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MENTAL HEALTH

Department of Mental Health Office of Director

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YELLOW SHEET

Findings in the audit of the Department of Mental Health, Office of Director

PACT Initiative

The department did not initially handle a contract to privatize the operation of a 25-bed adult acute care unit and emergency room at the Western Missouri Mental Health Center (WMMHC) in an open, transparent, and competitive manner, and subsequent efforts to do so were not performed timely. The DMH did not initially announce its intent to privatize these acute care and emergency service operations and solicit proposals from interested health care entities in the area. Instead, during the summer of 2008 or prior the DMH entered into discussions with the Truman Medical Center (TMC), a private not-for-profit health care entity in Kansas City, to determine its interest in leasing these operations from the department.

While various meetings were subsequently held between DMH officials and its stakeholders regarding this privatization initiative at the WMMHC, the DMH did not formally solicit proposals or responses of interest from local community hospitals/health care entities until February 2009, only 4 months before the contract became effective. In February 2009, the DMH mailed a Request for Information (RFI) to local community hospitals to solicit formal interest and requested all interested parties submit a response regarding their interest in operating these beds and emergency services. Responses were due 12 days later.

The DMH received only two letters of interest, one from the TMC and negotiations with that entity began shortly thereafter. The other community hospital which responded to the RFI ultimately withdrew from negotiations in March 2009. As a result, the DMH lost any negotiating leverage that may have existed during its initial negotiations with the TMC. Because the decision to end the state's operation of those services had already been made and the DMH had considered the proposed savings in the core cuts to the fiscal year 2010 budget, the department was at a disadvantage during subsequent negotiations with the TMC.

Overtime-Related Issues

Some employees at DMH operating facilities worked excessive amounts of overtime. This situation has occurred because neither the DMH or the applicable operating facilities have established policies limiting the amount of overtime an employee is allowed to work. For example, during calendar years 2008 and 2009, a direct care employee at the Marshall Habilitation Center worked a total of 6,075 hours of overtime (or an average of 253 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$98,874, compared to regular salary payments totaling \$45,030 during the same period. Employees working excessive amounts of overtime could compromise the health and safety of both clients and themselves by increasing the risk of medical errors, accidents, injuries, poor performance, and other problems.

For the 3 years ended June 30, 2010, the DMH paid employees approximately \$47.8 million in overtime department-wide, with most of this overtime being paid at a rate of time and one-half. Neither the DMH central office nor its facilities have performed cost analyses or studies to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff.

State law requires that at the beginning of each year nonexempt direct care state employees are to be paid for any overtime hours earned and accrued from the previous year, though employees have the option of retaining up to 80 hours compensatory time at year end. However, in January 2010, we identified 153 nonexempt direct care employees at the various operating facilities were allowed to retain compensatory time in excess of the 80-hour limit.



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Complaint Investigations

Initial investigation inquiries were not always completed timely, nor were subsequent investigations always started in a timely manner by the Investigations Unit. In addition, in some cases investigators were granted additional time to complete investigations; however, investigations granted extensions were not always completed within the proposed timeframe.

Monitoring of BRIDGES Program Contract

For over 9 years, the department's Division of Comprehensive Psychiatric Services (CPS), has contracted with a not-for-profit corporation to establish and implement the BRIDGES Program, a program described as a peer-to-peer education and support group program for adults who have a diagnosis of mental illness. The DMH expended in excess of \$320,000 during the 3 years ended June 30, 2010, pursuant to this contract. The CPS did not properly monitor this contract to ensure the contract requirements were met or applicable services were actually provided. When asked for documentation related to the contract provisions, a CPS official indicated the required documentation had not been received or requested from the contractor in recent years. The most recent contract documentation of this nature which could be located dated back to 2002.

Payment of Operating Costs of the Governor's Office

Since January 1, 2009, the DMH has been requested to pay costs totaling \$50,400 related to the operations of the Governor's Office, thus circumventing the appropriation process established by the General Assembly. These costs represented a portion of the salaries of at least three Governor's Office staff and the costs of some airplane flights.

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Department of Mental Health

Office of Director

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Honorable Jeremiah W. (Jay) Nixon, Governor
and
Mental Health Commission
and
Keith Schafer, Ed.D., Director
Department of Mental Health
Jefferson City, Missouri

We have audited certain operations of the Department of Mental Health, Office of Director in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2010, 2009 and 2008. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and operations, including certain revenues and expenditures.
4. Evaluate certain other matters involving the department and its operating facilities.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Office of Director and department operating facilities, as well as certain external parties; and testing selected transactions.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. However, providing an opinion on the effectiveness of internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. Abuse, which refers to behavior that is deficient or improper when compared with behavior that a prudent person would consider reasonable and necessary given the facts and circumstances, does not necessarily involve noncompliance with legal provisions. Because the determination of abuse is subjective, our audit is not required to provide reasonable assurance of detecting abuse.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the Office of Director.

The accompanying Management Advisory Report presents our findings arising from our current audit of the Department of Mental Health, Office of Director. In addition, we recently issued the following audits related to the Department of Mental Health: Report No. 2010-45, *Department of Mental Health - Billing and Collection Practices*, issued in April 2010, and Report No. 2010-159, *CIMOR System Data Security*, issued in December 2010.



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Department of Mental Health - Office of Director

Management Advisory Report

State Auditor's Findings

1. PACT Initiative

The department did not initially handle a contract to privatize some operations at an operating facility in an open, transparent, and competitive manner, and subsequent efforts to do so were not performed timely.

During the audit period, the Department of Mental Health (DMH) took actions to implement the Psychiatric Acute Care Transition (PACT) Initiative, an initiative which served to transfer inpatient acute care beds owned and operated by the DMH to community hospital providers. While department officials indicated this initiative was primarily intended to achieve improved access to behavioral health services and redirect state dollars for enhanced community based services, the PACT also assisted the DMH in satisfying core cuts to its fiscal year 2010 budget.

According to DMH officials, implementing the PACT was necessitated by several factors including, but not necessarily limited to, the following:

- Federal Medicaid reimbursement policies for psychiatric inpatient care create strong disincentives for the state operation of free-standing acute care facilities deemed "institutions for mental diseases". Any inpatient facility with more than 16 beds where more than 50 percent of those beds are designated for treatment of psychiatric disorders cannot collect Medicaid reimbursement for patients ages 21 - 64.
- State appropriations and salary structures for staff at the DMH facilities limit the ability to hire and retain key clinical and direct care staff, necessitating closure of beds and units at times.
- Persons with mental illness die 20 years younger on average than the general population due to higher rates of medical illness. The DMH believes this initiative promoted increased integration of medical and behavioral health for its consumers.
- The DMH believes the operation of inpatient and emergency psychiatric services by local community hospitals will strengthen the quality of services.

Western Missouri Mental
Health Center

Negotiations to lease existing facility operations at the Western Missouri Mental Health Center (WMMHC) were not conducted in an open, transparent, and competitive manner, and subsequent efforts to do so were not performed timely. Effective in June 2009, the DMH contracted with the Truman Medical Center (TMC), a private not-for-profit health care entity in the Kansas City area, to lease and operate a 25-bed adult acute care unit and emergency room. In 2004, the DMH had previously contracted with the TMC to lease a 25-bed adult care psychiatric unit at the WMMHC.



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The DMH did not initially announce its intent to privatize the operations of the applicable acute care unit and emergency services and solicit proposals from interested health care entities in the area. Instead, during the summer of 2008 or prior the DMH entered into discussions with the TMC to determine its interest in leasing these operations from the department. It appears the DMH's interest in the TMC leasing these operations was due in large part to the previous and ongoing lease arrangement at the WMMHC (that facility is currently known as the Center for Behavioral Medicine).

According to department officials a "Proposal of Concept" was received from the TMC in July 2008 regarding its possible involvement in the privatization of the applicable operations at the WMMHC. According to a DMH official, the department also communicated informally with other local community hospitals/health care entities about this initiative during this time period; however, documentation of these discussions or the other entities contacted was not maintained.

In the late summer and fall of 2008, various meetings were held between DMH officials and its stakeholders regarding the possible privatization of the applicable operations at the WMMHC. The DMH did not formally solicit proposals or responses of interest from local community hospitals/health care entities regarding this situation until February 2009, only 4 months before the contract became effective and after the decision had been made to remove the applicable operations from its fiscal year 2010 core budget request. On February 5, 2009, the DMH mailed a Request for Information (RFI) to a number of local community hospitals to solicit formal interest from local community hospitals in the area. The RFI stated the department's intent to discontinue the state operation of the 25-bed acute care unit and emergency services at the WMMHC on June 15, 2009, and requested all interested parties submit a response regarding their interest in operating these beds and emergency services, expertise and experience in doing so, and other relevant information. Responses to the RFI were due February 17, 2009, only 12 days later.

The DMH received only two letters of interest which it considered responsive to the requirements outlined in the RFI, one of which was received from the TMC. Negotiations began shortly thereafter, and a "Term Sheet" was drafted with the TMC. Term sheets were to be used in simultaneous, parallel negotiations with the interested parties to obtain the best possible terms before contracting with a community hospital. Included in the draft term sheet with the TMC was language indicating revenues related to the proposed operations would come from the usual revenues, including Medicaid, Medicare, and other third-party payers, and that no additional ongoing operational funding would be provided by the DMH.



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The other community hospital which had responded to the RFI ultimately withdrew from negotiations on March 9, 2009, before a term sheet was signed, citing the operational synergies currently in place between the DMH and the TMC. As a result, the DMH appeared to have lost any negotiating leverage that may have existed during its initial negotiations with the TMC. Considering the decision to end the state's operation of those services at the WMMHC had already been made and the DMH had considered the proposed PACT savings in the core cuts to its fiscal year 2010 budget, it was at a disadvantage during subsequent negotiations with the TMC.

Final negotiations with the TMC ultimately resulted in the DMH agreeing to pay that entity \$500,000 in start-up funding and additional payments totaling \$1.1 million to share the financial risk for operating the emergency services for the first 2 years. The DMH could provide no documentation to support the need for this funding or the DMH review of the amounts for reasonableness. The contract for this lease agreement was entered into in May 2009, and the transition became effective on June 15, 2009.

To ensure its actions are conducted in an open and transparent manner and strengthen its negotiating position, the department should solicit competitive proposals and requests for information in a timely manner.

Mid-Missouri Mental Health
Center

As part of the PACT Initiative, the DMH entered into an agreement with the Curators of the University of Missouri (University) to transition the operations of the Mid-Missouri Mental Health Center (MMMHC) in Columbia to the University, effective June 30, 2009. The agreement resulted in the ownership of the hospital property being transferred to the University and the University receiving additional state funding. The related operations were transferred and the transition was accomplished with the knowledge and approval of the General Assembly.

Financial impact of Initiative

It appears the PACT Initiative will result in a substantial savings to the DMH as a result of the transition of these facility operations to other entities. According to DMH officials, they anticipate the department will realize annual savings of approximately \$10.2 million and \$4.25 million related to MMHC and WMMHC, respectively. These savings will be partially offset by the increased funding to these entities, and contractual payments to the TMC for start-up costs associated with the transition (\$500,000) and for sharing the financial risk of operating emergency services for the initial 2 year period (\$1.1 million).

Effective September 2010, the DMH closed four of its five remaining acute care units and emergency services in St. Louis and Farmington (the final acute care unit will close April 2011). By closing these units/operations and implementing various changes at the Fulton State Hospital, DMH officials expect to save the state an additional \$2.5 million in fiscal year 2011 and \$7



million in fiscal year 2012. In addition, as of October 2010, the DMH was working with regional planning groups to develop alternative community services.

