

Audit Highlights



Highlights of performance audit report on the Adult Mental Health Services, Payments to Contractor and State-Employed Psychiatrists and Psychologists was released on May 2, 2019. Legislative Auditor report # LA20-07.

Background

Within the Division of Public and Behavioral Health (Division), the Clinical Services Branch provides adult mental health services primarily through Northern Nevada Adult Mental Health Services (NNAMHS), Southern Nevada Adult Mental Health Services (SNAMHS), and Rural Counseling and Supportive Services. The primary clients of these agencies are Nevadans with mental illness who are underinsured, uninsured, and those whose conditions have resulted in interaction with law enforcement.

The Division operates two civil psychiatric hospitals: Dini-Townsend in Sparks, and Rawson-Neal in Las Vegas for individuals needing a high level of psychiatric care requiring 24-hour observation and supervision by mental health professionals. In addition, two forensic psychiatric hospitals, Lake's Crossing Center at NNAMHS and the Stein Forensic Unit at SNAMHS, provide maximum security facilities to offenders referred from the court system for competency issues.

NNAMHS and SNAMHS provide behavioral health outpatient services including crisis intervention, day treatment, medication clinics, psychiatric services, group and individual mental health therapy, mental health court in collaboration with the criminal justice system, and the mobile crisis team.

Purpose of Audit

The purpose of the audit was to determine whether the Division has adequate controls over payments to contractors and state-employed psychiatrists and psychologists during fiscal year 2017, but included review of certain information from prior years and January 2019.

Audit Recommendations

This audit report contains five recommendations to improve the Division's oversight of payments to psychiatrists and psychologists and four recommendations to improve internal controls over contracting processes.

The Division accepted the nine recommendations.

Recommendation Status

The Division's 60-day plan for corrective action is due on July 29, 2019. In addition, the six-month report on the status of audit recommendations is due on January 29, 2020.

Adult Mental Health Services Payments to Contractor and State-Employed Psychiatrists and Psychologists

Division of Public and Behavioral Health

Summary

The Division needs stronger program oversight for payments to psychiatrists and psychologists (clinicians) to improve accountability by its contractors and employees. In many instances, supporting documentation was not available to verify hundreds of hours paid to the clinicians. Better monitoring of hours worked will enhance accountability by clinicians that work at inpatient and outpatient settings. Furthermore, \$167,000 was improperly paid over a period of years to two psychiatrists that claimed on-call pay when they were ineligible.

The Division also needs stronger internal controls over contracting for clinical services to reduce the risk of overpayments. Contract rates were not adequately documented for two large staffing contractors with State Purchasing Division contracts. In addition, payments were processed to staffing contractors and contract clinicians despite rate discrepancies or incomplete documentation in 19 of 65 (29%) payments we tested. Finally, abuse of travel expenses went unchecked for the payments we tested to a contractor that provided interpreter services to a SNAMHS patient.

Key Findings

A significant portion of the hours billed by inpatient contractors, primarily at SNAMHS, could not be verified as worked. For 23 payments to contractors, 702 of 1,344 hours billed (52%) were unsupported. Management stated the unverified time was linked to SNAMHS' policy of permitting offsite work, which clinicians "self-reported" without any documentation requirements. In contrast, NNAMHS' management did not permit offsite work. (page 8)

Similar issues with lack of accountability for hours claimed were noted for state-employed clinicians assigned to inpatient facilities. For the 13 paychecks of inpatient employees we tested, comparison of the daily hours paid to building controlled access records and to the employees' usage data in the Avatar system, showed there was no accountability for 346 of 878 (39%) regular hours worked. Furthermore, there was no requirement for state-employed clinicians to be accountable for their offsite time. (page 9)

We identified concerns over the propriety of certain payments to psychiatrists in management positions at NNAMHS and SNAMHS. First, improper payments totaling over \$167,000 for on-call pay were made for many years to two state-employed psychiatrists in management positions at SNAMHS. One of these individuals received on-call pay for 363 days in fiscal year 2017, by claiming the pay for on-call duties at both NNAMHS and SNAMHS, and while taking annual and administrative leave from the individual's management job at SNAMHS. Second, NNAMHS uses an independent contractor to fill an administrative position. The contractor's responsibilities include administrative powers over employees that may qualify as an employment relationship with the State, rather than independent contractor status. (page 11)

Contract rates were not adequately documented for two large staffing contractors that NNAMHS and SNAMHS paid over \$3.4 million in 2017. NNAMHS staff indicated managers determine the rates based upon comparable state positions, but the process was undocumented. SNAMHS staff had a similar explanation and had no documentation of negotiated rates for psychiatrists and psychologists. When agencies utilizing staffing contractors do not document standardized rates or the rationale for the agreed-upon rates, there is an increased risk that favoritism or bias may result in paying a higher rate than necessary. (page 17)

Questionable and incorrect billing rates were noted for 13 of 65 (20%) payments to staffing contractors and contract clinicians. For example, six payments were to a NNAMHS staffing contractor that received \$190 per hour for a specific licensed psychiatrist. This was the highest contract rate for a licensed psychiatrist that we noted. NNAMHS' file documentation showed the rate increase was done by separate contract, so as not to set a precedent concerning the going rate for other contract clinicians. (page 18)

The Division did not adequately monitor travel and hours worked by a contractor to prevent improper payments. Abuse of travel expenses went unchecked concerning a contractor that provided certified deaf and hearing interpreter services to a SNAMHS patient at the Stein Forensic Unit. We found over \$2,300 in travel claims exceeded amounts allowed by the State and the vendor's contract. In addition, \$5,520 was paid for interpreter services that were unsupported. Review of payment voucher documentation showed SNAMHS fiscal personnel did not understand the state travel requirements and approved the billings without adequate supporting documentation. (page 21)