

# **LBA Performance Audit Report Summary:**

## **Community Mental Health System - July 2010**

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The purpose of this audit was to assess the Bureau of Behavioral Health's (BBH) oversight of the community mental health system to ensure efficient and effective service provision. The audit period is State fiscal years (SFY) 2008 and 2009.

In New Hampshire, the Department of Health and Human Services (DHHS) is responsible for establishing, maintaining, and coordinating a comprehensive, effective, and efficient service system for those with mental illness. RSA 135-C:1, II contains the State's policy that the mental health services system, which includes the community mental health centers (CMHC) and the New Hampshire Hospital, is to provide adequate and humane care to severely mentally disabled persons in the least restrictive environment, and directed toward eliminating the need for services and promoting independence.

The BBH oversees community-based services by contracting with ten regional CMHCs. In SFY 2009, the not-for-profit CMHCs provided community mental health services to 47,587 consumers. Severely mentally disabled persons comprised 18,449 of the total number of consumers (39 percent). By State law, these consumers shall not be denied services because of inability to pay. In SFY 2009, the BBH expended \$93.9 million for community mental health services. This total represents both federal and State funds; approximately \$1.3 million was spent on BBH administration. State funds are primarily used to reimburse the CMHCs for services to Medicaid recipients; the State no longer reimburses centers for non Medicaid BBH-eligible consumers who cannot fully pay for services they receive.

### ***Results in Brief***

We found the BBH needs to better align its operations with its current environment through planning, improved service oversight, and risk mitigation. Our audit presents 14 observations with recommendations to assist the DHHS, the BBH, and the Legislature in optimizing the efficiency and effectiveness of the community mental health system. Three observations require Legislative action.

To better assess risks facing the system, the BBH needs to determine the amount of uncompensated care being provided by CMHCs and improve data collection regarding unmet consumer needs. We also found written policies and procedures are inadequate to ensure Bureau operations function correctly.

We found a number of weaknesses in the BBH's oversight of the community mental health system. Contracting is inefficient, access to Bureau guidance needs improvement, Medicaid rates are not set properly, and some statutory requirements are not checked for CMHC compliance. BBH annual reviews of CMHCs should be improved, and reapprovals should be better scheduled. The BBH also needs to improve its oversight of community mental health providers.

We found the BBH is not consistently collecting, analyzing, or acting upon program data to provide better oversight of the system. For example, the BBH has not managed its reporting systems effectively, including its long-awaited computerized system, Phoenix. In addition, the BBH improperly paid CMHCs from other DHHS accounts.

We identified a number of weaknesses in how the BBH oversees the community mental health system. Many weaknesses result in the lack of program information to better plan and manage the system. Because the BBH has not established and collected outcome data, our ability to evaluate the efficiency and effectiveness of service provision by CMHCs was hampered. Without measuring individual consumers' outcomes, it is impossible to evaluate whether the amount and types of services were excessive or inadequate.