



MHMRA
of Harris County

INTERNAL AUDIT REPORT

SOUTHEAST ADULT BUSINESS OFFICE AND
CLINIC

AUDIT REPORT No. SEBC0111

October 25, 2011

AUDITOR'S REPORT

Southeast Adult Business Office and Clinic

Harris County, Texas

Internal Audit Report

October 25, 2011

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Staff Internal Auditor





October 25, 2011

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Re: Southeast Adult Business Office and Clinic
Audit Report No. SEBC0111

BACKGROUND

Southeast Adult Clinic and Business Office is one of the four locations under the Deputy Director for Mental Health Services. There were approximately 1,922 open cases during the audit period. The consumers that are diagnosed with schizophrenia, bipolar, major depression or emotional disturbance, who are served at the clinic are adults 18 years of age or older.

The Business Office of Southeast Adult Clinic is comprised of 8 employees that support the clinic in managing operating and financial information. The Business Office's primary function includes scheduling appointments, authorizing Continuity of Care (COC), collecting payments, assessing financial eligibility, and checking consumers in and out of the clinic.

In performing these activities, various modules of the Anasazi system are utilized. The Scheduler module is used to process appointments and generate the Consumer Encounter Form (CEF) and Appointment Form. These forms are used to check consumers in and out of the clinic. Demographic and Outpatient Treatment Reviews (OTR) are conducted in the Assessment and Treatment Plan (ATP) module. These electronic forms contain consumer profiles and medical information. The Client Data module contains authorized COC plans, insurance coverage, financial review, and collection and billing information. In addition, insurance coverage is verified via WebCARE and telephone to ensure all third-party insurance is active for service billing. Financials are also generated in the Quad System allowing Harris County and other State Agencies access to consumer information

STATE REGULATIONS

TEXAS RECOMMENDED ASSESSMENT GUIDELINE FOR ADULTS, CHILDREN AND ADOLESCENTS

The Texas Recommended Assessment Guideline (TRAG) is a systematic assessment process for measuring mental health service needs based on the consumer’s recent principal diagnosis and nine dimensions for adults (AMH), and recent principal diagnosis and 10 domains for children and adolescents (CAS).

As a requirement, the results of the clinical assessment must be updated in the Client Assignment and Registration (CARE) system every 90 days. To ensure that the deadline is met, the Business Office communicates verified TRAG dates to providers regarding whether or not to reassess consumers by noting the data on the CEFs. In order to bill rendered services accurately, they must correspond to the service package(s) authorized in the system.

As the level of service packages moves from lower to higher numbers, the treatment becomes more intensive and costly. Some services are overlapped among the packages, while others are not.

Table 1 presents the overview of service packages available at Southeast Clinic for AMH:

**Table 1
Service Packages
SE Clinic AMH**

Service Packages for:	INTENSIVE Sp1	AMH		
		1	2	3
Service Description:		1	2	3
Pharmacological Management- A service provided to a client by a physician or other prescribing professional, in accordance with TIMA when applicable to the client to determine symptom remission and the medication regimen needed.				
Medication Training and Supports- Instruction and guidance based on curricula promulgated by DSHS. The curricula include the Patient/Family Education Program Guidelines as referenced in TAC and other materials that have been formally reviewed and approved by DSHS.				
Routine Case Management- Primarily site-based services that assist an adult, child or adolescent, or caregiver in gaining and coordinating access to necessary care and services appropriate to the individual's needs.				PRN- depends on the acuity of the patient such as during a crisis.
Skills Training and Development-The building of skills to facilitate community integration and tenure.				
Rehabilitative Counseling and Psychotherapy- Services in this package are generally intended for individuals with major depressive disorder (MDD) (GAF ≤ 50), bipolar disorder, or schizophrenia and related disorders who present with very little risk of harm and who have supports and a level of functioning that does not require higher levels of care.				
Psychosocial Rehabilitation- Social, educational, vocational, behavioral, and cognitive interventions provided by members of a client’s therapeutic team that address deficits in the individual’s ability to develop and maintain social relationships, occupational or educational achievement, independent living skills, and housing, that are a result of a severe and persistent mental illness. This service includes treatment planning to facilitate recovery.				
Intensive Outpatient – Bipolar, Schizophrenia or other psychotic disorders				
Aftercare	NEXT LOWER SP	REFER TO COM	NEXT LOWER SP	NEXT LOWER SP
Patient/Family Education				

