

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

1.	County/City:	Siskiyou
2.	POC Submitted for:	MHSA Fiscal Audit
3.	Date of Audit/Performance Review	12/15/2023
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#	Finding #	Finding	Recommendation	Action Taken to Correct Finding (Identify Timeline / Evidence of Correction)	DHCS Comments
7.	Finding No. 1	<p>According to MHSUDS Information Notice No.15-037, "DHCS requests counties to submit their Fiscal Year 2013-14 RER by October 30, 2015."</p> <p>Siskiyou County did not submit the RER by the October 30, 2015 due date. The County's revised RER was dated June 15, 2017. DHCS followed up with the County on June 30, 2017, regarding the County's outstanding RER. DHCS informed the County on July 5,</p>	Recommendation No. 1	<p>The County must develop and implement a process to ensure complete and accurate RERs are certified and filed no later than the applicable due date.</p> <p>County has created an internal process to ensure a more timely response. The county process will be to start working on the report in November to meet the deadline.</p>	Approved

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		2017, of the June 15, 2017 RER’s deficiencies. Consequently, the relevant MHSA forms and data used in the Short Doyle/Medi-Cal (SDMC) cost report were not in agreement with the revised information in the County’s final RER.			
	Finding No. 2	WIC Section 5878.3(a) states: “Subject to the availability of funds as determined pursuant to Part 4.5 (commencing with Section 5890) of this division, county mental health programs shall offer services to severely mentally ill children for whom services under any other public or private insurance or other mental health or entitlement program is inadequate or unavailable. Other entitlement programs include but are not limited to	Recommendation No. 2	The County should report FFP and other funding sources in the RER for accurate reporting. The County’s policy and procedures should recognize the utilizing of MHSA funds as the last resort in MHSA-supported programming to ensure compliance with non-supplant and the above requirements. The County will develop a procedure on reporting FFP	Approved

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		<p>mental health services available pursuant to Medi-Cal, child welfare, and special education programs. The funding shall cover only those portions of care that cannot be paid for with public or private insurance, other mental health funds or other entitlement programs.”</p> <p>According to MHSUDS Information Notice No. 15-037, Enclosure 2 - Annual MHSA Revenue and Expenditure Report Fiscal Year 2013-14 Instructions, Expenditure and Funding Sources in FY 2013-14 Section, “This section identifies all the sources and amounts of funds used to pay for the total (gross) program expenditures. The County must report all</p>		<p>and other fund sources and accurately report them on the RER annually. County will revise their policy and procedure on Non-Supplantation to ensure compliance with requirements.</p>	

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		<p>fund sources used to pay for program expenditures including any MHSA funds, Interest, 1991 Realignment, Behavioral Health Subaccount and Other...Other Funding represents the total amount of any other funds used to pay for program expenditures, which may include, but is not limited to: County General Fund, grants, patient fees, insurance, and/or Medicare.”</p> <p>The FY13/14 RER reported that MHSA expenditures were solely funded by MHSA funds. However, Audits' review of the County's MHSA payment reports disclosed that there were other applicable funding sources for Community Services and Support (CSS) services provided.</p>			

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	Finding No. 3	<p>WIC, Section 5891(a) requires that “The funding established pursuant to 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.”</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>The County provided a non-supplant policy with an effective date of September 9, 2021. The County’s policy was therefore created after the period being audited (July 1, 2013, through June 30, 2014).</p>	Recommendation No. 3	<p>The County should update its written policy to include procedures and develop schedules to document compliance with non-supplant requirements.</p> <p>County will revise the Non-Supplantation policy and procedure by 6/30/2024 to document process on reporting compliance with non-supplantation requirements.</p>	Approved

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		<p>Furthermore, the policy cited the MHSA regulations but did not document specific procedures to ensure compliance with the above cited regulations.</p> <p>Further review disclosed that the County’s information system and records did not provide evidence of meeting the non-supplantation requirements. As noted in Finding No. 2, the County’s methodology for reporting MHSA expenditures and funding posed a risk that MHSA funds could supplant realignment and other funding previously made available before the MHSA program funding became available for use to expand and/or create new mental health programs for underserved communities.</p>			

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	Finding No. 4	<p>CCR Title 9, Section 3610 states: “(f) The County shall not provide MHSA funded services to individuals incarcerated in state/federal prisons or for parolees from state/federal prisons. (g) The County may use MHSA funds for programs/services provided in juvenile halls and/or county jails only for the purpose of facilitating discharge.”</p> <p>WIC Section 5891 states: “(d) Counties shall base their expenditures on the county mental health program’s three-year program and expenditure plan or annual update, as</p>	Recommendation No. 4	<p>The County should ensure only allowable expenditures, that are included in the approved three-year program and expenditure plan or annual update, are included in the RER.</p> <p>County will train staff and ensure all Jail costs are excluded from MHSA programs going forward.</p>	Approved

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		<p>required by Section 5847..."</p> <p>WIC Section 5892 states "(g) All expenditures for county mental health programs shall be consistent with a currently approved plan or update pursuant to Section 5847."</p> <p>The County eliminated \$81,644 of Salaries and Benefits (S&B) for services provided in a jail setting from the FY 13/14 SDMC cost report. However, the MHSA portion was not eliminated from the FY 13/14 RER. S&B in the amount of \$37,008 were identified in the County's working papers used to report the MHSA CSS expenditures for crisis intervention services provided in jail. Additionally, there was no project described in the</p>			