Recommendation

The DMH ensure future actions taken to privatize any department operations are conducted in an open and transparent manner. In addition, competitive proposals or requests for information solicited from interested parties should provide for reasonable timeframes so the interested parties have adequate time to respond.

Auditee's Response

We agree that privatization efforts should be conducted in an open and transparent manner. DMH planned to establish a contract with a local community hospital to operate acute inpatient psychiatric services in the Kansas City area and began discussing discontinuing operations of acute inpatient psychiatric services with interested stakeholders and potential community hospital partners long before 2009. The purpose of these informal discussions was to assess the interest of local community hospitals in providing acute inpatient psychiatric services and to get input on redirecting the cost savings to expand community services. However, budget cuts announced in early 2009 made it necessary for DMH to negotiate and finalize a contract in a very compressed timeframe in order to transition operations to a contract provider by June 30, 2009.

2. Overtime-Related Issues

Neither the DMH nor its operating facilities have established policies to limit the amount of overtime an employee is allowed to work. As a result, some DMH facility employees worked excessive amounts of overtime. In addition, a cost analysis has not been performed to determine whether hiring additional employees would be less costly than paying significant amounts of overtime to existing staff. Also, DMH overtime policies do not limit compensatory time balances to 80 hours for nonexempt direct care employees, as required by state law.

DMH operating facilities provide 24-hour, 7 days-per-week care. DMH officials indicated staffing requirements significantly impact the amount of overtime incurred, and most overtime has been paid to operating facility employees who provide direct care to department clients. Based on discussions with operating facility officials, it appears those officials have generally preferred to allow employees to volunteer to work overtime rather than mandating all employees work a specified amount of overtime when there are insufficient staffing levels. Most overtime paid by the DMH was at a rate of time and one-half. For the 3 years ended June 30, 2010, the DMH paid employees approximately \$47.8 million in overtime department-wide.

2.1 Overtime

During calendar year 2009, we noted over 40 habilitation center employees that received overtime payments in excess of, and in addition to, their regular pay. In addition, during the period from January 1, 2008, to June 30, 2010, the DMH paid approximately \$10.2 million in overtime to 527



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employees whose paid overtime was 50 percent or more of their regular salary. We determined that most of this paid overtime was incurred at four DMH facilities.

These four facilities, the number of employees who received 50 percent or more in overtime as compared to their regular salary, and the amount of overtime paid are presented in the following table.

DMH Operating Facility	Number of Employees	Overtime Paid
Marshall Habilitation Center	141	\$3,617,662
Bellefontaine Habilitation Center	106	2,763,000
St. Louis Developmental Disabilities Treatment Center	86	1,674,768
Fulton State Hospital	91	886,383
Total	424	\$8,941,813

As part of our review, we visited the Marshall Habilitation Center (MHC) and the Bellefontaine Habilitation Center (BHC) to determine the circumstances requiring overtime at those facilities and the procedures established at those facilities to control or limit the amount of overtime worked, and to review time records for selected employees. Our review disclosed the following concerns:

Lack of policy

Some employees at DMH operating facilities have worked an excessive amount of overtime. This situation has occurred because neither the DMH or the applicable operating facilities have established policies limiting the amount of overtime an employee is allowed to work.

During our visits to the MHC and the BHC we noted various instances in which employees were allowed to work an excessive amount of overtime, including the following examples:

- During calendar years 2008 and 2009, a developmental assistant I at the MHC worked a total of 6,075 hours of overtime (or an average of 253 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$98,874, compared to regular salary payments totaling \$45,030 during the same period. The employee incurred overtime by working a second part-time job at the facility, volunteering for second shifts, and working shifts on regularly scheduled days off. For the month of October 2009, time records indicate the employee worked 30 consecutive days, with the majority of those days being double shifts (16-hour days) resulting in a total of 266 hours of overtime during the month.



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- During calendar years 2008 and 2009, a developmental assistant I at the MHC worked a total of 3,868 hours of overtime (or an average of 161 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$62,432, compared to regular salary payments totaling \$46,458 during the same period. The employee incurred overtime by working a second part-time job at the facility and by volunteering to work second shifts. Considering his regular and part-time facility jobs, this employee was usually not scheduled for any days off during the week. For the month of October 2009, time records indicate the employee was off only 2 days during the month, with the employee working double shifts (16 hours) for 12 of these days, resulting in a total of 181 hours of overtime. In addition, the employee's personnel records indicate this employee was reprimanded in February 2007 for sleeping while on-duty. This employee worked 172 hours of overtime during that month.
- During calendar years 2008 and 2009, a developmental assistant II at the BHC worked a total of 3,561 hours of overtime (or an average of 148 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$65,168, compared to regular salary payments totaling \$54,264 during the same period. For the month of November 2009, time records indicate the employee worked every day of the month, and worked 14 hours all but 3 days. In total, the employee worked 248 hours of overtime during November 2009.
- During calendar years 2008 and 2009, a developmental assistant I at the BHC worked a total of 3,750 hours of overtime (or an average of 156 hours of overtime per month). This employee's overtime pay during these 2 years totaled \$53,967, compared to regular salary payments totaling \$42,696 during the same period. For the month of November 2009, time records indicate the employee was off only 5 days, and worked double shifts (16 hours) for all but 2 of the days worked. In total, the employee worked 235 hours of overtime during November 2009.

Officials at the MHC and BHC indicated that while overtime was mandated in some instances at both facilities, most of the overtime hours worked at these two facilities was performed by employees who volunteered to do so. The facility officials indicated this overtime practice has contributed to improved employee morale, by allowing those employees who wish to work overtime to do so, while not generally requiring other employees to work significant amounts of overtime.

Employees working excessive amounts of overtime could compromise the health and safety of both clients and themselves by increasing the risk of medical errors, accidents, injuries, poor performance, and other problems. A report issued by the U.S. Department of Justice regarding an investigation of



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the DMH Northwest Habilitation Center in August 2007 recommended the facility minimize the use of overtime as "staff who frequently work overtime can grow tired and impatient, which can lead to lapses in adequate supervision." In addition, top DMH officials at central office agreed that excessive overtime could result in safety concerns.

While the officials at the MHC and BHC indicated the quality of care provided to clients was not affected by the significant amounts of overtime incurred, a formal policy should be established to set reasonable limits on the amount of overtime an employee is allowed to work during a specified period(s).

Cost analyses

Neither the DMH central office nor its facilities have performed cost analyses or studies to determine whether hiring additional employees would be more cost effective than paying significant amounts of overtime to existing staff. While some officials at both central office and the facilities visited believed that it is less costly to pay overtime to existing employees than to hire additional staff, they could not provide any cost analyses or other documentation to support this position.

While the DMH officials agreed that hiring additional staff could help to address staffing issues, they indicated hiring additional employees can be difficult. They indicated that difficulties in recruiting, hiring, and retaining employees at the MHC and BHC has resulted in overtime by existing staff to cover vacant positions. Facility officials indicated hiring direct care employees is difficult because the applicant must meet certain requirements, such as a background check. In addition, BHC officials said the past announcement of plans to close the facility has impacted its ability to hire new employees. Similarly, MHC officials indicated recent operating changes at that facility have also affected hiring and retention.

Considering the significant amount of overtime incurred and paid at some operating facilities, a cost analysis or study should be performed to determine whether hiring additional employees would be more cost effective than paying overtime to existing staff. If it is determined that hiring more employees is the most cost effective alternative, the department should consider how it can address some of the difficulties faced by the operating facilities in hiring additional employees

2.2 Compensatory time balances

Section 105.935, RSMo, provides that at the beginning of each calendar year nonexempt direct care state employees are to be paid for any overtime hours earned and accrued under the Fair Labor Standards Act (FLSA) from the previous calendar year, though employees have the option of retaining up to 80 hours compensatory time at year end.



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In January 2010, we identified 153 nonexempt direct care employees at the various operating facilities were allowed to retain compensatory time in excess of the 80-hour limit. In total, these employees had accumulated a total of 4,941 hours in excess of the 80-hour limit, resulting in a liability of \$62,790. This is a result of the DMH Direct Care Overtime Payments policy, Department Operating Regulation (DOR) 6.197, not complying with state law. That policy allows direct care employees at DMH facilities to retain more than 80 hours of compensatory time, if desired by the employee and agreed to by the facility.

The DMH should review its policies regarding the payment of overtime and accrued compensatory time balances and ensure compliance with state law.

Recommendations

The Department of Mental Health:

- 2.1 Establish a policy to limit the amount of overtime an employee is allowed to work. In addition, a cost analysis should be performed to determine whether hiring additional employees would be more cost-effective than paying significant amounts of overtime to existing staff.
- 2.2 Ensure its overtime payment and accrued compensatory balances policies are in compliance with state law.

Auditee's Response

- 2.1 *The Division of Developmental Disabilities (DD) implemented a policy in December 2010 to monitor and limit overtime hours worked by habilitation center staff to no more than 24 hours of overtime in a pay period unless approved by the superintendent or his/her designee. The Division of Comprehensive Psychiatric Services (CPS) is also developing a policy to limit the amount of overtime that facility employees can work. Both divisions will prepare a cost analysis to determine if hiring additional employees is cost-effective and feasible given recruiting difficulties in DMH facilities.*
- 2.2 *DMH will revise Department Operating Regulation 6.197 to limit accrued compensatory time balances to 80 hours for non-exempt employees providing direct client care at DMH facilities. DMH will review compensatory balances currently exceeding 80 hours and coordinate with affected employees to reduce the balance to 80 hours by the end of the fiscal year through leave usage or paying off compensatory time.*



3. Complaint Investigations

Initial investigation inquiries were not always completed timely, nor were subsequent investigations always started in a timely manner by the Investigations Unit. In addition, in some cases investigators were granted additional time to complete investigations; however, investigations granted extensions were not always completed within the proposed timeframe.

In past audit reports (the most recent being Report No. 2005-62, *Protecting Clients From Abuse and Neglect*, issued in September 2005), we have reported problems with the DMH's investigation of complaints related to the abuse and neglect of department clients. Effective in April 2005, the Investigations Unit was reorganized as a centralized unit which operates out of the DMH central office.

Complaints of abuse and neglect are initially received in most instances by department regional offices or its Office of Consumer Affairs. These complaints are then reviewed by key DMH administrators in the three operating divisions, who may request the initiation of an investigation. All requests for an investigation are reviewed by the Investigations Unit Director or her designee. If an investigation request is accepted and an investigation is authorized, a priority level is assigned to the investigation.

Investigators within the Investigations Unit respond to these allegations of abuse and neglect (including the misuse of consumer funds or property), which may occur at state-operated facilities or community providers. The Investigations Unit performed investigations of approximately 633, 906, and 1,087 complaints in fiscal years 2010, 2009, and 2008, respectively. According to a DMH official, the recent decrease in investigations was the result, in large part, to changes in department regulations, including the elimination of one class of neglect and a redefinition of verbal abuse. These changes significantly reduced the number of abuse/neglect investigations conducted at state-operated facilities and community providers.

3.1 Initial inquiry

A review of 25 randomly selected investigations disclosed the initial inquiry into 4 (16 percent) of these complaints had not met the DMH 10 work-day criteria for timeliness. While regional offices provided explanations which might constitute good cause for the delay for two of the exceptions, such was not the case for the other exceptions noted. One of these inquiries took 20 business days to complete.

DOR 2.210, requires the district administrator's office, regional center director, or other department designee to initiate an inquiry, if necessary, to determine whether there is reasonable cause to believe that abuse or neglect had occurred. The inquiry shall be completed within a reasonable time, not to exceed 10 working days, unless for good cause shown additional time is needed.



