

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 2.5
(ID # 22248)

MEETING DATE:
Tuesday, June 27, 2023

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

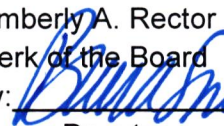
ACTION: Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 6/7/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: June 27, 2023
xc: Auditor- Controller

Kimberly A. Rector
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|-----------------------------|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| NET COUNTY COST | \$ 0.0 | \$ 0.0 | \$ 0.0 | \$ 0.0 |
| SOURCE OF FUNDS: N/A | | | Budget Adjustment: | No |
| | | | For Fiscal Year: | n/a |

C.E.O. RECOMMENDATION:

BACKGROUND:

Summary

We completed a follow-up audit of Riverside University Health System, Behavioral Health. Our audit was limited to reviewing actions taken as of February 16, 2023, to correct findings noted in our original audit report 2022-013 dated June 7, 2022. The original audit report contained four recommendations, all of which required implementation to help correct the reported findings.

Based on the results of our audit, we found that of the four recommendations:

- Three of the recommendations were implemented.
- One of the recommendations was not implemented.

For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-013 included as an attachment to this follow-up audit report or it can also be found at <https://auditorcontroller.org/divisions/internal-audit/reports>.

Impact on Citizens and Businesses

Provide an assessment of internal controls over the audited areas.

SUPPLEMENTAL:

Additional Fiscal Information

Not applicable

ATTACHMENTS:

A: Riverside County Auditor-Controller - Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit.

Internal Audit Report 2023-322

**Riverside University Health System
Behavioral Health
Follow-Up Audit**

Report Date: June 27, 2023



**Office of Ben J. Benoit
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800**

www.auditorcontroller.org



**COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER**

County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

ACC | **AUDITOR
CONTROLLER**
COUNTY OF RIVERSIDE

Ben J. Benoit
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

June 27, 2023

Dr. Matthew Chang
Director
Riverside University Health System, Behavioral Health
4095 County Circle Drive
Riverside, CA 92503

**Subject: Internal Audit Report 2023-322: Riverside University Health System,
Behavioral Health, Follow-up Audit**

Dear Dr. Chang:

We completed the follow-up audit of Riverside University Health System, Behavioral Health. Our audit was limited to reviewing actions taken as of February 16, 2023, to help correct the findings noted in our original audit report 2022-013 dated June 7, 2022.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that our objective, as described in the preceding paragraph, is achieved. Additionally, the standards require that we conduct the audit to provide sufficient, reliable, and relevant evidence to achieve the audit objectives. We believe the audit provides a reasonable basis for our conclusion.

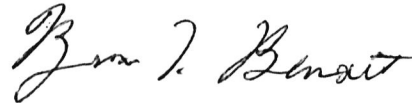
The original audit report contained four recommendations, all of which required implementation to help correct the reported findings. Based on the results of our audit, we found that of the four recommendations:

- Three of the recommendations were implemented.
- One of the recommendations was not implemented.

Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

Summary of the conditions from the original audit and the results of our review on the status of the implementation of the recommendations are provided in this report. For an in-depth understanding of the original audit, please refer to Internal Audit Report 2022-013 included at "Attachment A" of this audit report along with your department status letter as "Attachment B." You can also find the original audit report at <https://auditorcontroller.org/divisions/internal-audit/reports>.

We thank you and your staff for the help and cooperation. The assistance provided contributed significantly to the successful completion of this audit.



Ben J. Benoit
Riverside County Auditor-Controller



By: René Casillas, CPA, CRMA
Deputy Auditor-Controller

cc: Board of Supervisors
Jeff A. Van Wagenen, County Executive Officer
Dave Rogers, Chief Administrative Officer
Grand Jury

Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

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Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

Purchasing Processes

Finding 1: Purchase Orders

“We identified 144 of 7,578 instances, totaling \$12,469,942, where purchase orders were not in compliance with low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, we identified 24 of 1,578 instances, totaling \$320,949, where purchase orders were not in compliance with low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual* states, ‘low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts.’ The *Purchasing Policy Manual* further states, ‘attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the County in order to circumvent the limitations, is prohibited.’ Personnel was not fully aware of purchasing order limitations. The splitting of purchase orders circumvents requisitions and approving controls put in place to ensure compliance with county purchasing policies and mitigates risks of inappropriate purchasing practices. The splitting of purchase orders also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars.”

