



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

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October 4, 2007

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

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

SUBJECT: **CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA CONTRACT
COMPLIANCE REVIEW – A DEPARTMENT OF MENTAL HEALTH
SERVICE PROVIDER**

We have completed a contract compliance review of Children's Bureau of Southern California (Children's Bureau or Agency), a Department of Mental Health (DMH) service provider.

Background

DMH contracts with Children's Bureau, a private non-profit community-based organization which provides services to clients in Service Planning Areas 1, 3, 4 and 8. Services include interviewing program clients, assessing their mental health needs and developing and implementing a treatment plan. The Agency's headquarters is located in the Second District.

Our review focused on approved Medi-Cal billings. DMH paid Children's Bureau between \$1.75 and \$3.11 per minute of staff time (\$105.00 to \$186.60 per hour) and \$164.33 per day for services. Children's Bureau's contract was for approximately \$8.4 million for Fiscal Year 2006-07.

"To Enrich Lives Through Effective and Caring Service"

Purpose/Methodology

The purpose of the review was to determine whether Children's Bureau complied with its contract terms and appropriately provided the services outlined in their County contract. We also evaluated the adequacy of the Agency's compliance with federal, State and County guidelines. In addition, we interviewed a selected number of the Agency's staff and clients.

Results of Review

Overall, Children's Bureau maintained sufficient documentation to support the service minutes billed. In addition, the clinical staff completed the clients' Assessments, Care Plans, Progress Notes and Weekly Summaries in accordance with the County contract. However, the Agency did not maintain documentation to support its compliance with the staffing ratio requirements for the Day Treatment Program.

We have attached the details of our review along with recommendations for corrective action.

Review of Report

We discussed the results of our review with Children's Bureau on June 26, 2007. In their attached response, the Agency generally agreed with the results of our review and described their corrective actions to address the findings and recommendations contained in the report.

We thank Children's Bureau management for their cooperation and assistance during this 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: William T Fujioka, Chief Executive Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Alex B. Morales, President & CEO, Children's Bureau
Public Information Office
Audit Committee

**CONTRACT COMPLIANCE REVIEW
CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
FISCAL YEAR 2006-07**

BILLED SERVICES

Objective

Determine whether Children's Bureau of Southern California (Children's Bureau or Agency) provided the services billed in accordance with their contract with the Department of Mental Health (DMH).

Verification

We judgmentally selected 65 billings totaling 11,847 minutes from 391,767 service minutes and 10 full-day billings from 765 service days of approved Medi-Cal billings for September and October 2006. We reviewed the Assessments, Client Care Plans, Progress Notes and Weekly Summaries maintained in the clients' charts for the selected billings. The 11,847 minutes represent services provided to 52 program participants.

Results

Overall, Children's Bureau maintained sufficient documentation to support the service minutes billed. In addition, the clinical staff completed the clients' Assessments, Care Plans, Progress Notes and Weekly Summaries in accordance with the County contract.

Recommendation

There are no recommendations for this section.

CLIENT VERIFICATION

Objective

Determine whether clients received the services that Children's Bureau billed DMH.

Verification

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

Results

The seven 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 staff to client ratio of 1:8 in its Day Treatment Program.

Verification

We selected ten days in September and October 2006 and reviewed the staff and client logs. We also reviewed staff timecards.

Results

The Agency did not maintain documentation to support its compliance with the staffing ratio requirements. Specifically, the staff logs and timecards did not identify which staff worked exclusively on the Day Treatment Program.

Recommendation

1. **Children's Bureau management maintain documentation to support their staffing ratio requirements for the Day Treatment Program.**

STAFF QUALIFICATIONS**Objective**

Determine whether Children's Bureau's treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the California Board of Behavioral Sciences' website and/or the personnel files for 11 out of 124 treatment staff employed by the Agency during September and October 2006.

Results

Each employee in our sample possessed the qualifications required to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether Children's Bureau's 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 Children's Bureau 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

Overall, the Agency operated within its contracted amount of \$8.1 million. However, the Agency substantially deviated from contracted service levels without prior written authorization from the DMH Director. Specifically, the Agency provided 509,000 units (95%) less of Targeted Case Management Services and 35,100 units (32%) less of Medication Support Services than the number of units required by the contract.

Recommendation

- 2. Children's Bureau management obtain written authorization from DMH prior to deviating from their contracted service levels.**

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September 18, 2007

J. Tyler McCauley
Auditor-Controller
Countywide Contract Monitoring Division
Los Angeles County Dept of Auditor-Controller
1000 S. Fremont Avenue, Unit 51
Alhambra, CA 91803-4737

RE: CHILDREN'S BUREAU OF SOUTHERN CALIFORNIA
CONTRACT COMPLIANCE REVIEW FY 2006-07

Dear Mr. McCauley,

This is in response to the draft report we recently received regarding field work results for contract compliance review of FY 2006-07.

STAFFING LEVELS

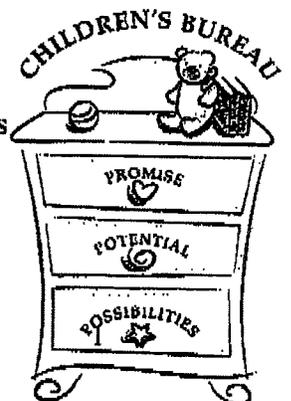
AUDITOR FINDING: "The agency did not maintain documentation to support their staffing ratio requirements of the Day Treatment Program."

RESPONSE: Prior to our audit we were having all staff sign in and out at the front desk. The Day Tx Program supervisor and Milieu supervisor who were on site monitored the milieus to ensure that ratio was being met and to provide back up coverage when necessary to further ensure proper ratio.

CORRECTIVE ACTION: As a result of the audit finding and recommendation, we created a new sign-in form for the qualified staff to sign in and out of each milieu as a way of improving documentation that ratio is always being met. The revised Day Tx Sign-In form which is now being used is attached for your review.

SERVICE LEVELS

AUDITOR FINDING: "Overall, the agency operated within its contracted amount of \$8.1 million. However, the Agency substantially deviated from contracted service levels without



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prior written authorization from the DMH Director. Specifically, the agency provided 509,000 units (95%) less Targeted Case Management Services and 35,100 units (32%) less Medication Support Services than they were contracted to provide.”

RESPONSE: We provide a substantial amount of services to children in the foster care system whose case-management needs were largely provided for by the Foster Care Social Worker or County Social Worker on the case. As such, we over-estimated the amount of Targeted Case Management services we believed we would provide. In terms of Medication Support Services, we were unable to reach the service goal due to difficulty finding a qualified child psychiatrist who was willing to provide contracted services under DMH guidelines and requirements.

CORRECTIVE ACTION: We will monitor service level activity on a quarterly basis and will obtain written authorization from DMH if we identify a change or deviation from the contracted service levels.

If you have any questions or concerns, please contact me at 213-216-1518 or email at franzjordan@all4kids.org

Sincerely,

Franz Jordan PhD, MFT

Franz Jordan, Ph.D., MFT
Director of Mental Health

