

South Carolina Health and Human Services Agencies: A Review of Non-Medicaid Issues

BACKGROUND

At the request of the General Assembly, we conducted an audit of the eight agencies assigned to the health, human services, and Medicaid budget subcommittee of the House Ways and Means Committee.

The requesters wanted to know whether changes in organizational structure would eliminate duplication and improve services. In addition, we reviewed the agencies' collection efforts, controls over client eligibility, and program outcome measures.

HEALTH AND HUMAN SERVICES AGENCIES REVIEWED

DEPT. OF ALCOHOL AND OTHER
DRUG ABUSE SERVICES
(DAODAS)
COMMISSION FOR THE BLIND
(SCCB)
DEPT. OF DISABILITIES AND
SPECIAL NEEDS
(DDSN)
DEPT. OF HEALTH AND
ENVIRONMENTAL CONTROL
(DHEC)
DEPT. OF HEALTH AND HUMAN
SERVICES
(DHHS)
DEPT. OF MENTAL HEALTH
(DMH)
DEPT. OF SOCIAL SERVICES
(DSS)
VOCATIONAL REHABILITATION
DEPARTMENT
(VR)



In our January 2003 report, we recommended that the General Assembly amend the law to consolidate the state's health and human service programs under the authority of a single cabinet secretary. This would eliminate duplication, allow more comprehensive planning and budgeting, and possibly reduce administrative costs. We also made recommendations concerning collections from clients for services, client eligibility controls, and improvement of performance measures. While the agencies have implemented some of our recommendations, none of the recommended changes to state law have occurred.

RESTRUCTURING HAS NOT OCCURRED

Our recommendations concerning restructuring of the health and human services agencies have not been implemented. In our review, we found that similar services are often provided by multiple agencies. We found that five of the eight agencies are not in the Governor's cabinet, and there is no single point of accountability for their performance.

We identified areas where similar services are provided by multiple agencies.

- Senior and long term care programs (DHHS, DSS, and DMH).
- Programs for emotionally disturbed children (DMH, DSS, and the Continuum of Care for Emotionally Disturbed Children).
- Addiction treatment services (DAODAS, DMH, and VR).
- Rehabilitative Services (SCCB and VR).

Although the General Assembly considered seven bills in the 2003-2004 session which addressed restructuring of health and human services agencies, none of the bills were enacted into law.

AREA AGENCIES ON AGING

One of our recommendations to the General Assembly called for legislation requiring the area agencies on aging to use competitive procurement to obtain services for seniors. Although the General Assembly did not act on this recommendation, subsequent to our audit, federal officials notified South Carolina that it was violating a federal requirement for competitive procurement of these services. The state office on aging has now implemented a compliance plan to procure senior services and plans to issue requests for proposals in January 2005.

LITTLE IMPROVEMENT IN CLIENT COLLECTIONS

Our 2003 audit found that both the Department of Mental Health community mental health centers and DHEC health services did not make adequate efforts to collect from clients. In FY 01-02, the DMH community mental health centers collected only 10% of private pay billings. In addition, although DHEC has several programs which require clients to pay if they can afford to, DHEC did not make a consistent effort to bill and collect amounts due. We recommended that both agencies use more aggressive collection measures, including the Department of Revenue's debt collection services. The Department of Revenue's Setoff Debt program withholds amounts owed from individual taxpayers' refunds. The Government Enterprise Accounts Receivable (GEAR) program is an enhancement of the Setoff Debt program and functions as a collection agent.

METHODOLOGY

We received information from the agencies to whom recommendations were directed in the report (DAODAS, DHEC, DMH, and DSS). We reviewed this and other information, interviewed officials and verified evidence supporting the agencies' information as appropriate.

FOR MORE INFORMATION

Our January 2003 full report, its summary, and this document are published on the Internet at

www.state.sc.us/sclac

LEGISLATIVE AUDIT COUNCIL
1331 Elmwood Ave., Suite 315
Columbia, SC 29201
(803) 253-7612

George L. Schroeder
Director

DEPARTMENT OF MENTAL HEALTH

In an effort to increase collections, DMH has worked to improve voluntary collections at the community mental health centers (CMHCs) and has hired a staff member at the central office to monitor center collections. DMH has continued to use the Setoff Debt program for inpatient accounts (see Table). Although the agency has offered the Setoff Debt program to all CMHCs, the Columbia area mental health center was the only one to submit claims. In 2003, DMH collected \$1,321 for the Columbia area mental health center. DMH officials stated they do not believe that Setoff Debt in the CMHCs is cost effective because the majority of the clients are unemployed or employed sporadically.

We found that DMH had begun a pilot program using the GEAR program for accounts that meet certain criteria. According to staff, DMH also made available to the CMHCs names of clients who were recently deceased in order for claims to be filed against estates.

DMH COLLECTIONS FROM DEPARTMENT OF REVENUE'S SETOFF DEBT PROGRAM		
YEAR	ACCOUNTS REFERRED	AMOUNT COLLECTED
2002	4,485	\$228,265.91
2003	4,380	\$79,053.29
2004	4,393	\$253,634.42

DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

Although DHEC did strengthen the agency's policy for writing off client balances, it has not required client income verification for many programs. Officials stated that income verification is not cost effective. Also, DHEC maintains its position that it does not want to deter clients from receiving health services that have public health ramifications. Although DHEC has included a provision for use of DOR's Setoff Debt program for health services in its collection policy, the agency has not yet used this program for health services.

PERFORMANCE MEASURES

In the 2003 audit, we reviewed performance measures in four health and human services agencies that provide direct client services — DMH, DHEC, DSS, and DDSN. The agencies' measures were generally based on national benchmarks. However, in three agencies, data from county or district offices was not always consistent. We found:

- DSS collected child welfare program information from the counties in an inconsistent manner.
- DMH did not have reliable cost information for treatment programs in the CMHCs.
- Performance data collected by DHEC from the health districts was not consistent and did not provide a clear picture of progress.

DSS generally implemented our recommendations. In 2003, DSS developed a comprehensive set of outcome measures for the agency with goals identified for each measure. A majority of these measures will be captured through DSS's automated system, which should improve consistency in data collection.

DMH officials report that they are in the process of implementing the recommendations regarding cost information for outpatient services. According to staff, they will be implementing a new program cost system and conducting an internal audit of the cost determination process at the CMHCs.

Based on information provided, DHEC has made data collection among the districts more consistent for infant mortality, the measure reviewed in the audit. In addition, quantitative data is now available by district, which allows for more meaningful comparisons.