Recommendation 1.1

“Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County *Purchasing Policy Manual*.”

Current Status 1.1: Not Implemented

In our testing to verify compliance with the Riverside County *Purchasing Policy Manual*, we identified 81 of 1,806 instances, totaling \$8,608,126, where purchase orders were not in compliance with the per day, per vendor purchase authority limitations for contracted vendors. Additionally, we identified 20 of 787 instances, totaling \$147,953, where purchase orders were not in compliance with the per day, per vendor purchase authority limitations for non-contracted vendors. We emphasize the need to ensure compliance with county policy to mitigate the risks associated with this practice and to stay in alignment with the objectives the *Purchasing Policy Manual* is set to achieve.

Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

Management's Response

"Riverside University Health System - Behavioral Health (RUHS-BH) follows the Riverside County's purchasing policies and procedures. RUHS-BH utilizes Behavioral Health service providers to provide behavioral health services to residents throughout the County of Riverside. Service providers are required to submit their monthly invoices for services provided in the previous month by the fifth day of the following month and paid on a Net 30. Purchase Orders (PO) are generated as the approved invoices are received to draw funds from the PeopleSoft Contract. Many times, multiple invoices from the same service provider are submitted all at once. RUHS-BH Purchasing unit will create a PO for each one of these invoices. Although it may appear that purchases are being split because several POs were created with the same accounting date and for the same vendor, these invoices are in fact separate invoices provided under the same service contracts.

Invoice instances not in compliance with the purchase authority were primarily for service vendors that submit multiple invoices each month and are processed simultaneously. Individually, these invoices comply with purchasing authority, however, they appear to exceed authority limits once aggregated over a period of time. This invoicing practice occurs with RUHS-BH staffing contracts, where separate invoices are received for each provider working in the clinics, jails and hospital.

To resolve this issue RUHS will combine these invoices into a single PO and ensure the approving purchasing agent has the required purchasing authority levels. Implementation of this practice will include training of the purchasing staff and follow up monitoring by the material management Supervisor to ensure compliance with the purchasing policies and procedures. This will allow Behavioral Health to comply with the requirement and resolve this finding and thereby eliminating the appearance of circumvention."

Recommendation 1.2

"Ensure personnel with purchasing responsibilities are trained on the Riverside County Purchasing Policies."

Current Status 1.2: Implemented

Internal Audit Report 2023-322: Riverside University Health System, Behavioral Health, Follow-up Audit

Service to Community

Finding 2: Appointment Access Timing

“We identified 29 of 80 instances (36%) where an initial assessment appointment was not offered within timely access standards. The 29 instances that were identified were, on average, 6 days outside of the timely access standards, with the longest time past due being 19 days. Table B above summarizes CCR Title 28, § 1300.67.2.2 *Timely Access to Non-Emergency Health Care Services*, which lists various appointment types by need and by urgency and provides a standard that establishes a timeframe in which a behavioral health clinic must offer an initial assessment appointment date. Department staff were relying on the periodic reviews from the state over their compliance with the program requirements. Since state reviews did not address issues of noncompliance with program requirements, department continued its practice as needed to deliver the services. Not offering initial assessment appointments in a timely manner can result in critical patient mental health declines between date of first contact and date of initial assessment appointment.”

Recommendation 2.1

“Develop a process to maintain compliance with initial assessment appointment offerings set forth in state standards, and ensure it is reflected in the department’s internal written procedures.”

Current Status 2.1: Implemented

Recommendation 2.2

“Ensure personnel are properly trained and possess knowledge on the state standards relating to their functions.”

Current Status 2.2: Implemented

Attachment A

Internal Audit Report 2022-013

**Riverside University Health System,
Behavioral Health Audit**

Report Date: June 7, 2022



**Office of Paul Angulo, CPA, MA
Riverside County Auditor-Controller
4080 Lemon Street, 11th Floor
Riverside, CA 92509
(951) 955-3800**

www.auditorcontroller.org



**COUNTY OF RIVERSIDE
OFFICE OF THE
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County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

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CONTROLLER**
COUNTY OF RIVERSIDE

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

June 7, 2022

Dr. Matthew Chang
Director
Riverside University Health System, Behavioral Health
4095 County Circle Drive
Riverside, CA 92503

**Subject: Internal Audit Report 2022-013: Riverside University Health System,
Behavioral Health Audit**

Dear Dr. Chang:

In accordance with Board of Supervisors Resolution 83-338, we audited the Riverside University Health System, Behavioral Health to provide management and the Board of Supervisors with an independent assessment of internal controls over purchasing processes, service to community, controlled substance inventory monitoring, and system access controls.