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3.2 Initiation of investigation While significant recent improvements have been noted, the Investigations Unit did not always start investigations in a timely manner as defined by criteria established by that unit.

When a complaint investigation is assigned to an investigator, the investigation is to be initiated within specified timeframes based on the classification of the complaint. According to the unit procedures manual, investigation requests are to be classified as Priority 1 (critical), Priority 2 (high), or Priority 3 (medium), depending on the severity of the situation reported. The procedures manual has defined: Priority 1 cases as those which include death with reasonable suspicion of abuse or neglect including those receiving residential services where there is a suspected suicide or accidental death such as drowning or choking; or an incident meeting Priority 2 or 3 criteria where there is a substantial concern there may be a loss of physical evidence, loss of witnesses, consumers may be harmed if there is a delay, or any other circumstances that may warrant a quicker response. Priority 2 cases are defined as those which include a complaint or incident with reasonable suspicion of physical abuse, sexual abuse, Class I neglect or ICF/MR cases. Priority 3 cases are defined as those which include a complaint or incident with reasonable suspicion of verbal abuse, Class II neglect, or misuse of consumer funds/property.

The investigation is to be initiated immediately for Priority 1 cases, within 1 working day for Priority 2 cases, and within 5 working days for Priority 3 cases. Of the 633 complaints investigated during the year ended June 30, 2010, the Investigations Unit investigated 2 Priority 1 complaints, 226 Priority 2 complaints, and 405 Priority 3 complaints.

The table below discloses the number of investigations not started in a timely manner by the Investigations Unit during the fiscal years ended June 30, 2010, 2009 and 2008 (by priority code):

	2010	2009	2008
Priority 1	0	0	0
Priority 2	2	16	28
Priority 3	6	10	37

For fiscal year 2008, it was reported the investigation for one Priority 2 complaint and a Priority 3 complaint were not started for 25 or more business days. However, according to a DMH official, further review of one of these examples discovered the investigation was actually started timely, but not properly documented within the unit tracking system.

During fiscal years 2009 and 2010, fewer untimely investigations were noted and the number of days the investigation was delayed decreased. For fiscal year 2009 it was reported the initiation of the investigation for a Priority 2 complaint was untimely by 4 business days and a Priority 3



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complaint was untimely by 5 business days. For fiscal year 2010, no investigations were delayed more than 3 business days and according to department officials, 5 of the 8 untimely investigations were delayed due to weather conditions.

Delayed investigations may make it more difficult to determine whether an incident or violation actually occurred. The Investigations Unit should continue the recent improvements made in this area to ensure complaint investigations are started timely and justification for any unforeseen delays is adequately documented.

3.3 Preliminary reports

Investigations are generally expected to be completed within 30 working days after the investigation is initiated. Investigators may be granted additional time to complete the investigations, however, investigations granted extensions were not always completed within the proposed timeframe. Our review of 25 investigations noted 2 instances in which a preliminary report was issued and additional time was granted for the completion of the final report. However, in both of those instances, the investigations were not completed within the time of the extension granted. Those 2 investigations were not completed until 35 and 6 days after the extension dates, respectively.

DOR 2.205, allows the assigned investigator 30 working days to complete the investigative report. If the investigative report cannot be completed within this period of time, a preliminary report may be completed along with notice of additional time needed to complete the report. The preliminary report shall include a statement of the findings acquired during the period of the preliminary investigation, the reason for the need of additional time and the proposed completion date.

According to an Investigations Unit official, the proposed completion date as provided by the extension is not intended to be a "hard" date, and if this proposed date is not met, an additional extension is not required. The two exceptions noted above occurred prior to a November 2009 Investigations Unit directive advising unit supervisors to send email updates to involved parties (and copied to management officials of the unit) when a proposed completion date is not going to be met. The directive requires the supervisors apprise the involved parties of the additional delay along with an explanation and a revised proposed completion date. A copy of the email is to be printed and placed in the case file.

To ensure the timely completion of investigations, the Investigations Unit should consider requiring the proposed completion dates (as allowed by extensions) be met or require the investigators to receive documented approval for any additional time extensions granted.



Recommendations

The DMH ensure:

- 3.1 Initial complaint inquiries are completed within timeframes established by DMH regulations. If additional time is needed to complete the inquiry, any extension should be approved and adequately documented.
- 3.2 The Investigations Unit continue recent improvements in starting complaint investigations in a timely manner.
- 3.3 For investigations with preliminary investigation reports, the Investigation Unit require investigators to meet revised completion dates or request an additional extension.

Auditee's Response

- 3.1 *DMH agrees and will review policies with divisions to ensure that all complaint inquiries are completed by division personnel within timeframes established by DMH regulations and any approved extensions are documented.*
- 3.2 *The compliance rate for timely initiation of investigative fieldwork rose steadily from 94% in fiscal year 2008 to 98.7% in fiscal year 2010 even if investigations documented as delayed due to inclement weather are counted as delayed. If the five investigations documented as delayed due to inclement weather in fiscal year 2010 are excluded, the compliance rate increases to 99.5%. DMH agrees that starting fieldwork on investigations in a timely manner should continue to be a priority for the Investigations Unit.*
- 3.3 *We agree. The Director of the Investigations Unit issued a directive in November 2009 requiring Investigations Unit regional supervisors to send an email update to the appropriate DMH administrator when a proposed completion date was not going to be met. An explanation for the additional delay and a new proposed completion date should be documented. This process ensures that the supervisor is aware of and approves the time extension and documents the need for additional time to complete an investigation.*

4. Monitoring of BRIDGES Program Contract

The department did not adequately monitor a service contract involving expenditures in excess of \$320,000 during the 3 years ended June 30, 2010.

For over 9 years, the DMH, Division of Comprehensive Psychiatric Services (CPS), has contracted with a not-for-profit corporation to establish and implement the Building Recovery of Individual Dreams and Goals through Education and Support (BRIDGES) Program. DMH officials described the BRIDGES Program as a peer-to-peer education and support



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group program for adults who have a diagnosis of mental illness, and also told us the not-for profit corporation owns the exclusive rights to provide the program services in the state of Missouri. The DMH expended approximately \$108,600, \$108,600, and \$103,000 pursuant to this contract during the years ended June 30, 2010, 2009, and 2008, respectively.

The CPS did not properly monitor this contract to ensure the contract requirements were met or applicable services were actually provided. Specific performance requirements in the contract included the following provisions:

- Prior to the implementation of services, and annually thereafter, the contractor shall submit a work plan to the department for approval. The annual work plan was to include a staffing plan including key personnel, copies of the program curriculum, a list of support group sites, plans to monitor the related programming and the frequency and duration of education and support group sessions, and the plan for ensuring adequate management and oversight of the program.
- The contractor shall submit to the department a detailed plan to advertise and promote the program throughout the State of Missouri. The contractor was to develop ongoing communication with community mental health centers and advocacy groups to promote the program and utilize multiple methods of promotion and advertisement such as newsletters, brochures, and local media.
- The contractor shall submit written progress reports to the department on a monthly basis. The monthly progress reports were to include, but not limited to, the dates and locations of service delivery, the number of consumers receiving service, a summary of the accomplishments for each education and support group session, and copies of session materials.
- The contractor shall provide the department with written evaluations for each education and support group session. The written evaluations were to be completed by the persons conducting the education or support group sessions.

When we asked for documentation related to the above contract provisions, a CPS official indicated the required documentation had not been received or requested from the contractor in recent years. At the time of our review, the most recent contract documentation of this nature dated back to 2002.

As a result of this situation, it is apparent the CPS did not properly monitor the terms of this contract or ensure the services contracted were provided. While this is a unique services contract and we did not note similar problems with other service contracts, the DMH should ensure all contracts



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are properly monitored to provide assurance contract requirements are met and the services are provided.

After our initial discussions with CPS officials, an employee was assigned to work with the contractor to ensure all required documentation was provided as required. As of October 2010, we were told the contract with this service provider has been extended through June 30, 2011, to give DMH time to review the contract and consider other alternatives.

Recommendation

The DMH properly monitor service contracts to ensure the documentation required by contract provisions is submitted and reviewed, and the applicable services have been properly provided to consumers. The DMH should also determine whether benefits obtained continue to justify the related expenditures of service contracts.

Auditee's Response

The SAO reviewed numerous service contracts and found that the DMH did not properly monitor one of the contracts. The Division of Comprehensive Psychiatric Services (CPS) is now closely monitoring the BRIDGES contractor who has submitted monthly status reports as required and is working to comply with all contract requirements.

5. Payment of Operating Costs of the Governor's Office

Since January 1, 2009, the DMH has been requested to pay salary and other costs totaling \$50,400 related to operations of the Governor's Office, thus circumventing the appropriation process established by the General Assembly.

Beginning in calendar year 2009, the Governor's Office asked the DMH to fund, from DMH appropriations, a portion of the salaries of at least three Governor's Office staff. These employees were physically located in and supervised by the Governor's Office, and performed duties related to programs and functions of that office. While some of the activities performed by these employees were related to the DMH, it appears their primary job responsibilities were functions associated with the Governor's Office. Through June 30, 2010, the DMH paid approximately \$44,200 in salary costs related to these employees.

No documentation was provided to the DMH disclosing how the salary costs the DMH was asked to pay were determined. Therefore, it is questionable whether the portion of the salaries paid was a reasonable reflection of the work performed by the applicable employees for the DMH. If these employees were performing work primarily benefiting the Governor's Office, it appears their salaries should be paid from appropriations of that office.

In addition, the costs of some airplane flights of the Governor's Office were paid from DMH appropriations. From January 2009 through June 2010, the DMH paid approximately \$6,200 for various flights taken by the Governor



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or his staff. It appears very few of these flights included DMH officials or directly benefited the DMH (we did note one flight was related to autism legislation).

It does not appear appropriate for state agencies to bear the cost of such flights that provide no clear benefit to the applicable agencies. These funding practices distort the actual costs of operating the DMH and the Governor's Office.

Recommendation

The DMH work with the Governor's Office to discontinue the practice of using DMH appropriations to pay operating costs of the Governor's Office.

Auditee's Response

The Office of Administration, Division of Budget and Planning determines the allocation of salary and other expenses incurred by the Governor's Office for providing services to state departments. The Division of Budget and Planning informed DMH of its share of those expenses. Likewise, travel expenses benefitting state departments and their constituents are allocated to the departments. DMH believes the costs are an appropriate expense of the department.

Department of Mental Health

Office of Director

Organization and Statistical Information

The Department of Mental Health (DMH) was established by the Omnibus State Reorganization Act on July 1, 1974. State law provides three principal missions for the DMH: (1) the prevention of mental disorders, developmental disabilities, and substance abuse; (2) the treatment, habilitation, and rehabilitation of Missourians who suffer from those conditions; and (3) the improvement of public understanding and attitudes about mental disorders, developmental disabilities, substance abuse, and compulsive gambling.

The Mental Health Commission (the Commission) appoints the DMH director, with confirmation by the Senate; advises the director on all phases of DMH practices; advises the director in initiation, approval, and guidance of research projects and distribution of research funds; and assists the director in establishing, maintaining and reviewing plans, practices, rules and regulations, facilities, programs and services operated, funded or licensed by the DMH.

The Commission is composed of seven members. Commissioners are appointed to 4-year terms by the Governor, subject to confirmation by the Senate. Commission members at June 30, 2010, included:

Name	Position	Term Expires
David L. Vlach, M.D.	Chairperson	June 28, 2010 (1)
Kathy A. Carter	Secretary	June 28, 2013
Neva G. Thurston	Member	June 28, 2013
Patricia J. Bolster, M.D.	Member	June 28, 2010 (1)
Dennis H. Tesreau	Member	June 28, 2012
Joann M. Leykam	Member	June 28, 2011

(1) Continues to serve, until a successor is appointed.

