



COUNTY OF SANTA BARBARA
Making a Difference Since 1962
Alcohol, Drug & Mental Health Services
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Ann Detrick, PhD
Director

June 19, 2009

The Honorable William J. McLafferty
Santa Barbara County Superior Court
1100 Anacapa St., 2nd Floor
Santa Barbara, California 93121-1107

Santa Barbara County Grand Jury
Attention: Ted Stern, Foreperson
1100 Anacapa Street
Santa Barbara, CA 93101

Alcohol, Drug and Mental Health Services Department Response to the 2008-09 Grand Jury Report: ALCOHOL, DRUG AND MENTAL HEALTH SERVICES – AN UNCERTAIN FINANCIAL FUTURE

Dear Judge McLafferty and Mr. Stern:

Please find attached my response to the Grand Jury report entitled Alcohol, Drug and Mental Health Services – An Uncertain Financial Future. On behalf of the Department, I have responded to the Grand Jury's Findings and Recommendations, Numbers 1 and 2. Please accept my appreciation for the Grand Jury's efforts to improve the operations of the Department of Alcohol, Drug and Mental Health Services.

Sincerely,

Ann Detrick, Ph.D.
Director

Cc: Ted Stern, Grand Jury Foreperson 2008-09
Michael Brown, County Executive Officer

Marianne Garrity, R.N.
Deputy Director
Administration

Al Rodriguez
Assistant Director
Mental Health Programs

Edwin Feliciano, MD
Medical Director
Assistant Director

Nancy Gottlieb M.F.T.
Interim Division Chief
Alcohol & Drug Programs

**Alcohol, Drug and Mental Health Services Department Response
Santa Barbara County 2008-09 Grand Jury Report**

Findings and Recommendations

**ALCOHOL, DRUG AND MENTAL HEALTH SERVICES
AN UNCERTAIN FINANCIAL FUTURE**

Finding 1:

The ShareCare billing software has not performed as expected, and has failed to bill Medi-Cal and Medicare in a timely manner.

Recommendation 1:

That in the future the Alcohol, Drug and Mental Health Services Department purchase only proven software and maintain a backup program until the new program is fully implemented and functional.

RESPONSE TO FINDING 1 AND RECOMMENDATION 1:

ADMHS concurs with the finding with some additional, clarifying comments. The Grand Jury Report states that the current system was acquired in 2007 as a beta test program. The ShareCare system was purchased by ADMHS in 2006. Lassen County had previously installed the ShareCare system for Medi-Cal billing.

After the ShareCare system was acquired, several activities occurred prior to the operational “go live” date of July 2007:

- Construction of interface with “Clinician’s Gateway” which is a clinical data entry system used by ADMHS staff and providers.
- Extended training for system users, and
- Construction of two collateral service data entry portals used by community-based organizations.

ADMHS agrees with the finding that the release of new versions of ShareCare by the vendor occurred prior to proper testing at the vendor level, and as a result errors occurred that caused significant work efforts from ADMHS staff and delays in billings. At present, ADMHS Medi-Cal billings are current through April 2009, and Medicare Part A and Part B are current through April 2009. ADMHS is in the process of defining codes for partial Medicare payments for services provided to persons with dual Medicare/Medi-Cal coverage. This process will be completed by June 30, 2009.

ADMHS agrees with the Grand Jury recommendation that in the future ADMHS should purchase only proven software and maintain backup programs until a new system is implemented and functional.

Finding 2:

Many of the financial liabilities of the past eight years would never have occurred if adequate accounting systems had been in place.

Recommendation 2:

That the Santa Barbara County Auditor-Controller continue to review and monitor the accounting activities of the Alcohol, Drug and Mental Health Services Department.

RESPONSE TO FINDING 2 AND RECOMMENDATION 2:

ADMHS agrees with the finding, noting that financial liabilities were tied to lack of adequate accounting systems and lack of adequate policies and internal controls over Departmental operations.

ADMHS concurs with the recommendation that the Santa Barbara County Auditor-Controller continue to review and monitor the accounting activities of the Alcohol, Drug and Mental Health Services Department.

The Department extends its appreciation to the Auditor-Controller and his staff for their significant contributions of time, support and counsel over the past year to improve ADMHS' accounting and business practices.

The Auditor-Controller has worked collaboratively with ADMHS on a number of key activities including:

- Self-disclosures made to the State in November 2007 regarding ADMHS billing and reimbursement practices. The Department immediately discontinued these practices and established a Compliance Oversight Committee. CEO, Auditor-Controller, County Counsel and ADMHS staff represent the core membership of this Committee.
- Reorganization of the ADMHS fiscal team including the establishment of a new ADMHS operating unit responsible for compliance issues (cost reporting, rate setting, year end settlements, contract monitoring and audit coordination). Two key members of this unit have recently started, and ADMHS anticipates significant contributions from these new positions.
- Preparation of cost report instruction manual to assist ADMHS in completion of annual reports for DMH.
- Revision of service contracts to more clearly define allowable costs, service delivery practices and outcomes, in conjunction with County Counsel.
- Contract analysis across multiple fiscal years (FY02/03 –FY06/07) with focus on reimbursement and rate setting practices.
- Ongoing analysis of ShareCare system, with improvements to the Medicare billing process resulting in the approval and payment of long outstanding claims for these services.

ADMHS recognizes that improvements have been made over the last year and acknowledges that there is significant work to be done. ADMHS remains focused on the completion of strategic actions that will further improve the Department's fiscal, operational, and quality assurance processes and internal controls.