We conducted our audit in accordance with the International Standards for the Professional Practice of Internal Auditing. These standards require that we plan and perform the audit to obtain sufficient, reliable, relevant and useful information to provide reasonable assurance that our objective as described above is achieved. An internal audit includes the systematic analysis of information to evaluate and improve the effectiveness of internal controls. We believe this audit provides a reasonable basis for our conclusion.

Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Management is responsible for establishing and maintaining adequate internal controls. Our responsibility is to evaluate the internal controls.

Our conclusion and details of our audit are documented in the body of this audit report.



**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

As requested, in accordance with paragraph III.C of the Board of Supervisors Resolution 83-338, management responded to each reported condition and recommendation contained in our report. Management's responses are included in the report. We will follow-up to verify that management implemented the corrective actions.

Paul Angulo, CPA, MA
Riverside County Auditor-Controller

By: René Casillas, CPA, CRMA
Chief Internal Auditor

cc: Board of Supervisors
Jeff A. Van Wagenen, Jr., County Executive Officer
Grand Jury

Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit

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**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Executive Summary

Overview

Riverside University Health System, Behavioral Health (Behavioral Health) provides treatment and support services to children, transition age youth, adults, and older adults with mental illnesses. Services include outpatient services, peer recovery services, residential care, juvenile hall, and medication programs throughout the county. Behavioral Health has a team of approximately 1,000 employees consisting of psychiatrists, clinicians, peer specialists, and paraprofessionals who serve over 45,000 individuals annually.

Behavioral Health has an adopted budget of \$563.9 million for FY 2021-22 and 2,097 authorized positions. *County of Riverside, Fiscal Year 2021-22 Adopted Budget Volume 1, 355.*

Audit Objective

Our objective is to provide management and the Board of Supervisors with an independent assessment about the adequacy and effectiveness of internal controls over purchasing processes and service to community. Internal controls are processes designed to provide management reasonable assurance of achieving efficiency of operations, compliance with laws and regulations, and reliability of financial and non-financial information. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Audit Scope and Methodology

We conducted the audit from October 28, 2021, through February 3, 2022, for operations from July 1, 2019, through January 26, 2022. Following a risk-based approach, our scope initially included the following:

- Controlled Substance Inventory Monitoring
- Purchasing Processes
- Service to Community
- System Access Controls

Through inquiry, observations, and limited examination of relevant documentation, it was determined through a risk assessment of the controlled substance inventory monitoring and system access controls, that the risk exposure to Behavioral Health associated with these processes are well mitigated with internal controls and are functioning as designed. Therefore, our audit scope focused on internal controls over purchasing processes and service to community.

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Audit Highlights

Summary of Existing Conditions

- Split purchases were identified in multiple purchase orders. Splitting purchase orders circumvents requisitions and approving controls put in place to ensure compliance with county purchasing policies and mitigates risks of inappropriate purchasing practices.
- There were instances where required initial assessment appointments were not offered in a timely manner. Not offering initial assessment appointments in a timely manner is non-compliant with state standards and can also result in critical patient mental health declines between date of first contact and date of initial assessment appointment.

Summary of Improvement Opportunities

- Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County Purchasing Policy Manual.
- Ensure personnel with purchasing responsibilities are trained on the Riverside County Purchasing Policies.
- Develop a process to maintain compliance with initial assessment appointment offerings set forth in state standards.
- Ensure personnel are properly trained and possess knowledge on the state standards relating to their functions.

Audit Conclusion

Based upon the results of our audit, we identified opportunities for improvement of internal controls relating to purchasing processes and service to community. Reasonable assurance recognizes internal controls have inherent limitations, including cost, mistakes, and intentional efforts to bypass internal controls.