Note: The remaining Commission member position was vacant at June 30, 2010.

The Commission, by law, must include an advocate of community mental health services, a physician who is an expert in the treatment of mental illness, a physician concerned with developmental disabilities, a member with business expertise, an advocate of substance abuse treatment, a citizen who represents the interests of consumers of psychiatric services, and a citizen who represents the interests of consumers of developmental disabilities services.

With the advice of the Commission, the director is responsible for the overall operations of the DMH, its operating divisions, support offices, 29 facilities, and central office. The director's duties include planning, supervising, and evaluating the provision of mental health services for Missourians affected by mental disorders, development disabilities, and substance abuse.



Department of Mental Health - Office of Director
Organization and Statistical Information

The DMH provides direct services to Missourians each year. These services are delivered by the Division of Alcohol and Drug Abuse, Division of Comprehensive Psychiatric Services, and the Division of Developmental Disabilities. Technical and administrative support is provided through the department Deputy Director's Office, Office of Administration, Office of Human Resources, Information Technology Services Division, Office of Public and Legislative Affairs, and Office of Transformation.

DMH makes services available through state-operated facilities and contracts with private entities, providers, and individuals. The state-operated psychiatric facilities include eight adult inpatient facilities, the Missouri Sexual Offender Treatment Center, and two children's psychiatric facilities. In addition, six habilitation centers and eleven regional offices serve individuals with developmental disabilities. The DMH also purchases services from a variety of privately-operated programs statewide through approximately 1,600 contracts managed annually by the DMH. The Division of Alcohol and Drug Abuse purchases services from a network of community providers, with one exception of one state-operated facility in Kansas City.

DIVISION OF ALCOHOL AND DRUG ABUSE (ADA)

The ADA plans and funds prevention, treatment, and rehabilitation programs for persons suffering from substance abuse. It provides prevention, outpatient, residential, and detoxification services through community-based programs, community mental health centers, and state-operated facilities.

The ADA provides technical assistance to these agencies and operates a certification program which sets standards that community treatment agencies must meet to qualify for the state contracts. In addition, the ADA provides services through a network of contractors who operate treatment facilities. The ADA monitors these providers and their treatment staff, who must meet state certification standards.

The ADA provides a variety of programs, including: clinical treatment, CSTAR (the Comprehensive Substance Treatment and Rehabilitation Program) services, outpatient treatment services to compulsive gamblers, substance abuse traffic offenders program (SATOP) services, and recovery support services.

In fiscal year 2010, the ADA served approximately 75,877 consumers.

DIVISION OF COMPREHENSIVE PSYCHIATRIC SERVICES (CPS)

The CPS offers programs for the prevention and treatment of mental illness. The services and programs offered by the CPS are provided through a system of state-operated facilities and private community-based programs.



Department of Mental Health - Office of Director
Organization and Statistical Information

The CPS provides an array of services, including evaluation, inpatient and outpatient care, psychiatric rehabilitation, housing, crisis services, and hospitalization as well as evaluation and treatment of persons committed by court order. Inpatient programs are primarily offered through state-operated facilities, such as state hospitals and mental health centers. Outpatient programs are offered by 25 administrative agents. Community placement programs provide housing and appropriate supervision for individuals in community locations, such as nursing homes and group homes. Eligibility for these services is determined through regional administrative agents designated by the CPS.

In fiscal year 2010, the CPS served approximately 4,138 consumers in state-operated facilities and provided community based services to approximately 72,695 individuals.

DIVISION OF DEVELOPMENTAL DISABILITIES (DD)

The DD (formerly the Division of Mental Retardation and Developmental Disabilities) treats persons with mental retardation, cerebral palsy, autism, epilepsy, learning disabilities related to brain dysfunction, and similar conditions. Such conditions must have been present before the age of 22. The division's primary mission is to help improve the lives of persons with developmental disabilities by ensuring programs and services are available to enable those persons to live independently and productively, given their individual needs and capabilities.

The DD achieves its mission through a statewide system of 11 state-operated offices that provide or purchase specialized services. These 11 regional offices located throughout the state form the framework for the system, backed by 6 habilitation centers which provide long and short-term residential care for more severely disabled persons. Also, the DD has contractual agreements and oversight responsibilities with programs and facilities funded, licensed, or certified by the DMH. Additionally, there are multiple county-based (Senate Bill 40) boards which provide further funding and services for consumers of this division.

In addition to providing assessment, case management, and other direct services, the 11 regional offices purchase a variety of residential care from community based vendors. The centers also provide day treatment and outpatient services for persons living at home or in residential placement.

In fiscal year 2010, the DD served approximately 694 consumers in state-operated facilities and provided community based services to approximately 31,405 individuals.

Keith Schafer, Ed.D., has served as Director of the DMH since February 2007 and continues in this position (he also previously served as Director

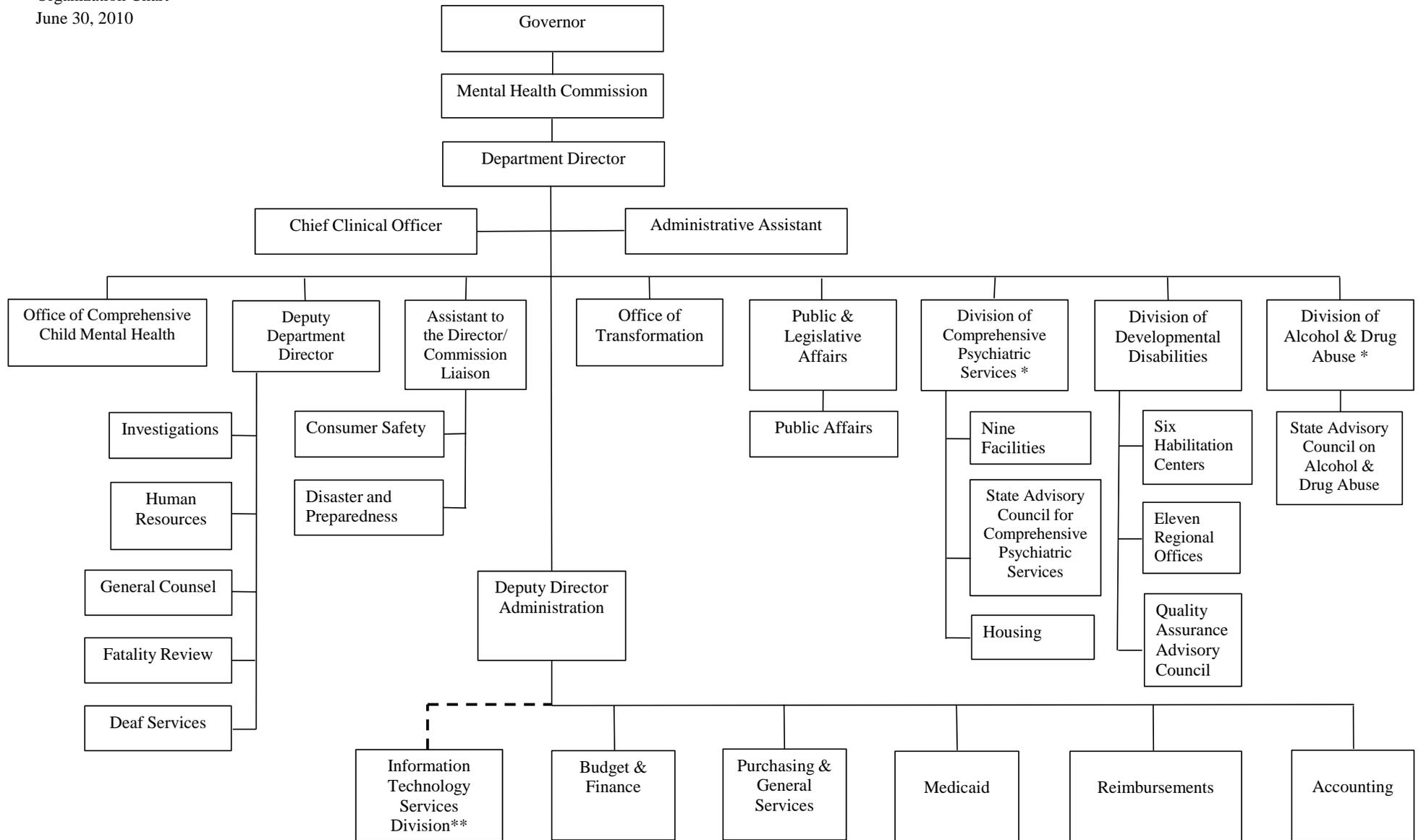


Department of Mental Health - Office of Director
Organization and Statistical Information

from 1986 to 1994). At June 30, 2010, the DMH had approximately 8,193 employees, with approximately 464 assigned to the Office of Director.

An organization chart follows:

Department of Mental Health
 Organization Chart
 June 30, 2010



* Effective November 1, 2009, the Director of Alcohol & Drug Abuse was appointed to a simultaneous 24-month Interim Comprehensive Psychiatric Services Director position to explore the feasibility and appropriateness of uniting these 2 divisions into a single division.

** These are Office of Administration employees assigned to the Department of Mental Health.

Appendix A-1

Department of Mental Health
Office of Director
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2010

