



Recommendations for LMHAs Preparing for the SB 26 OIG Audit, Texas 88th Legislative Session

The Office of Inspector General (OIG) of the Health and Human Service Commission (HHSC) began the SB 26 audits in September 2023. The OIG is auditing the first round of six Centers considering Fiscal Year 2022 LMHA Performance Contract expectations. A paramount consideration to remember is that the OIG is primarily an enforcement arm of the HHSC, with the authority to review any information and procedure of the Local Mental Health Authority (LMHA), and with the ability to bring criminal charges emanating from its audit function.

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As the first Center to be audited, leadership of Bluebonnet Trails Community Services offers insight into the process and how the Center has responded. The observations and recommendations in this article come from continually updated presentations made to multiple consortia of the Texas Council of Community Centers.

The first interesting observation is that the OIG auditors are learning the LMHA system during the audit process. With each audit, this may make the audit process more efficient, or it could make it more detailed as auditors learn what to look for or ask during their work. This may cause the auditors to come back to your Center after discovering some other area of risk at a different Center.

The OIG audit process is focused on identifying risks and assessing the controls the LMHA has in place to mitigate the risks. Areas of risk the OIG has focused upon to date include Intake Services, Crisis Services, Inpatient Care Waitlist, Adult Mental Health Services, Private Psychiatric Bed contracts, Fiscal Management and Controls, Level of Need authorizations, and controls through Center Utilization and Quality Management processes. Each Center will have its own, unique areas of risk that OIG may review in addition to these. The OIG may decide to audit any work you do but it is appropriate to question “scope creep” beyond the parameters discussed with the Center during the OIG introductory meeting. To date, the OIG has not yet reviewed Child and Youth Services, Specialty Services, or Psychiatric Medication Management provided through Bluebonnet Trails Community Services.

The OIG will ask for documents and schedule meetings with audit leadership and interviews with Center staff. All of this takes time. Bluebonnet Trails Community Services recommends Centers keep track of every hour spent with auditors and when complying with their requests for information or access to systems. At the end of the fifth month of the OIG audit of Bluebonnet Trails, the Center staff accounted for just under 640 hours of staff time working directly with OIG auditors and preparing responses for the OIG. A consistent practice accounting for time will allow Centers to inform other Centers of the cost of the OIG audit legislated during the 88th Texas Session.

Tracking the compiled documents and responses submitted to the OIG has been helpful throughout the audit. The history of exchanges with the OIG has resulted in easy reference to previously submitted responses or documents. The connection to previously submitted responses and documents supports education for OIG auditors as they learn the LMHA system of care. This history may also inform and compare the experiences between Centers undergoing the OIG audit.

Centers will be asked to provide the OIG with access to electronic systems. OIG auditors have asked for access to electronic health records, electronic human resources/payroll systems, and electronic financial systems. Auditors have asked to watch the multiple steps of the data batching process; the process for corrections; and the Center controls in place ensuring data is accurately submitted as required within the LMHA Performance Contract. In addition, the OIG has been interested in the electronic process resulting in the authorized level of need of the persons receiving care. The OIG has requested a sample of records to cross-check the data in Mental Retardation and Behavioral Health Outpatient (MBOW), Clinical Management for Behavioral Health Services System (CMBHS), and Client Assignment and Registration System (CARE) with the center's electronic health record. The OIG has traced the services to the person-centered recovery plan authorizing the services and the funding stream tied to the service delivered.

Centers will benefit from establishing a test environment within the electronic health record for the OIG auditors, demonstrating the test environment matches the current version of the live environment. Controlling electronic access by OIG auditors supports a specific answer to the specific question and limits access to information within the specific period named in the scope of the audit. Controlling access will support direct answers while eliminating the opportunity for inadvertent rabbit trails through the electronic health record.

Communication strategies implemented by Bluebonnet Trails Community Services include:

- Designating the Executive Leadership Team and Director of Quality Management as the LMHA Audit Team, with the Director of Quality Management as the LMHA's primary contact.
- Ensuring members of the Executive Leadership Team sit in on every interview to oversee uniformity of responses; limiting staff responses to the simplest and most direct answer to the question; along with communication to the rest of the team.
- Ensuring all communication between the OIG and the Center is maintained in a shared drive and accessible to the entire leadership team.
- Conducting team meetings to review requests from the OIG, consider Center responses, and prepare materials and demonstrations best responding to OIG questions.
- Referring the OIG to HHSC for questions about HHSC data systems (MBOW, CMBHS and CARE) and performance contract expectations.

- Engaging Texas Council of Community Centers when the OIG asks about policy issues so the systemwide interpretation and approach may be provided.
- Asking questions when it appears the OIG may be exceeding the scope of the audit which may include questions about a program not included in the LMHA Performance Contract.
- Asking questions if the relevancy of the OIG request is not apparent and experience indicates the OIG will inform the Center of the reasoning behind the question, leading to a more specific response by the Center.
- Participating in the monthly collaborative discussions newly implemented by the Texas Council of Community Centers ensuring all Centers undergoing the audit have an opportunity to share experiences and discuss concerns.
- Other observations include:
 - At the foundation of each OIG question is an assessment of potential risk areas, the Center's response may best be focused on the Center's controls in place to mitigate risk.
 - Each audit is anticipated to last six months. It is unknown if the OIG may revisit a Center with questions as the OIG learns from other Centers undergoing the audit.
 - Treat all interactions like a deposition; only answer the question asked; and do not volunteer information if not requested specifically by OIG.

As presentations to consortia will be continually updated over time, refer to the consortia page(s) of the Texas Council of Community Centers website for the latest presentation related to the OIG audits.

The Office of Inspector General can make criminal referrals. Although the OIG auditors are respectful, friendly, and open about the audit process, their role is to audit for risk of potential criminal activity. They are probing for compliance and risk areas. The purpose of the audit is not to help improve the way the Center does its work, although going through the process may help the Center find its own better ways of doing things.

This article is based on the power point presentation "Senate Bill 26 – OIG Audit Update" presented during multiple Texas Council consortium meetings. Thank you to Bluebonnet Trails Community Services for permission to excerpt the presentations.