Purchasing Processes

Background

Riverside County Purchasing and Fleet Services Department is responsible for implementing policies and procedures set forth in the Riverside County *Purchasing Policy Manual* (December 31, 2021). The Director of Purchasing is the Purchasing Agent for Riverside County and can delegate his/her authority to Riverside County staff with limitations that vary depending on the level of authority granted. See Table A for a purchasing authority delegation summary:

Table A: Purchasing Authority Delegation Summary

| Position | Purchase Order Authority | PO's Against PeopleSoft Contracts |
|-------------------------------------|-----------------------------|-----------------------------------|
| Low Value Purchase Authority (LVPA) | \$5,000 per day per vendor | \$25,000 per day per vendor |
| Buyer I | \$25,000 per day per vendor | \$100,000 per day per vendor |
| Buyer II | \$50,000 per day per vendor | \$100,000 per day per vendor |

Purchasing authority limitations will vary depending on whether purchases are made against county contracted vendors and non-county contracted vendors. "County staff may be granted LVPA upon successful completion of LVPO training. LVPA allows departmental staff the ability to issue purchase orders up to the amount of \$5,000 per day per vendor and issues purchase orders up the dollar value of \$25,000 against existing RivCoPro or PeopleSoft contracts" (*Purchasing Policy Manual, December 2021*).

Expenditures of \$5,000 or greater, require county departments to obtain a minimum of three written quotes from potential vendors to ensure the best use of taxpayer dollars. The *Purchasing Policy Manual* describes the splitting of purchase orders as follows, "Deliberate attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the county in order to circumvent the limitations, is prohibited and may result in disciplinary actions reduced or suspended purchasing authority."

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Objective

To verify the existence and adequacy of controls over department purchasing processes.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of county procurement policies and procedures.
- Interviewed key personnel regarding procurement processes.
- Obtained a listing of all purchase orders for Behavioral Health.
- Obtained a listing of all Behavioral Health staff with delegated purchasing authority.
- Analyzed department expenditure data for the audit period to determine whether there were instances of split purchase orders at the \$5,000 and \$25,000 limitations.

Finding 1: Purchase Orders

We identified 144 of 7,578 instances, totaling \$12,469,942, where purchase orders were not in compliance with low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, we identified 24 of 1,578 instances, totaling \$320,949, where purchase orders were not in compliance with low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual* states, "low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts." The *Purchasing Policy Manual* further states, "attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the County in order to circumvent the limitations, is prohibited." Personnel was not fully aware of purchasing order limitations. The splitting of purchase orders circumvents requisitions and approving controls put in place to ensure compliance with county purchasing policies and mitigates risks of inappropriate purchasing practices. The splitting of purchase orders also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars.

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Recommendation 1.1

Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County Purchasing Policy Manual.

Management's Response

"Partially Concur. Riverside University Health System – Behavioral Health (RUHS-BH) follows the Riverside County's purchasing policies and procedures. RUHS-BH has over 275 behavioral health related service contracts. RUHS-BH utilizes Behavioral Health service providers to provide behavioral health services to residents throughout the County of Riverside. Behavioral health services are procured through a formal bid or credentialing process and the agreements are approved by the Board of Supervisors. Many RUHS-BH service providers have multiple contracts for different types of behavioral health services and programs. For each service contract, a PeopleSoft contract is issued and approved by the appropriate Purchasing Agent based on his/her purchasing authority.

Service providers are required to submit their monthly invoices for services provided in the previous month by the fifth day of the following month and paid on a Net 30. Purchase Orders (PO) are generated as the approved invoices are received to draw funds from the PeopleSoft Contract. Many times, multiple invoices from the same service provider are submitted all at once. RUHS-BH Purchasing unit will create a PO for each one of these invoices. Although it may appear that purchases are being split because several POs were created with the same accounting date and for the same vendor, these invoices are in fact separate invoices provided under different service contracts.

Though prior year invoices were still being processed with individual POs per invoice, beginning July 1, 2020, RUHS-BH began issuing Blanket POs for its FY2020/2021 service contracts in compliance with the County Purchasing Manual in order to more efficiently process invoices for these already approved contracts.

