Supervisors on April 15, 2025. as well as hiring an</p>	Approved

MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)

	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
		and the Assistant County Auditor Controller and received by DHCS on April 6, 2016.		extra help position to assist with cost reports.	
	FINDING NO. 2: INCORRECT COMMUNITY SERVICES AND SUPPORTS (CSS) EXPENDITURE CLASSIFICATION & REPORTING	<p>Welfare and Institutions Code (WIC) Section 5892 (g) states in pertinent part, "All expenditures for county mental health programs shall be consistent with a currently approved plan or update pursuant to Section 5847."</p> <p>California Code of Regulations (CCR), Title 9, Section 3420.45 requires counties to maintain records in accordance with Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) standards, and the State Controller's Manual of</p>	Going forward, the County should enhance its contracting, accounting, and reporting practices to delineate housing and mental health service costs to reflect the actual cost of the activities as described in the three-year plan and annual update. The nature, amount and category of services must be traceable and verifiable within the County's contract	TCHSA will enhance its contracting, accounting, and reporting practices to be in compliance with the new requirements of BHSA in order to accurately reflect the expenditures as related to the 3-year plan.	Approved

MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)

	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
		<p>Accounting Standards and Procedures for Counties.</p> <p>The County's annual update planned for CSS expenditure subcategories, including Full Service Partnership (FSP) Housing and FSP Mental Health Services as separate workplans. The annual update's housing workplan included two units, Gentry House and Madison House, and emergency housing at Sail House, a local board and care. The three-year plan and update state that the County also uses motels for emergency housing while arranging FSP partners for the clients.</p> <p>Most of the reported FSP housing expenditures were mental health services expenditures. The RER distinctly</p>	<p>agreements, invoices, working papers and SDMC cost reports. Accurate accounting and reporting will facilitate future budgeting and planning.</p>		

MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)

	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
		<p>reported FSP Housing (\$599,488) and FSP Mental Health Services (\$454,494). However, the County's expenditure records specifically identify \$37,896 of housing expenditure payments to Sail House and remaining \$521,662 (\$559,558 – \$37,896) paid to contracted 24-hour mental health and support service providers. Those contract providers report these services as 24-hour mental health services (not housing or board and care) on the Short-Doyle Medi-Cal (SDMC) cost report.</p> <p>Since these CSS expenditures are planned for and reported separately, accurately classifying these costs are important for transparent and reliable</p>			

MENTAL HEALTH SERVICES ACT (MHSA) PLAN OF CORRECTION (POC)

	A	B	C	D	E
#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
		information for future planning and budgeting.			
	FINDING NO. 3: DOCUMENTING NON-SUPPLANTATION COMPLIANCE	<p>According to WIC 5891(a) and CCR, Title 9, Section 3410 MHSA funds may only be used to expand mental health services.</p> <p>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 on November 2, 2004”.</p> <p>At the time of the audit the County did not provide a written policy, accounting records, or working papers to document meeting MHSA non-supplantation requirements.</p>	If the County does not have written policies and procedures to document its compliance with non-supplantation requirements, the County should develop and implement them going forward.	TCHSA will create a policy and procedure regarding non-supplantation requirements by 8/1/2025, review with staff, and have an attestation signed.	Approved