	Department of Mental Health - Federal	Mental Health Interagency Payments Fund	Mental Health Intergovernmental Transfer Fund	Compulsive Gambler Fund *	Mental Health Housing Trust Fund	Mental Health Earnings Fund	ICF/MR Reimbursement Allowance Fund	Mental Health Trust Fund	DMH Local Tax Matching Fund	Consumer Banking Account **	Total (Memorandum Only)
RECEIPTS											
Medicare	\$ 6,666,471	0	0	0	0	0	0	0	0	0	6,666,471
Medicaid	172,153,103	0	4,700,016	0	0	0	0	0	0	0	176,853,119
Other federal receipts	444,243,292	0	0	0	0	0	0	0	0	0	444,243,292
Substance abuse traffic offender fee	0	0	0	0	0	4,439,405	0	0	0	0	4,439,405
Interest	0	0	0	0	815	17,636	643	54,775	0	0	73,869
Rentals/leases	0	0	0	0	0	844,575	0	0	0	0	844,575
Donations	0	0	0	0	0	0	0	627,712	0	0	627,712
County mental health programs	9	0	0	0	0	0	0	0	18,167,071	0	18,167,080
Consumer account deposits	0	0	0	0	0	0	0	0	0	63,969,288	63,969,288
Other	402,415	7,511,054	0	711	0	276,865	5,400,559	42,678	0	0	13,634,282
Total Receipts	623,465,290	7,511,054	4,700,016	711	815	5,578,481	5,401,202	725,165	18,167,071	63,969,288	729,519,093
DISBURSEMENTS ***											
Personal service	44,289,942	234,065	0	121,608	0	114,061	0	299,704	0	0	45,059,380
Employee fringe benefits	21,219,433	98,193	0	47,940	0	54,154	0	71,185	0	0	21,490,905
Supplies	1,429,690	226,634	0	1,842	0	3,070	0	118,640	0	0	1,779,876
Professional services	13,109,665	87,711	0	2,713	0	8,637	0	428,505	0	0	13,637,231
Property and improvements	2,919	543	0	0	0	0	0	60,388	0	0	63,850
Program distributions	508,353,663	4,008,690	4,699,321	361,261	0	5,165,761	0	0	11,193,136	0	533,781,832
Cost allocation plan	0	26,356	0	3,729	17	49,320	0	16,664	0	0	96,086
Consumer account withdrawals	0	0	0	0	0	0	0	0	0	64,595,064	64,595,064
Other	2,062,027	32,099	0	11,219	0	39,117	0	120,236	177,673	0	2,442,371
Total Disbursements	590,467,339	4,714,291	4,699,321	550,312	17	5,434,120	0	1,115,322	11,370,809	64,595,064	682,946,595
RECEIPTS OVER (UNDER) DISBURSEMENTS TRANSFERS	32,997,951	2,796,763	695	(549,601)	798	144,361	5,401,202	(390,157)	6,796,262	(625,776)	46,572,498
Transfers from:											
ICF/MR Reimbursement Allowance Fund	3,483,900	0	0	0	0	0	0	0	0	0	3,483,900
Proceeds of Surplus Property Fund	90	0	0	90	0	0	0	8,600	0	0	8,780
Budget Reserve Fund	0	0	4,699,321	0	0	0	0	0	0	0	4,699,321
Gaming Commission Fund	0	0	0	489,114	0	0	0	0	0	0	489,114
General Revenue Fund	0	0	0	0	0	0	0	1,338	0	0	1,338
Abandoned Fund Account	0	0	0	0	0	0	0	25,755	0	0	25,755
Transfers to:											
General Revenue Fund	(57,858,355)	0	0	0	0	0	(1,916,659)	0	0	0	(59,775,014)
OA Information Technology Federal Fund	(66,991)	0	0	0	0	0	0	0	0	0	(66,991)
Budget Reserve Fund	0	0	(4,700,016)	0	0	0	0	0	0	0	(4,700,016)
DMH Federal	0	0	0	0	0	0	(3,483,900)	0	0	0	(3,483,900)
Total Transfers	(54,441,356)	0	(695)	489,204	0	0	(5,400,559)	35,693	0	0	(59,317,713)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	(21,443,405)	2,796,763	0	(60,397)	798	144,361	643	(354,464)	6,796,262	(625,776)	(12,745,215)
CASH AND INVESTMENTS, JULY 1, 2009	47,887,599	1,328,543	0	271,062	4,714	1,135,140	263	4,200,831	1,855,939	7,714,079	64,398,170
CASH AND INVESTMENTS, JUNE 30, 2010	\$ 26,444,194	4,125,306	0	210,665	5,512	1,279,501	906	3,846,367	8,652,201	7,088,303	51,652,955

* Receipts for compulsive gambling are collected by and transferred from the Gaming Commission.

** The Department of Mental Health is responsible for the care and safekeeping of personal funds of DMH clients. This account is held in a bank account outside the state treasury. Receipts, disbursements, and balances presented reflect bank account activity.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to 1) employee fringe benefits, cost allocations, and leasing operations handled by the Office of Administration; 2) disbursements of \$91,845 made by the Department of Public Safety from the Compulsive Gambler Fund; and 3) disbursements made by various Department of Mental Health facilities.

Appendix A-2

Department of Mental Health
 Office of Director
 Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
 Year Ended June 30, 2009

	Department of Mental Health - Federal	Mental Health Interagency Payments Fund	Mental Health Intergovernmental Transfer Fund	Compulsive Gambler Fund *	Mental Health Housing Trust Fund	Mental Health Earnings Fund	ICF/MR Reimbursement Allowance Fund	Mental Health Trust Fund	DMH Local Tax Matching Fund	Consumer Banking Account **	Total (Memorandum Only)
RECEIPTS											
Medicare	\$ 6,567,100	0	0	0	0	0	0	0	0	0	6,567,100
Medicaid	136,727,297	0	7,630,885	0	0	0	0	0	0	0	144,358,182
Other federal receipts	406,642,527	0	0	0	0	0	0	0	0	0	406,642,527
Substance abuse traffic offender fees	0	0	0	0	0	4,433,276	0	0	0	0	4,433,276
Interest	0	0	0	0	3,031	30,269	263	116,245	0	0	149,808
Rentals/leases	0	0	0	0	0	223,740	0	0	0	0	223,740
Donations	0	0	0	0	0	0	0	733,117	0	0	733,117
County mental health programs	0	0	0	0	0	0	0	0	17,279,085	0	17,279,085
Consumer account deposits	0	0	0	0	0	0	0	0	0	61,293,936	61,293,936
Other	336,840	6,227,382	0	4,735	0	217,854	6,614,100	56,042	0	0	13,456,953
Total Receipts	550,273,764	6,227,382	7,630,885	4,735	3,031	4,905,139	6,614,363	905,404	17,279,085	61,293,936	655,137,724
DISBURSEMENTS ***											
Personal service	22,497,871	0	0	121,507	0	114,061	0	221,843	0	0	22,955,282
Employee fringe benefits	9,621,708	13	0	44,377	0	49,245	0	58,964	0	0	9,774,307
Supplies	1,420,110	163,697	0	3,542	0	1,833	0	127,854	0	0	1,717,036
Professional services	11,235,901	4,207	0	4,102	3,250	13,022	0	289,562	0	0	11,550,044
Property and improvements	0	0	0	0	286,750	0	0	24,590	0	0	311,340
Program distributions	456,342,106	10,191,166	7,628,188	317,873	0	4,507,489	0	0	16,013,067	0	494,999,889
Cost allocation plan	0	29,091	0	3,171	5,184	51,242	0	182,737	0	0	271,425
Consumer account withdrawals	0	0	0	0	0	0	0	0	0	61,078,862	61,078,862
Other	1,966,768	91,390	0	10,811	0	41,359	0	247,103	0	0	2,357,431
Total Disbursements	503,084,464	10,479,564	7,628,188	505,383	295,184	4,778,251	0	1,152,653	16,013,067	61,078,862	605,015,616
RECEIPTS OVER (UNDER) DISBURSEMENTS	47,189,300	(4,252,182)	2,697	(500,648)	(292,153)	126,888	6,614,363	(247,249)	1,266,018	215,074	50,122,108
TRANSFERS											
Transfers from:											
ICF/MR Reimbursement Allowance Fund	4,164,134	0	0	0	0	0	0	0	0	0	4,164,134
Proceeds of Surplus Property Fund	463	0	0	0	0	0	0	0	0	0	463
Budget Reserve Fund	0	0	7,628,188	0	0	0	0	0	0	0	7,628,188
Gaming Commission Fund	0	0	0	523,017	0	0	0	0	0	0	523,017
General Revenue Fund	0	0	0	0	269,531	0	0	0	0	0	269,531
Abandoned Fund Account	0	0	0	0	0	0	0	1,411	0	0	1,411
DMH Local Tax Matching Fund	0	0	0	0	0	0	0	216,060	0	0	216,060
Mental Health Trust Fund	0	0	0	0	0	0	0	0	131,838	0	131,838
Transfers to:											
General Revenue Fund	(34,707,048)	0	0	0	0	0	(2,449,966)	0	0	0	(37,157,014)
OA Information Technology Federal Fund	(64,270)	0	0	0	0	0	0	0	0	0	(64,270)
Budget Reserve Fund	0	0	(7,630,885)	0	0	0	0	0	0	0	(7,630,885)
DMH Federal	0	0	0	0	0	0	(4,164,134)	0	0	0	(4,164,134)
DMH Local Tax Matching Fund	0	0	0	0	0	0	0	(131,838)	0	0	(131,838)
Mental Health Trust Fund	0	0	0	0	0	0	0	0	(216,060)	0	(216,060)
Total Transfers	(30,606,721)	0	(2,697)	523,017	269,531	0	(6,614,100)	85,633	(84,222)	0	(36,429,559)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	16,582,579	(4,252,182)	0	22,369	(22,622)	126,888	263	(161,616)	1,181,796	215,074	13,692,549
CASH AND INVESTMENTS, JULY 1, 2008	31,305,020	5,580,725	0	248,693	27,336	1,008,252	0	4,362,447	674,143	7,499,005	50,705,621
CASH AND INVESTMENTS, JUNE 30, 2009	\$ 47,887,599	1,328,543	0	271,062	4,714	1,135,140	263	4,200,831	1,855,939	7,714,079	64,398,170

* Receipts for compulsive gambling are collected by and transferred from the Gaming Commission.

** The Department of Mental Health is responsible for the care and safekeeping of personal funds of DMH clients. This account is held in a bank account outside the state treasury. Receipts, disbursements, and balances presented reflect bank account activity.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to 1) employee fringe benefits, cost allocations, and leasing operations handled by the Office of Administration; 2) disbursements of \$94,499 made by the Department of Public Safety from the Compulsive Gambler Fund; and 3) disbursements made by various Department of Mental Health facilities.

Appendix A-3

Department of Mental Health
Office of Director
Combined Statement of Receipts, Disbursements, and Changes in Cash and Investments
Year Ended June 30, 2008

	Department of Mental Health - Federal	Mental Health Interagency Payments Fund	Mental Health Intergovernmental Transfer Fund	Compulsive Gambler Fund *	Mental Health Housing Trust Fund	Mental Health Earnings Fund	Mental Health Trust Fund	DMH Local Tax Matching Fund	Consumer Banking Account **	Total (Memorandum Only)
RECEIPTS										
Medicare	\$ 5,634,820	0	0	0	0	0	0	0	0	5,634,820
Medicaid	144,162,899	0	6,205,659	0	0	0	0	0	0	150,368,558
Other federal receipts	355,793,527	0	0	0	0	0	0	0	0	355,793,527
Substance abuse traffic offender fees	0	0	0	0	0	3,966,293	0	0	0	3,966,293
Interest	0	0	0	0	4,224	44,107	244,227	0	0	292,558
Rentals/leases	0	0	0	0	0	223,740	0	0	0	223,740
Donations	0	0	0	0	0	0	769,723	0	0	769,723
County mental health programs	0	0	0	0	0	0	0	14,145,722	0	14,145,722
Consumer account deposits	0	0	0	0	0	0	0	0	58,514,379	58,514,379
Other	97,229	5,497,161	0	581	0	215,256	75,912	0	0	5,886,139
Total Receipts	505,688,475	5,497,161	6,205,659	581	4,224	4,449,396	1,089,862	14,145,722	58,514,379	595,595,459
DISBURSEMENTS ***										
Personal service	22,073,880	6,267	0	111,461	0	99,154	175,695	0	0	22,466,457
Employee fringe benefits	9,497,425	1,783	0	39,998	0	43,734	50,591	0	0	9,633,531
Supplies	1,325,350	194,367	0	2,084	0	1,550	272,368	0	0	1,795,719
Professional services	8,849,043	3,954	0	2,862	0	10,442	268,838	0	0	9,135,139
Program distributions	418,106,597	3,055,763	6,202,133	324,104	0	3,960,414	0	13,956,331	0	445,605,342
Cost allocation plan	0	50,424	0	3,544	1	53,935	146,738	0	0	254,642
Consumer account withdrawals	0	0	0	0	0	0	0	0	57,561,070	57,561,070
Other	1,534,921	89,731	0	11,799	0	40,858	237,502	0	0	1,914,811
Total Disbursements	461,387,216	3,402,289	6,202,133	495,852	1	4,210,087	1,151,732	13,956,331	57,561,070	548,366,711
RECEIPTS OVER (UNDER) DISBURSEMENTS	44,301,259	2,094,872	3,526	(495,271)	4,223	239,309	(61,870)	189,391	953,309	47,228,748
TRANSFERS										
Transfers from:										
Proceeds of Surplus Property Fund	1,697	0	0	0	0	0	0	0	0	1,697
Budget Reserve Fund	0	0	6,202,133	0	0	0	0	0	0	6,202,133
Gaming Commission Fund	0	0	0	512,369	0	0	0	0	0	512,369
Abandoned Fund Account	0	0	0	0	0	0	4,879	0	0	4,879
Mental Health Trust Fund	0	0	0	0	0	0	0	484,752	0	484,752
Transfers to:										
General Revenue Fund	(34,195,648)	0	0	0	0	0	0	0	0	(34,195,648)
OA Information Technology Federal Fund	(69,066)	0	0	0	0	0	0	0	0	(69,066)
Budget Reserve Fund	0	0	(6,205,659)	0	0	0	0	0	0	(6,205,659)
DMH Local Tax Matching Fund	0	0	0	0	0	0	(484,752)	0	0	(484,752)
Total Transfers	(34,263,017)	0	(3,526)	512,369	0	0	(479,873)	484,752	0	(33,749,295)
RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS	10,038,242	2,094,872	0	17,098	4,223	239,309	(541,743)	674,143	953,309	13,479,453
CASH AND INVESTMENTS, JULY 1, 2007	21,266,778	3,485,853	0	231,595	23,113	768,943	4,904,190	0	6,545,696	37,226,168
CASH AND INVESTMENTS, JUNE 30, 2008	\$ 31,305,020	5,580,725	0	248,693	27,336	1,008,252	4,362,447	674,143	7,499,005	50,705,621

* Receipts for compulsive gambling are collected by and transferred from the Gaming Commission.

