



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-2766  
PHONE: (213) 974-8301 FAX: (213) 626-5427

June 1, 2007

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne B. Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley *for*  
Auditor-Controller

SUBJECT: **PROVIDENCE COMMUNITY SERVICES CONTRACT COMPLIANCE  
REVIEW – MENTAL HEALTH SERVICE PROVIDER**

We have completed a contract compliance review of Providence Community Services (PCS or Agency), a Department of Mental Health (DMH) service provider.

**Background**

DMH contracts with PCS, a publicly traded for-profit, community-based organization, which provides services to clients in Service Planning Area 7. Program services include interviewing program participants, assessing their mental health needs and developing and implementing a treatment plan.

Our review focused on approved Medi-Cal billings where at least 35% of the total service cost was paid using County General Funds. The Agency's headquarters is located in the Fourth District.

DMH paid PCS between \$1.45 and \$1.87 per minute of staff time (\$87.00 to \$112.20 per hour) for this type of service. DMH contracted with PCS to provide approximately \$2.6 million in services for FY 2005-06.

**Purpose/Methodology**

The purpose of the review was to determine whether PCS provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of

*"To Enrich Lives Through Effective and Caring Service"*

PCS billings, participant charts and personnel and payroll records. We also interviewed staff from PCS and a sample of clients' parents and guardians.

### **Results of Review**

Overall, PCS maintained documentation to support the services outlined in the contract. The Agency completed the Client Care Plans, Assessments and Progress Notes in accordance with program requirements. The staff possessed the required qualifications to provide services and the participants interviewed stated that the services they received met their expectations.

We have attached the details of our review. A corrective action plan is not necessary at this time.

### **Review of Report**

We discussed the results of our review with PCS on January 18, 2007. We thank PCS management and staff for their cooperation and assistance during our review.

Please call me if you have any questions or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Dr. Marvin J. Southard, Director, Department of Mental Health  
Ginny Romig, State Director, Providence Community Services  
Public Information Office  
Audit Committee

**DEPARTMENT OF AUDITOR-CONTROLLER  
CONTRACT COMPLIANCE REVIEW  
PROVIDENCE COMMUNITY SERVICES  
FISCAL YEAR 2006-2007**

**BILLED SERVICES**

**Objective**

Determine whether Providence Community Services (PCS or Agency) provided the services billed in accordance with their contract with Department of Mental Health (DMH).

**Verification**

We judgmentally selected 1,534 minutes from 2,706 service minutes of approved Medical billings to DMH where at least 35% of the total service cost was paid using County General Funds. We reviewed the Progress Notes, Assessments and Client Care Plans maintained in the clients' charts for the selected billings. The 1,534 minutes represent services provided to eight program participants.

Although we started our review in January 2007, the most current billing information available from DMH's billing system was September and October 2006.

**Results**

Overall, PCS maintained documentation to support the services outlined in the County contract. In addition, the Agency completed the Client Care Plans, Assessments and Progress Notes in accordance with program requirements.

**Recommendation**

**There are no recommendations for this section.**

**CLIENT VERIFICATION**

**Objectives**

Determine whether the program participants received the services that PCS billed DMH.

**Verification**

We interviewed four participants that the Agency billed DMH for services during the months of September and October 2006.

**Results**

The four program participants interviewed stated that the services they received from the Agency met their expectations.

**Recommendation**

**There are no recommendations for this section.**

**STAFFING LEVELS**

**Objective**

Determine whether the Agency maintained the appropriate staffing ratios for applicable services.

We did not perform test work in this section as the Agency does not provide services that require staffing ratios for this particular funding program.

**STAFFING QUALIFICATIONS**

**Objective**

Determine whether PCS treatment staff possessed the required qualifications to provide the services billed.

**Verification**

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for five (14%) of the 37 PCS treatment staff.

**Results**

PCS' employees possessed the qualification required to provide the services billed.

**Recommendation**

**There are no recommendations for this section.**

**SERVICE LEVELS**

**Objective**

Determine whether PCS reported service levels varied significantly from the service levels identified in the DMH contract.

**Verification**

We obtained Fiscal Year 2005-06 Cost Report submitted to DMH by PCS and compared the dollar amount and billed units of service to the contracted units of service identified in the contract for the same period.

**Results**

The Agency provided the service levels outlined in the County contract.

**Recommendation**

**There are no recommendations for this section.**