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

The majority of the POs issued to non-contracted vendors were for the purchase of personal protective equipment (PPE). During the first year of the COVID-19 pandemic, PPE was extremely difficult to procure and when found, vendors limited the number of items per order. RUHS-BH did not have the space nor the staffing to receive and deliver orders to its many clinics. Vendors required separate POs in order to have products drop shipped to each clinic. Additionally, these POs were made under the Director of Emergency Services Emergency Procurement Order dated March 26, 2020, which suspended the competitive bidding process for necessary goods and services immediately needed in the County of Riverside's operations for the preservation of life and property during the existence of a Local Emergency in the County of Riverside regarding COVID-19. RUHS-BH Purchasing Agents did not deliberately issue separate POs in order to circumvent the formal bid process, rather, they did so out of necessity in in order to procure PPE to help keep employees and clients safe.

RUHS-BH identified several POs that were issued to vendors who had contracts in place; however, the Purchasing Agent did not link the PO to the PeopleSoft contract. Employees will be provided with additional training on the importance of linking POs to PeopleSoft contracts, thereby eliminating the appearance of circumvention."

Actual/estimated Date of Corrective Action: **April 30, 2022**

Auditor's Comment

Under any emergency event, adequate internal controls are necessary to safeguard county assets as it reduces the risk of error, misappropriation of assets, and unauthorized activities. All county operations should work under established Purchasing guidelines as each policy is created with an objective that ensures compliance with all applicable laws, regulations, procurement requirements, and to support the best interests of the County. If an operation cannot work within the guidelines, then the department should communicate with Purchasing for appropriate solutions. As indicated in our finding, at the time of our review, Behavioral Health circumvented low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors, and \$5,000 per day per vendor for expenditures against non-contracted vendors.

Recommendation 1.2

Ensure personnel with purchasing responsibilities are trained on the Riverside County Purchasing Policies.

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Management's Response

"**Concur.** County of Riverside Purchasing Department requires all employees with delegated purchasing authority to attend the monthly Countywide Buyer's Meeting. Those meetings were suspended in 2020 due to the COVID-19 pandemic but resumed once again in March of 2021. The Buyer's Meeting provide monthly announcement and procurement related training topics. RUHS-BH staff regularly attend these meetings."

Actual/estimated Date of Corrective Action: **Ongoing**

Internal Audit Report 2022-013: Riverside County University Health System, Behavioral Health Audit

Service to Community

Background

Timely access, or “appointment waiting time,” means the time from the initial request for behavioral health care services, by a beneficiary (patient/client) or the beneficiary’s treating provider, to the earliest date offered for the appointment for services. California Code of Regulations (CCR) Title 28, § 1300.67.2.2 *Timely Access to Non-Emergency Health Care Services* lists various appointment types by need and by urgency and provides a standard that establishes a timeframe in which a behavioral health clinic must offer an initial assessment appointment date. See Table B for a timely access standards summary:

Table B: Timely Access Standards Summary

| Appointment Type | Standard |
|---|---|
| Urgent care appointment for services that do not require prior authorization | Within 48 hours of the request for appointment, except as provided in CCR §1300.67.2.2(c)(5)(G) |
| Urgent care appointments for services that require prior authorization | Within 96 hours of the request for appointment, except as provided in CCR §1300.67.2.2(c)(5)(G) |
| Non-urgent appointments with specialist physicians (i.e., psychiatrists) | Within 15 business days of the request for appointment, except as provided in CCR §1300.67.2.2(c)(5)(G) and (H) |
| Non-urgent appointments with a nonphysician mental health care provider | Within 10 business days of the request for appointment, except as provided in CCR §1300.67.2.2(c)(5)(G) and (H) |
| Non-urgent appointments for ancillary services for the diagnosis or treatment of injury, illness, or other health condition | Within 15 business days of the request for appointment, except as provided in CCR §1300.67.2.2(c)(5)(G) and (H) |

Behavioral Health adopted Policy No. 267 *Access to Services (March 30, 2018)*, which summarizes that the department will follow the state standards listed above. Behavioral Health’s *Access to Services* policy details the following, “Behavioral Health [is] to provide all clients timely access to services. Client care shall always be in a manner appropriate for the nature of the client’s condition, consistent with good professional practice.”

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Objective

To determine if adequate internal controls are in place to ensure the department provides timely and quality service to the community.

Audit Methodology

To accomplish these objectives, we:

- Obtained an understanding of departmental policies and procedures.
- Researched state standards and best practices regarding timely access to care.
- Interviewed key personnel regarding assessment appointment scheduling processes.
- Obtained a listing of all Behavioral Health clients and their corresponding appointment dates and appointment types during the audit review period.
- Compared appointment waiting times to state standards.