TEXAS ADMINISTRATIVE CODE CHAPTER 412.C – “CHARGES FOR COMMUNITY SERVICES”

The Texas Administrative Code (TAC) Chapter 412.C was established to comply with the Texas Health and Safety Code 534.067 and with the purpose that fee collection is equitable, collections are provided, and contributions to local revenue are maximized.

The following is a general highlight of the requirements:

- Financial assessment for consumers (or parents) must be conducted within the first 30 days of services and annually thereafter, except by other situations as defined in the rule. There are three criteria used to calculate the Monthly Ability-to-Pay (MAP) which determines the financial obligation for consumers: income, extraordinary expense, and number of family members.
- Deferred payments are allowed for consumers with qualified financial hardships.
- Denying services to consumers is prohibited because a consumer is unable to pay for the services or because any of the following occur: incomplete financial assessment, undetermined financial responsibility, past-due account balance, involuntarily reduced or terminated services due to nonpayment, or resolution of an issue relating to payment for services pending.
- Consumers have the opportunity to appeal for involuntary changes in services or referral of an approved provider because of no insurance coverage.
- The Agency is responsible for identifying all available funding sources, assisting consumers to identify approved providers, and providing assistance in applying for Federal/State benefits.
- Children are required to enroll in Medicaid or Children’s Health Insurance Program (CHIP) if their parents are eligible for these funds.
- Adults are required to apply for Supplemental Security Income (SSI) if they are eligible for Medicaid.
- The Consumer (or parent) will incur standard charges for services for non-compliance of financial assessment, assignment of benefits authorization, and/or Medicaid or CHIP enrollment for CAS. However, the consumer’s account is allowed a retroactive adjustment if he or she complies within 30 days of the initial non-compliance.
- A plan is to be developed and implemented if there is a documented clinical determination (with consumer’s team input) to address reducing compliance, discontinuing service charges, and reducing or terminating services for non-payment. The clinical determination process involves the consideration of the consumer’s illness, functioning level, continuation of the needed services, risk of serious deterioration of his or her health, and/or court-ordered outpatient service.
- The Agency’s staff performing these tasks related to the Charges for Community Services must demonstrate initial and annual competency (MHMRA of Harris County requires 85% passing score to satisfy the competency).

OBJECTIVE

The objectives of the audit were:

- (1) To determine whether the Business Office/Clinic system of internal controls were reasonably adequate;
- (2) To determine whether the Business Office/Clinic personnel appropriately complied with applicable laws, regulations, policies and procedures;
- (3) To determine whether financial and operating data is complete, accurate, and recorded properly in the system.

SCOPE

The scope of the audit did not constitute an evaluation of the overall internal control structure of the unit. The examination was designed to evaluate and test compliance with established policies, procedures, laws, and regulations. The audit scope was for the period September 1, 2010 through August 31, 2011.

Department management is responsible for establishing and maintaining a system of internal controls to adequately comply with approved policy and procedures. The objectives of an internal control system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss, and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected timely. Also, projection of any evaluation of the system to future periods is subject to the risk those procedures may become inadequate because of changes in conditions, or the degree of compliance with procedures may deteriorate.

The purpose of the audit report is to furnish management independent, objective analyses, recommendations, and information concerning the activities reviewed. The audit report is a tool to help management discern and implements specific improvements. The audit report is not an appraisal or rating of management.

Although due professional care in the performance was exercised, this should not be construed to mean that unreported noncompliance or irregularities do not exist. The deterrence of fraud is the responsibility of management. Audit procedures alone, even when carried out with professional care, do not guarantee that fraud will be detected. Specific areas for improvement are addressed later in this report. Other minor findings, not included in this report, have been communicated to management and/or corrected during the audit process. Internal Audit would like to thank management and staff for their cooperation throughout the audit.