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		County's annual update that included such services.			
	Finding No. 5	<p>WIC Section 5892(f) states: "...The Local Mental Health Services Fund balance shall be invested consistent with other county funds and the interest earned on the investments shall be transferred to the fund. The earnings on investment of these funds shall be available for distribution from the fund in future fiscal years."</p> <p>WIC Section 5847(b) states: "The three-year program and expenditure plan and annual updates shall include all of the following: (7) Establishment and</p>	Recommendation No. 5	<p>1. The County should maintain accurate records.</p> <p>2. The County should verify the Prudent Reserve account balance and provide evidence of correction in the Plan of Correction to include the interest accumulated as required per statute.</p> <p>1. County reviewed records</p> <p>2. County posted PR interest to the General Ledger on 1/11/2019 and reported on RER the following calculated Interest amounts:</p>	Approved

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		<p>maintenance of a prudent reserve to ensure the county program will continue to be able to serve children, adults, and seniors..."</p> <p>DMH Information Notice No. 07-25 states: "For audit purposes, each county should be able to clearly identify funds in their local MHS fund dedicated to the local prudent reserve. Interest earned on funds dedicated to the local prudent reserve is to be used for services consistent with a county's approved Plan and/or the local prudent reserve." The County provided working papers to demonstrate the amount of interest allocated to the Prudent Reserve (PR) and MHSA components. However, a comparison of the FY 13/14 PR</p>		<p>FY12/13 \$2,875.85 FY13/14 \$2,478.72 FY14/15 \$4,642.16 FY15/16 \$7,805.36 FY16/17 \$19,172.86 Total = \$36,974.86</p> <p>County will attach evidence of interest posted to the general ledger as Finding #5.</p>	

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		<p>balance between County’s PR GL (Account #461011) and the RER did not agree, with a (\$5,355) discrepancy. The County did not provide an explanation for the discrepancy. Further review disclosed that the discrepancy was caused by County not recording FY12/13 and FY13/14 interest income in the County's PR account.</p>			
	<p>Finding No. 6</p>	<p>CCR, Title 9, Section 3510 states: “(a) Each County receiving a direct distribution of Mental Health Services Fund monies from the State Controller shall submit a complete and accurate Annual MHSA Revenue and Expenditure Report to the Department...”</p> <p>DMH Information Notice No. 10-</p>	<p>Recommendation No. 6</p>	<p>The County should develop accurate records/schedules to support expenditures.</p> <p>County has developed a calculation method to ensure correct allowable amounts of administrative costs are recorded.</p>	<p>Approved</p>

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		<p>21 states: "... Administrative costs are divided into two categories:</p> <ul style="list-style-type: none"> • Direct service administrative costs • Indirect administrative costs <p>1. Direct service administrative costs are costs associated with the delivery of services to clients that can be tied to a specific program/project.</p> <p>2. Indirect administrative costs are support costs that are incurred for a common or joint purpose and cannot be readily identified as benefiting only one MHSA program or project. Indirect costs of this type may originate in a specific</p>			

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		department (i.e., the county mental health department), or may originate in other departments that supply goods, services, and facilities for the county as a whole (i.e., the county administrative office). These costs are appropriately charged to an MHSA program/project through an acceptable allocation method that allocates the costs of support and administrative services to the benefiting programs/projects. The share of costs attributed to the MHSA funding stream should be in proportion to the extent the MHSA program/project benefits from the support			

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		<p>activity.”</p> <p>The working papers provided to support the County’s allocation of indirect Administration Costs disclosed that the allocation of indirect administration S&B was calculated incorrectly by including the amount to be distributed (\$1,253,567) in the Mental Health (MH) base total S&B.</p> <p>The County also incorrectly included in the MH and MHSA cost distribution base the \$81,644 of disallowed crisis intervention jail service costs (see Finding No. 4).</p>			

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The corrections were made as follows:

Program	The County's Calculation				Calculation Per Audit			(Over) Under- Stated
	Indirect Admin S&B	Salaries Per County Record	Allocation %	Indirect Admin Allocation	Salaries Corrected per Audit	Audited Allocation %	Audited Indirect Admin Allocation	
	a	b	c	d=a*c	e	f	g=a*f	h=g-d
MH		\$2,951,160	63%	\$795,123	\$1,652,957	49%	\$609,593	(\$185,530)
MHSA		\$1,265,043	27%	\$340,837	\$1,228,035	36%	\$452,886	\$112,049
PERINATAL		\$205,959	4%	\$55,491	\$205,959	6%	\$75,956	\$20,465
AOD		\$230,547	5%	\$62,116	\$230,547	7%	\$85,023	\$22,908
JAIL					\$81,644	2%	\$30,109	30,109
TOTAL	\$1,253,567	\$4,652,709	100%	\$1,253,567	\$3,399,142	100%	\$1,253,567	(0)

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Instructions: Complete the MHSA Plan of Correction (POC) to address Findings from the Fiscal Audit Report or Performance Review Report.

Row 1: Enter County/City name.

Row 2: Select from the drop down menu if this POC is submitted in response to a Fiscal Audit or a Performance Review.

Row 3: Enter the date that the Fiscal Audit or Performance Review was conducted.

Row 4: Enter the name of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Row 5: Enter the contact email address of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Row 6: Enter the contact telephone number of the person who prepared the Plan of Correction or is responsible for responding to inquiries about the Plan of Correction.

Rows 7-28, Column A: Enter the number of the specific Finding from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column B: Enter the specific Finding from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column C: Enter the specific recommendation from the Fiscal Audit Report or Performance Review Report.

Rows 7-28, Column D: Enter the description of the actions taken to correct the Finding. Must include 1) timeline for implementation and/or completion of actions; 2) proposed (or actual) evidence of correction to be submitted to DHCS.

This completed form must be submitted to MHSA@dhcs.ca.gov.