Finding 2: Appointment Access Timing

We identified 29 of 80 instances (36%) where an initial assessment appointment was not offered within timely access standards. The 29 instances that were identified were, on average, 6 days outside of the timely access standards, with the longest time past due being 19 days. Table B above summarizes CCR Title 28, § 1300.67.2.2 *Timely Access to Non-Emergency Health Care Services*, which lists various appointment types by need and by urgency and provides a standard that establishes a timeframe in which a behavioral health clinic must offer an initial assessment appointment date. Department staff were relying on the periodic reviews from the state over their compliance with the program requirements. Since state reviews did not address issues of noncompliance with program requirements, department continued its practice as needed to deliver the services. Not offering initial assessment appointments in a timely manner can result in critical patient mental health declines between date of first contact and date of initial assessment appointment.

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Recommendation 2.1

Develop a process to maintain compliance with initial assessment appointment offerings set forth in state standards, and ensure it is reflected in the department's internal written procedures.

Management's Response

"Partially Concur. Riverside University Health System - Behavioral Health (RUHS-BH) on average meets timely access standards more than 80% of the time as evidenced by a recent Department of Health Care Services (DHCS) review where the department was found to be in compliance at a rate 91% with regard to timely access standards. During the time period that was being audited, the department faced challenges including staffing shortages, the COVID-19 pandemic, as well as ongoing inequities that exist in mental health funding formulas. This funding disparity has had serious repercussions for mental health services in Riverside County.

In addition, recent changes to Medi-Cal under the CalAIM waiver will no longer require behavioral health departments to offer an assessment as the first outpatient appointment. This will allow RUHS-BH to offer additional services that up until now were not able to be counted toward our 10-day timeliness standard. It is anticipated that this change will impact our system by decreasing wait times and increasing our timeliness percentage, even during times of staffing shortages. The changes will be documented in the department's internal written procedures."

Actual/Estimate Date of Corrective Action: **Ongoing**

Auditor's Comment

As previously stated, adequate internal controls are essential under any circumstance in an organization. We obtained a listing of Behavioral Health clients and their corresponding initial assessment dates for our audit period. For the randomly selected 80 clients, 29 clients (36%) were not offered an initial assessment within the timely access standards. The DHCS report provided only reviewed initial assessment offerings during a three-month period which covered a fraction of the audit review period. For random sampling to best represent the population, it is important that we include the entirety of the population that spans the audit review period.

Additionally, at the time in which the audit was conducted, there were no changes to Medi-Cal. Those changes were not implemented during the audit review period, so they have no effect on our audit methodology and results.

**Internal Audit Report 2022-013: Riverside County University Health System,
Behavioral Health Audit**

Recommendation 2.2

Ensure personnel are properly trained and possess knowledge on the state standards relating to their functions.

Management's Response

"**Concur.** Behavioral Health staff will be properly trained on state standards related to their functions and timeliness to services."

Actual/Estimate Date of Corrective Action: **Ongoing**

The following are the current status of the reported findings and planned corrective actions contained in Internal Audit Report 2022-013: Riverside University Health System, Behavioral Health (RUHS-BH) Audit.



Joe Zamora

2/16/2023

Authorized Signature

Date

Finding 1: Purchase Orders

"We identified 144 of 7,578 instances, totaling \$12,469,942, where purchase orders were not in compliance with low value purchase authority limitations of \$25,000 per day per vendor for expenditures against contracted vendors. Additionally, we identified 24 of 1,578 instances, totaling \$320,949, where purchase orders were not in compliance with low value purchase authority limitations of \$5,000 per day per vendor for expenditures against non-contracted vendors. The *Purchasing Policy Manual* states, "low value purchase authority allows departmental staff the ability to issue LVPOs up to the amount of \$5,000 per day per vendor and issues purchase orders up to the dollar value of \$25,000 against existing PeopleSoft Contracts." The *Purchasing Policy Manual* further states, "attempts to split orders, where the purpose is keeping total cost of each order down below bid limits, and failure to combine orders when practical for the best interest of the County in order to circumvent the limitations, is prohibited." Personnel was not fully aware of purchasing order limitations. The splitting of purchase orders circumvents requisitions and approving controls put in place to ensure compliance with county purchasing policies and mitigates risks of inappropriate purchasing practices. The splitting of purchase orders also circumvents the formal bid requirements designed to ensure the best use of taxpayer dollars."