METHODOLOGY

In order to meet the objectives, Internal Audit flowcharted and evaluated controls over the Business Office and Clinic activities, reviewed the system relating to accounts, and reviewed laws, regulations, policies and procedures for compliance. Information and records were obtained from the Business and Clinical Office, Eligibility Center, Information Technology, Revenue Management and DSHS personnel. Audit tests and procedures were conducted as considered necessary.

The sample size and selection were statistically generated using a desired confidence level of 95%, expected error rate of 6 to 7%, and a desired precision of +/-5%. Statistical sampling was used in order to infer the conclusions of test work performed on a sample of the population from which it was drawn and to obtain estimates of sampling error involved. When appropriate, judgmental sampling was used to improve the overall efficiency of the audit.

STATEMENT OF AUDITING STANDARDS

The audit was conducted in accordance with generally accepted government auditing standards (GAGAS). Those standards require that Internal Audit plan and perform the audit to afford a reasonable basis for the judgments and conclusions regarding the organization, program, activity, or function under audit. An audit also includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. An audit also includes assessing the estimates, judgments, and decisions made by Agency management. It is believed that this audit provides a reasonable basis for the findings, conclusions, and recommendations.

RESULTS

As a result of the audit procedures and surveys conducted, it was determined that departmental compliance with established criteria to govern Business Office/Clinic activities generally meet Agency policy and procedures, except for the findings presented in the body of the report.

FINDING

Inaccurate Data Reporting

Section VIII: A of the Agency Policy and Procedure for Documentation of Claims Integrity states:

MHMRA is required to submit various cost reports to federal and state governments in connection with its operation and to receive payment. Such reports will be prepared as accurately as possible and in conformity with applicable law and regulations. If errors are discovered, billing personal shall contact an immediate supervisor promptly for advice concerning how to correct the error (s) and notify the appropriate payor. In some instances errors shall also be reported to the MHMRA Compliance Officer if it is suspected that the error has effected the MHMRA wide billing process or jeopardizes the MHMRA on-going participation in federally funded programs. It was observed that business office designated staff recorded the daily clinic count for consumers served; an estimated number is used rather than the actual number of consumers served. The estimated data recording is due to Consumer Encounter Forms are turned in late.

RECOMMENDATION

- It is recommended that the data collection process be revisited with written operational guidelines for reporting procedures.
- It is further recommended that accurate data is recorded be used to reduce the risk of possible Agency funding lost.

Management Response

The Consumer Encounter Form, (CEF) miscount issue has already been addressed in the management meeting. Managers have re-educated the staff on the significance of loss of funding to the clinic through inaccurate count. Business office staff has been instructed to include in the monthly count any late entry CEFs. Business office staff is also alerting the respective supervisor regarding any late submission of CEFs to reinforce timeliness of submission.

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Jo Monday
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ATTACHMENT A
SUMMARY OF RECOMMENDATIONS
October 25, 2011

Unit: Southeast Adult Business Office and Clinic Area:		
Inherent Risk: Low Moderate High	Control Environment: Well Controlled Acceptable Poorly Controlled	Overall Risk: Low Moderate High
Type of Procedures: Audit		
Scope <ul style="list-style-type: none"> • Using Internal Control Evaluation (ICEs) forms, documented internal controls • Conducted a preliminary survey reviewing applicable policies and procedures, etc. • Interviewed various staff, obtained understanding of management controls • Examined detailed receipts, vouchers, and supporting documentation 		
Priority Rating: 1	Audit Recommendations: Record actual clinic count of the consumer served daily.	
Follow-up: 1 year		

Priority Rating

1. Implement immediately (30 - 90 days) - Serious internal control deficiencies or recommendations to reduce cost, maximize revenues, or improve internal controls that can be easily implemented.
2. Work towards implementing (6- 18 months) - Less serious internal control deficiencies or recommendations that cannot be implemented immediately because of constraints imposed on the unit (i.e., budgetary, technological constraints).
3. Implement in the future (2 - 3 years) - Recommendations that should be implemented but that cannot be implemented until significant and/or uncontrolled events occur (i.e. legislative changes, buy and install major systems, requires third party cooperation).