** The Department of Mental Health is responsible for the care and safekeeping of personal funds of DMH clients. This account is held in a bank account outside the state treasury. Receipts, disbursements, and balances presented reflect bank account activity.

*** Disbursements on this statement will not agree to expenditures on Appendix C primarily due to 1) employee fringe benefits, cost allocations, and leasing operations handled by the Office of Administration; 2) disbursements of \$82,496 made by the Department of Public Safety from the Compulsive Gambler Fund; and 3) disbursements made by various Department of Mental Health facilities.

Appendix B

Department of Mental Health
 Office of Director
 Comparative Statement of Receipts
 General Revenue Fund - State

	Year Ended June 30,		
	<u>2010</u>	<u>2009</u>	<u>2008</u>
RECEIPTS			
Nursing home licensure fees	\$ 14,890	15,099	14,481
Medicaid match - Intermediate Care Facilities for the Mentally Retarded	5,595,266	4,006,549	1,230,719
United States Department of Agriculture breakfast & lunch program reimbursement	113,207	108,219	97,300
Estate recovery costs	100,122	130,845	188,648
Vendor refunds and other	8,099	25,109	48,633
Total Receipts	<u>\$ 5,831,584</u>	<u>4,285,821</u>	<u>1,579,781</u>

Note: The receipts noted above represent all receipts received by the DMH-Office of Director and deposited in the state's General Revenue Fund.

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
GENERAL REVENUE FUND									
Medication Cost Increases	\$ 11,272,508	10,881,281	391,227	11,005,524	10,721,038	284,486	10,130,145	10,130,145	0
Mental Health Leasing	2,264,873	1,716,693	548,180	2,839,837	2,004,628	835,209	2,264,088	2,001,090	262,998
Director's Office Personal Service	542,687	523,159	19,528	629,687	577,593	52,094	610,944	553,579	57,365
Adult Community Program Personal Service	56,250	24,982	31,268	98,530	96,841	1,689	236,496	236,496	0
Youth Community Program Personal Service	109,384	106,102	3,282	234,078	227,338	6,740	218,127	218,126	1
Homeless Mentally Ill	496,047	481,166	14,881	496,047	481,166	14,881	481,599	471,104	10,495
CPS Administration Personal Service	606,188	588,002	18,186	626,188	608,002	18,186	648,242	648,242	0
CPS Administration Expense & Equipment	100,231	45,758	54,473	173,058	151,403	21,655	162,905	162,905	0
Civil Commitment Legal Fees	774,099	774,099	0	774,099	774,089	10	774,099	726,390	47,709
Office Of Administration Civil Commitment Legal Fees	132,550	126,720	5,830	132,550	132,550	0	132,550	132,380	170
Forensic Support Services Personal Service	721,261	699,183	22,078	721,261	718,615	2,646	710,929	710,929	0
Forensic Support Services Expense & Equipment	79,173	36,776	42,397	79,173	76,798	2,375	70,946	70,946	0
ADA Adolescent Treatment	0	0	0	275,730	42,936	232,794	544,535	9,135	535,400
MRDD Administration Personal Service	1,721,902	1,543,938	177,964	1,792,729	1,740,995	51,734	1,749,932	1,749,932	0
MRDD Administration Expense & Equipment	89,749	76,414	13,335	168,404	162,501	5,903	162,994	158,404	4,590
Community Programs	8,152,315	6,289,047	1,863,268	8,152,315	6,777,359	1,374,956	7,701,790	7,701,790	0
Autistic Clients	9,446,176	9,446,176	0	10,446,176	10,446,176	0	7,456,919	7,456,919	0
ADA Treatment - Medicaid Match	6,234,957	6,234,957	0	6,216,375	6,216,375	0	5,786,695	5,786,693	2
Director's Office Expense & Equipment	37,611	14,655	22,956	65,580	54,998	10,582	67,608	67,606	2
ADA Treatment Services Expense & Equipment	3,886,486	3,673,909	212,577	2,412,895	2,412,895	0	2,405,237	2,405,237	0
Adult Community Program Expense & Equipment	398,591	311,325	87,266	558,311	486,036	72,275	392,842	385,750	7,092
Adult Community Program	45,368,304	42,776,562	2,591,742	46,161,273	43,537,980	2,623,293	42,378,091	42,333,623	44,468
Youth Community Program Expense & Equipment	82,087	61,421	20,666	77,179	66,182	10,997	89,265	89,265	0
Youth Community Program	13,772,943	13,379,621	393,322	14,203,507	14,203,507	0	13,879,753	13,879,753	0
Adult Community Programs - Medicaid Match	41,052,131	41,052,130	1	39,063,983	39,063,982	1	38,547,364	37,454,828	1,092,536
Youth Community Programs - Medicaid Match	9,610,427	9,610,425	2	8,825,563	8,825,562	1	8,245,776	8,245,765	11
Consumer & Family Direct Supports - Medicaid Match	9,066,650	9,066,650	0	0	0	0	0	0	0
Mental Health Institutional Facility Operations	13,326,847	13,038,668	288,179	13,866,006	13,677,385	188,621	0	0	0
ADA Administration Personal Service	1,007,911	909,318	98,593	1,113,345	1,113,345	0	1,068,542	1,068,542	0
ADA Administration Expense & Equipment	34,582	24,299	10,283	40,483	40,483	0	41,735	41,735	0
ADA Adolescent Medicaid	0	0	0	279,697	1,579	278,118	0	0	0
Mental Health State Owned	415,584	415,584	0	452,077	439,347	12,730	472,348	472,347	1
Prevention & Education Services Personal Service	25,973	23,895	2,078	25,973	25,973	0	9,676	9,676	0
Housing	300,000	152,488	147,512	300,000	291,000	9,000	0	0	0
MRDD Pool Program	50,000	48,000	2,000	50,000	48,500	1,500	50,000	50,000	0
ADA Treatment Services	22,292,077	21,020,020	1,272,057	22,305,167	22,050,815	254,352	21,386,959	20,930,471	456,488
ADA Treatment Services Personal Service	1,060,040	877,140	182,900	1,413,387	1,413,387	0	1,350,874	1,350,873	1
Healthcare Technology Expense & Equipment	723,350	660,681	62,669	783,350	759,849	23,501	283,350	188,924	94,426
Staff Training	727,288	368,010	359,278	764,360	370,643	393,717	788,000	421,966	366,034
School Based Mental Health Clinicians	0	0	0	0	0	0	900,000	899,999	1
Community 2000	502,732	487,650	15,082	502,732	502,732	0	338,442	338,442	0
Operational Support Personal Service	4,796,302	4,618,467	177,835	5,030,820	4,644,971	385,849	4,875,917	4,483,166	392,751
Operational Support Expense & Equipment	807,747	453,266	354,481	808,747	564,326	244,421	881,651	838,030	43,621
Refunds	77,603	77,048	555	49,217	32,820	16,397	77,629	67,190	10,439
Healthcare Technology Personal Service	60,000	60,000	0	0	0	0	0	0	0
Overtime Pay Personal Service	0	0	0	5,654,471	5,650,292	4,179	4,930,152	4,930,087	65
MRDD Community Programs Personal Service	647,367	595,578	51,789	647,367	625,299	22,068	984,258	931,470	52,788

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
MRDD Community Programs Expense & Equipment	44,036	35,770	8,266	44,036	38,648	5,388	338,368	328,213	10,155
Total General Revenue Fund	212,975,019	203,407,033	9,567,986	210,361,287	202,898,939	7,462,348	184,627,772	181,138,163	3,489,609
MENTAL HEALTH INTERAGENCY PAYMENTS FUND									
Division of Family Support Clients	5,443,549	3,072,524	2,371,025	0	0	0	0	0	0
Adult Community Program	1,272,400	936,166	336,234	377,050	338,820	38,230	0	0	0
CPS Adult Community Program Department of Corrections Collaboration	0	0	0	895,350	0	895,350	0	0	0
Refunds	100	0	100	0	0	0	0	0	0
Total Mental Health Interagency Payments Fund	6,716,049	4,008,690	2,707,359	1,272,400	338,820	933,580	0	0	0
FACILITIES MAINTENANCE RESERVE FUND									
DMH Operational Maintenance & Repair	0	0	0	1,856,962	1,856,961	1	5,300,000	1,718,036	3,581,964 *
Maintenance & Repair Facilities Maintenance Reserve	0	0	0	2,989,070	2,989,070	0	21,123,276	10,702,665	10,420,611 *
Roof Management	0	0	0	67,939	67,939	0	57,700	0	57,700 *
Energy Conservation Project	0	0	0	59	59	0	59	0	59 *
DMH Maintenance & Repair	8,937,799	0	8,937,799 *	0	0	0	0	0	0
Operational Maintenance & Repair	314,200	0	314,200 *	0	0	0	0	0	0
Total Facilities Maintenance Reserve Fund	9,251,999	0	9,251,999	4,914,030	4,914,029	1	26,481,035	12,420,701	14,060,334
MENTAL HEALTH INTERGOVERNMENTAL TRANSFER FUND									
Refunds	100	0	100	0	0	0	0	0	0
DMH Intergovernmental	8,000,000	4,699,321	3,300,679	8,000,000	7,628,188	371,812	8,000,000	6,202,133	1,797,867
Total Mental Health Intergovernmental Transfer Fund	8,000,100	4,699,321	3,300,779	8,000,000	7,628,188	371,812	8,000,000	6,202,133	1,797,867
DEPARTMENT OF MENTAL HEALTH - FEDERAL FUND									
ADA Adolescent Treatment	0	0	0	0	0	0	455,465	1,130	454,335
Mental Health Leasing	4,789	3,852	937	4,849	4,661	188	4,778	4,778	0
Director's Office Personal Service	37,358	36,479	879	37,358	25,583	11,775	36,673	25,435	11,238
Incentive and High Risk Expense & Equipment	2,821,412	2,220,503	600,909	2,821,412	2,820,463	949	2,821,412	2,821,412	0
Adult Community Program Personal Service	216,000	181,589	34,411	216,000	206,035	9,965	209,708	208,720	988
Youth Community Program Personal Service	178,307	178,209	98	106,467	105,913	554	103,366	99,597	3,769
Shelter Plus Care Grant	9,713,890	8,947,448	766,442	8,619,506	7,852,776	766,730	6,477,339	6,477,339	0
MRDD Community Programs Personal Service	184,788	178,493	6,295	184,788	129,403	55,385	822,126	798,671	23,455
MRDD Community Programs Expense & Equipment	41,776	41,776	0	41,776	41,776	0	341,776	61,741	280,035
Homeless Mentally Ill	800,000	762,047	37,953	800,000	720,624	79,376	800,000	737,794	62,206
Revenue Maximization Contracts	1	0	1	20,001	20,000	1	45,757	45,754	3
CPS Administration Personal Service	604,287	588,827	15,460	604,287	597,400	6,887	586,686	525,049	61,637
CPS Administration Expense & Equipment	366,601	360,914	5,687	366,601	270,066	96,535	366,601	253,643	112,958
MRDD Administration Personal Service	303,009	302,525	484	303,009	263,833	39,176	294,183	262,121	32,062
MRDD Administration Expense & Equipment	63,881	63,881	0	63,881	63,881	0	63,881	59,625	4,256
Community Programs	7,982,726	7,817,893	164,833	7,482,726	816,064	6,666,662	7,315,726	1,580,863	5,734,863
Director's Office Expense & Equipment	76,223	14,510	61,713	76,223	7,881	68,342	76,223	18,757	57,466
DMH Federal Fund Expense & Equipment	1,794,378	341,047	1,453,331	1,794,378	803,554	990,824	1,794,378	755,470	1,038,908
ADA Treatment Services Expense & Equipment	3,079,750	1,663,275	1,416,475	646,412	348,939	297,473	646,412	210,244	436,168
Adult Community Program Expense & Equipment	1,792,633	731,135	1,061,498	1,792,633	893,925	898,708	1,792,633	628,816	1,163,817
Adult Community Program	18,650,923	12,518,098	6,132,825	14,598,646	9,523,866	5,074,780	14,062,396	9,921,489	4,140,907
Youth Community Program Expense & Equipment	1,113,607	20,411	1,093,196	1,113,607	23,856	1,089,751	1,113,607	30,005	1,083,602
Youth Community Program	2,696,148	1,263,300	1,432,848	2,696,148	1,427,878	1,268,270	2,696,148	1,081,071	1,615,077
Suicide Prevention Personal Service	24,892	8,460	16,432	24,892	13,626	11,266	24,167	19,674	4,493
ADA Administration Personal Service	903,597	775,395	128,202	853,949	617,929	236,020	813,938	645,702	168,236
ADA Administration Expense & Equipment	183,541	102,682	80,859	183,541	161,582	21,959	183,541	142,782	40,759
Prevention & Education Services	4,288,996	3,398,350	890,646	4,288,996	3,993,232	295,764	4,288,996	3,809,150	479,846

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,									
	2010			2009			2008			
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	
Staff Training	858,000	338,010	519,990	1,000,000	123,512	876,488	0	0	0	
ADA Adolescent Medicaid	0	0	0	469,130	2,622	466,508	0	0	0	
Mental Health State Owned	242,655	238,135	4,520	219,133	209,623	9,510	196,541	196,541	0	
Forensic Support Services Personal Service	4,094	4,094	0	4,094	4,093	1	0	0	0	
Medication Cost Increases	916,243	627,851	288,392	916,243	916,243	0	916,243	916,242	1	
Housing for Veterans	1,498,162	361,898	1,136,264	715,000	74,105	640,895	0	0	0	
Mental Health Transformation Grant Personal Service	726,856	501,501	225,355	726,856	514,525	212,331	705,685	551,250	154,435	
Mental Health Transformation Grant Expense & Equipment	2,060,214	1,332,585	727,629	2,060,214	1,547,259	512,955	2,060,214	1,003,983	1,056,231	
Healthcare Technology Expense & Equipment	1,716,650	1,184,725	531,925	1,716,650	1,227,427	489,223	1,716,650	0	1,716,650	
Substance Abuse Traffic Offender Program	407,458	259,817	147,641	407,458	237,004	170,454	407,458	204,955	202,503	
Prevention & Education Services Personal Service	360,406	312,073	48,333	360,406	330,559	29,847	360,405	294,774	65,631	
Prevention & Education Services Expense & Equipment	102,363	7,717	94,646	102,363	20,638	81,725	102,363	21,769	80,594	
Tobacco Investigations Personal Service	173,250	102,185	71,065	173,250	111,711	61,539	200,763	197,022	3,741	
Tobacco Investigations Expense & Equipment	103,622	37,666	65,956	103,622	43,590	60,032	103,622	58,513	45,109	
ADA Treatment Services	20,827,275	20,491,197	336,078	20,827,275	20,444,766	382,509	20,827,275	18,254,894	2,572,381	
ADA Treatment Services Personal Service	783,672	348,765	434,907	783,672	705,578	78,094	776,924	674,560	102,364	
MRDD Grant Personal Service	372,505	315,595	56,910	372,505	332,839	39,666	361,655	325,968	35,687	
MRDD Grant Expense & Equipment	1,187,593	815,751	371,842	1,187,593	714,988	472,605	1,187,593	929,979	257,614	
School Based Mental Health Clinicians	0	0	0	0	0	0	1,482,213	8,694	1,473,519	
Refunds	35,873	35,872	1	0	0	0	0	0	0	
Community 2000	2,059,693	1,659,063	400,630	2,059,693	1,622,569	437,124	2,059,693	1,918,000	141,693	
School Based Prevention	1,227,356	935,966	291,390	1,227,356	1,227,356	0	1,227,356	1,200,595	26,761	
Suicide Prevention Expense & Equipment	620,401	605,664	14,737	620,401	386,029	234,372	620,401	503,269	117,132	
Incentive & High Risk Personal Service	131,043	24,991	106,052	131,043	59,199	71,844	127,226	65,471	61,755	
System Enhancement of Youth Services Personal Service	0	0	0	0	0	0	8,818	2,561	6,257	
System Enhancement of Youth Services Expense & Equipment	0	0	0	0	0	0	731,802	61,861	669,941	
Operational Support Personal Service	670,037	652,255	17,782	741,877	726,005	15,872	719,822	694,130	25,692	
Operational Support Expense & Equipment	847,016	438,944	408,072	847,016	311,950	535,066	747,016	407,413	339,603	
DMH Intergovernmental	11,000,000	8,419,942	2,580,058	12,987,140	12,987,140	0	11,000,000	10,212,139	787,861	
ADA Federal Medicaid	22,985,930	20,312,434	2,673,496	20,886,567	17,811,840	3,074,727	19,305,613	15,852,723	3,452,890	
Adult Community Program Federal Medicaid	80,773,791	73,349,250	7,424,541	67,564,141	66,464,449	1,099,692	66,047,286	61,649,681	4,397,605	
Youth Community Program Federal Medicaid	21,358,949	18,612,797	2,746,152	18,647,314	16,357,739	2,289,575	18,321,739	14,832,617	3,489,122	
MRDD Federal Medicaid	303,218,966	303,218,966	0	275,092,985	275,092,984	1	247,473,688	247,473,687	1	
Access Recovery Grant Personal Service	156,900	156,893	7	156,900	156,702	198	152,329	136,567	15,762	
Access Recovery Grant Expense & Equipment	693,550	224,118	469,432	693,550	214,262	479,288	693,550	627,017	66,533	
Access Recovery Treatment	6,589,796	6,589,136	660	6,589,796	4,350,391	2,239,405	6,589,796	5,503,221	1,086,575	
Child System of Care Personal Service	140,773	85,493	55,280	140,773	79,465	61,308	136,673	72,013	64,660	
Child System of Care Expense & Equipment	184,615	48,997	135,618	184,615	76,303	108,312	184,615	55,490	129,125	
Child System of Care Program	5,165,301	3,069,962	2,095,339	7,165,301	2,891,175	4,274,126	7,165,301	3,772,771	3,392,530	
Substance Abuse Traffic Offender Program Personal Service	20,406	20,406	0	20,406	14,892	5,514	19,812	19	19,793	
DMH Federal Fund Personal Service	112,982	0	112,982	112,982	0	112,982	109,691	0	109,691	
Total Department of Mental Health - Federal Fund	548,257,909	508,261,813	39,996,096	497,757,406	460,146,278	37,611,128	463,085,747	419,907,221	43,178,526	
HEALTH CARE TECHNOLOGY FUND										
CPS Administration Expense & Equipment	0	0	0	3,825,000	0	3,825,000	0	0	0	
Mo HealthNet Mental Health Partnership Technology Initiative	0	0	0	1,250,000	1,250,000	0	1,250,000	1,250,000	0	
Technology Support for Data Enhancements for Community Providers	0	0	0	0	0	0	742,900	742,900	0	
Refunds	100	0	100	0	0	0	0	0	0	
Total Health Care Technology Fund	100	0	100	5,075,000	1,250,000	3,825,000	1,992,900	1,992,900	0	

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
COMPULSIVE GAMBLER FUND									
Compulsive Gambling Treatment	454,615	361,261	93,354	454,615	317,873	136,742	441,373	324,104	117,269
Compulsive Gambling Personal Service	39,936	39,936	0	39,936	39,934	2	38,773	38,773	0
Compulsive Gambling Expense & Equipment	5,194	3,526	1,668	5,194	4,194	1,000	5,194	5,194	0
Mental Health State Owned	2,027	1,862	165	1,677	1,598	79	1,467	1,467	0
Refunds	100	0	100	0	0	0	0	0	0
Total Compulsive Gambler Fund	501,872	406,585	95,287	501,422	363,599	137,823	486,807	369,538	117,269
HEALTH INITIATIVES FUND									
ADA Administration Personal Service	45,069	43,717	1,352	45,069	45,069	0	43,756	43,756	0
ADA Treatment - Medicaid Match	2,839,389	2,754,207	85,182	1,968,896	1,968,896	0	1,711,562	1,711,562	0
Mental Health State Owned	8,831	8,372	459	7,554	7,169	385	6,601	6,601	0
Community 2000	82,148	79,684	2,464	82,148	82,148	0	0	0	0
ADA Adolescent Treatment	0	0	0	5,445	4,093	1,352	0	0	0
ADA Treatment Services	3,235,791	3,137,181	98,610	4,194,285	4,194,285	0	3,824,652	3,824,651	1
Refunds	100	0	100	0	0	0	0	0	0
Substance Abuse Traffic Offender Program Personal Service	190,262	184,554	5,708	190,262	190,262	0	184,720	184,720	0
Substance Abuse Traffic Offender Program Expense & Equipment	51,204	51,204	0	51,204	48,784	2,420	51,204	37,564	13,640
Total Health Initiatives Fund	6,452,794	6,258,919	193,875	6,544,863	6,540,706	4,157	5,822,495	5,808,854	13,641
MENTAL HEALTH EARNINGS FUND									
Mental Health State Owned	5,066	4,656	410	4,195	3,995	200	3,567	3,289	278
Adult Community Programs	583,740	376,638	207,102	0	0	0	0	0	0
Substance Abuse Traffic Offender Program	4,789,151	4,789,123	28	4,331,651	4,295,883	35,768	3,870,639	3,870,489	150
ADA Administration Personal Service	114,061	114,061	0	114,061	114,061	0	100,060	99,155	905
ADA Administration Expense & Equipment	52,372	33,316	19,056	52,372	40,085	12,287	52,372	42,477	9,895
Refunds	12,876	12,852	24	0	0	0	0	0	0
Total Mental Health Earnings Fund	5,557,266	5,330,646	226,620	4,502,279	4,454,024	48,255	4,026,638	4,015,410	11,228
OFFICE OF ADMINISTRATION REVOLVING ADMINISTRATIVE TRUST FUND									
Maintenance & Repair Design & Construction Settlement	0	0	0	16,863	16,863	0	16,863	0	16,863
Total OA Revolving Administrative Trust Fund	0	0	0	16,863	16,863	0	16,863	0	16,863
INMATE REVOLVING FUND									
ADA Treatment Services	3,999,560	3,146,171	853,389	2,070,084	1,711,481	358,603	1,070,084	672,554	397,530
Methamphetamine Treatment	0	0	0	900,000	0	900,000	0	0	0
Refunds	100	0	100	0	0	0	0	0	0
Total Inmate Revolving Fund	3,999,660	3,146,171	853,489	2,970,084	1,711,481	1,258,603	1,070,084	672,554	397,530
HEALTHY FAMILIES TRUST FUND									
Prevention & Education Services Expense & Equipment	283,092	283,092	0	300,000	300,000	0	300,000	300,000	0
ADA Treatment - Medicaid Match	1,825,500	1,825,500	0	1,885,637	1,885,637	0	1,925,388	1,925,388	0
ADA Treatment Services	100,000	100,000	0	100,000	100,000	0	100,000	100,000	0
Refunds	100	0	100	0	0	0	0	0	0
Prevention & Education Services Personal Service	16,908	16,908	0	0	0	0	0	0	0
Total Healthy Families Trust Fund	2,225,600	2,225,500	100	2,285,637	2,285,637	0	2,325,388	2,325,388	0
DEBT OFFSET ESCROW FUND									
Refunds	70,000	13,431	56,569	70,000	0	70,000	70,000	0	70,000
Total Debt Offset Escrow Fund	70,000	13,431	56,569	70,000	0	70,000	70,000	0	70,000
MENTAL HEALTH TRUST FUND									
Law Enforcement and Judicial Training	0	0	0	266,235	0	266,235	266,235	0	266,235
Personal Service	427,464	299,704	127,760	827,464	221,843	605,621	803,362	175,695	627,667

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,								
	2010			2009			2008		
	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **	Appropriation Authority	Expenditures	Lapsed Balances **
Expense & Equipment	1,219,597	727,801	491,796	1,283,486	689,109	594,377	1,283,486	778,708	504,778
Refunds	100	0	100	0	0	0	0	0	0
Total Mental Health Trust Fund	1,647,161	1,027,505	619,656	2,377,185	910,952	1,466,233	2,353,083	954,403	1,398,680
DMH LOCAL TAX MATCHING FUND									
ADA Treatment - Medicaid Match	685,753	316,584	369,169	708,343	263,270	445,073	504,400	242,410	261,990
Adult Community Programs - Medicaid Match	233,596	0	233,596	241,291	120,000	121,291	239,200	86,702	152,498
Youth Community Programs - Medicaid Match	552,824	275,817	277,007	390,270	366,559	23,711	370,300	369,295	1,005
MRDD Community Programs - Medicaid Match	12,853,770	10,600,735	2,253,035	15,263,239	15,263,238	1	13,257,924	13,257,924	0
Refunds	177,675	177,673	2	0	0	0	0	0	0
Total DMH Local Tax Matching Fund	14,503,618	11,370,809	3,132,809	16,603,143	16,013,067	590,076	14,371,824	13,956,331	415,493
HOME & COMMUNITY-BASED DEVELOPMENTAL DISABILITIES FUND									
Developmental Disabilities Certification Fee	1,525,484	0	1,525,484	0	0	0	0	0	0
Total Home & Community-Based Developmental Disabilities Fund	1,525,484	0	1,525,484	0	0	0	0	0	0
FEDERAL BUDGET STABILIZATION - MEDICAID FUND									
Healthcare Technology Expense & Equipment	1,250,000	1,187,500	62,500	0	0	0	0	0	0
ADA Treatment Services	1,164,046	1,164,046	0	0	0	0	0	0	0
Adult Community Program	1,197,245	1,197,245	0	0	0	0	0	0	0
Youth Community Program	364,245	364,245	0	0	0	0	0	0	0
Total Federal Budget Stabilization - Medicaid Fund	3,975,536	3,913,036	62,500	0	0	0	0	0	0
FEDERAL STIMULUS - DMH FUND									
ARRA Grants	1,900,000	0	1,900,000	0	0	0	0	0	0
Total Federal Stimulus - DMH Fund	1,900,000	0	1,900,000	0	0	0	0	0	0
Total All Funds	\$ 827,560,167	754,069,459	73,490,708	763,251,599	709,472,583	53,779,016	714,730,636	649,763,596	64,967,040

* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for a biennial appropriation at the end of the fiscal year.

Appendix C

Department of Mental Health
 Office of Director
 Comparative Statement of Appropriations and Expenditures

** The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2010	2009	2008
General Revenue Fund			
Medication Cost Increases	\$ 391,227	284,486	0
Mental Health Leasing	0	835,168	0
Director's Office Personal Service	19,528	52,093	57,364
Adult Community Program Personal Service	31,268	1,688	0
Youth Community Program Personal Service	3,282	6,740	0
Homeless Mentally Ill	14,881	14,881	10,495
CPS Administration Personal Service	18,186	18,186	0
CPS Administration Expense & Equipment	54,473	21,655	0
Civil Commitment Legal Fees	0	0	47,709
Office Of Administration Civil Commitment Legal Fees	5,830	0	170
Forensic Support Services Personal Service	22,077	2,646	0
Forensic Support Services Expense & Equipment	42,397	2,375	0
ADA Adolescent Treatment	0	232,794	535,398
MRDD Administration Personal Service	177,964	51,734	0
MRDD Administration Expense & Equipment	13,335	5,903	4,590
Community Programs	1,863,268	1,374,956	0
Director's Office Expense & Equipment	22,956	10,582	0
ADA Treatment Services Expense & Equipment	212,577	0	0
Adult Community Program Expense & Equipment	87,266	72,275	7,092
Adult Community Program	2,591,742	2,623,293	44,468
Youth Community Program Expense & Equipment	20,666	10,997	0
Youth Community Program	393,322	0	0
Adult Community Programs - Medicaid Match	0	0	11
Western Missouri Mental Health Center Youth Services Expense & Equipment	200,586	0	0
Mental Health Institute	288,179	0	0
ADA Administration Personal Service	98,593	0	0
ADA Administration Expense & Equipment	10,283	0	0
ADA Adolescent Medicaid	0	278,118	1,092,536
Prevention & Education Services Personal Service	2,078	0	0
Housing	147,512	9,000	0
MRDD Pool Program	2,000	1,500	0
ADA Treatment Services	1,272,057	254,352	456,488
ADA Treatment Services Personal Service	182,900	0	0
Healthcare Technology Expense & Equipment	62,669	23,501	94,425
Staff Training	359,277	393,716	366,033
Community 2000	15,082	0	0
Operational Support Personal Service	177,835	385,848	392,751

Appendix C

Department of Mental Health
Office of Director
Comparative Statement of Appropriations and Expenditures

** The lapsed balances include the following withholdings made at the Governor's request:

	Year Ended June 30,		
	2010	2009	2008
Operational Support Expense & Equipment	354,481	244,421	43,620
MRDD Community Programs Personal Service	51,789	22,068	52,788
MRDD Community Programs Expense & Equipment	8,266	5,388	10,151
Total General Revenue Fund	9,219,832	7,240,364	3,216,089
Health Care Technology Fund			
CPS Administration Expense & Equipment	0	3,825,000	0
Total Health Care Technology Fund	0	3,825,000	0
Health Initiatives Fund			
ADA Administration Personal Service	1,352	0	0
ADA Treatment - Medicaid Match	85,182	0	0
Mental Health State Owned	265	222	0
Community 2000	2,464	0	0
ADA Adolescent Treatment	0	1,352	0
ADA Treatment Services	98,610	0	0
Substance Abuse Traffic Offender Program Personal Service	5,708	0	0
Total Health Initiatives Fund	193,581	1,574	0
Federal Budget Stabilization - Medicaid Fund			
Healthcare Technology Expense & Equipment	62,500	0	0
Total Federal Budget Stabilization - Medicaid Fund	62,500	0	0
Total All Funds	\$ 9,475,913	11,066,938	3,216,089

DMH Department of Mental Health
ADA Division of Alcohol & Drug Abuse
CPS Division of Comprehensive Psychiatric Services
MRDD Division of Mental Retardation & Developmental Disabilities (subsequently changed to Developmental Disabilities)

Appendix D

Department of Mental Health
Office of Director
Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2010	2009	2008	2007	2006
Salaries and wages	\$ 15,197,407	15,720,645	15,331,034	14,783,296	18,365,551
Travel, in-state	713,352	793,936	775,018	770,569	674,425
Travel, out-of-state	80,264	114,881	124,049	127,726	71,543
Fuel and utilities	4,129	4,567	4,852	5,002	4,366
Supplies	322,573	394,969	431,081	399,883	565,516
Professional development	142,599	253,623	411,702	191,879	249,842
Communication services and supplies	269,503	259,138	236,673	252,010	965,264
Services:					
Health services	18,591,789	17,163,193	14,179,136	11,491,652	10,380,774
Janitorial	13,865	14,031	12,947	11,793	11,045
Maintenance and repair	57,538	53,737	57,339	119,331	884,378
Other professional	4,633,118	4,392,425	4,809,103	3,382,359	5,827,053
Equipment:					
Computer	6,949	7,151	109,121	7,495	2,962,194
Office	887	51,029	37,763	58,365	31,678
Other	8,136	7,480	27,686	19,509	45,189
Property and improvements	1,440	12,000	326,061	440,428	49,646
Real property rentals and leases	13,634,846	14,596,582	780,912	839,049	97,939
Equipment rental and leases	30,898	8,808	4,394	4,232	18,623
Miscellaneous expenses	114,509	146,663	94,592	105,443	65,971
Refunds	240,860	47,557	7,322	18,953	98,734
Program distributions:					
Payments for mental health services	287,449,883	283,042,517	287,065,687	274,667,806	264,359,411
Medicaid match	51,802,129	41,944,070	9,254,001	7,548,575	9,340,038
Other	229,691	228,137	286,043	387,008	422,790
Facility expenditures from allocations (1)	360,523,094	330,215,444	315,397,080	273,646,353	329,948,148
Total Expenditures	\$ <u>754,069,459</u>	<u>709,472,583</u>	<u>649,763,596</u>	<u>589,278,716</u>	<u>645,440,118</u>

(1) These amounts represent expenditures made by various departmental operating facilities from monies allocated to them from appropriations made to the Office of Director.

Appendix E

Department of Mental Health
Office of Director
Statement of Changes in General Capital Assets

	Balance July 1, 2007	Additions	Dispositions	Balance June 30, 2008	Additions	Dispositions	Balance June 30, 2009	Additions	Dispositions	Balance June 30, 2010
GENERAL CAPITAL ASSETS										
Equipment	\$ 1,584,129	57,103	(32,262)	1,608,970	24,558	(39,563)	1,593,965	7,910	(6,562)	1,595,313
Motor vehicles	315,645	0	(20,311)	295,334	0	(221,395)	73,939	0	(21,340)	52,599
Buildings	4,660,382	149,791	(1,555)	4,808,618	0	0	4,808,618	0	0	4,808,618
Land improvements	0	0	0	0	0	0	0	6,963	0	6,963
Total General Capital Assets	\$ 6,560,156	206,894	(54,128)	6,712,922	24,558	(260,958)	6,476,522	14,873	(27,902)	6,463,493

Note: The Department of Mental Health - Office of Director capital assets presented above do not include approximately \$13.6 million in computer equipment owned by the Office of Administration - Information Technology Services Division, but which is located and used at the DMH central office.