Current Status

Reported Finding Corrected? Yes No

All recommendations have been implemented.

Recommendation 1.1

"Develop a process to maintain compliance with purchasing authority limitations set forth in the Riverside County Purchasing Policy Manual."

Management Reply

"Partially Concur. Riverside University Health System - Behavioral Health (RUHS-BH) follows the Riverside County's purchasing policies and procedures. RUHS-BH has over 275 behavioral health related service contracts. RUHS-BH utilizes Behavioral Health service providers to provide

 **Riverside
University
HEALTH SYSTEM**
Behavioral Health

behavioral health services to residents throughout the County of Riverside. Behavioral health services are procured through a formal bid or credentialing process and the agreements are approved by the Board of Supervisors. Many RUHS-BH service providers have multiple contracts for different types of behavioral health services and programs. For each service contract, a PeopleSoft contract is issued and approved by the appropriate Purchasing Agent based on his/her purchasing authority.

Service providers are required to submit their monthly invoices for services provided in the previous month by the fifth day of the following month and paid on a Net 30. Purchase Orders (PO) are generated as the approved invoices are received to draw funds from the PeopleSoft Contract. Many times, multiple invoices from the same service provider are submitted all at once. RUHS-BH Purchasing unit will create a PO for each one of these invoices. Although it may appear that purchases are being split because several POs were created with the same accounting date and for the same vendor, these invoices are in fact separate invoices provided under different service contracts.

Though prior year invoices were still being processed with individual POs per invoice, beginning July 1, 2020, RUHS-BH began issuing Blanket POs for its FY2020/2021 service contracts in compliance with the County Purchasing Manual in order to more efficiently process invoices for these already approved contracts.

The majority of the POs issued to non-contracted vendors were for the purchase of personal protective equipment (PPE). During the first year of the COVID-19 pandemic, PPE was extremely difficult to procure and when found, vendors limited the number of items per order. RUHS-BH did not have the space nor the staffing to receive and deliver orders to its many clinics. Vendors required separate POs in order to have products drop shipped to each clinic. Additionally, these POs were made under the Director of Emergency Services Emergency Procurement Order dated March 26, 2020, which suspended the competitive bidding process for necessary goods and services immediately needed in the County of Riverside's operations for the preservation of life and property during the existence of a Local Emergency in the County of Riverside regarding COVID-19. RUHS-BH Purchasing Agents did not deliberately issue separate POs in order to circumvent the formal bid process, rather, they did so out of necessity in order to procure PPE to help keep employees and clients safe.

RUHS-BH identified several POs that were issued to vendors who had contracts in place; however, the Purchasing Agent did not link the PO to the PeopleSoft contract. Employees will be provided with additional training on the importance of linking POs to PeopleSoft contracts, thereby eliminating the appearance of circumvention."

Actual/ estimated Date of Corrective Action: **April 30, 2022**

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

The appropriate RUHS-BH staff have received Buyer level training, including compliance of low value purchase authority limitations pursuant to the Riverside County Purchasing Policy Manual.

Recommendation 1.2

"Ensure personnel with purchasing responsibilities are trained on the Riverside County Purchasing Policies."

Management Reply

"**Concur.** County of Riverside Purchasing Department requires all employees with delegated purchasing authority to attend the monthly Countywide Buyer's Meeting. Those meetings were suspended in 2020 due to the COVID-19 pandemic but resumed once again in March of 2021. The Buyer's Meeting provide monthly announcement and procurement related training topics. RUHS-BH staff regularly attend these meetings."

Actual/ estimated Date of Corrective Action: **Ongoing**

Current Status

Corrective Action: Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

RUHS-BH staff attend the monthly Countywide Buyer's Meetings. In addition, all appropriate BH staff members were provided a copy of the Purchasing Manual and trained on authority levels. Additional Department training was implemented to go over expectations in depth and training will be ongoing, as needed.

Finding 2: Appointment Access Timing

"We identified 29 of 80 instances (36%) where an initial assessment appointment was not offered within timely access standards. The 29 instances that were identified were, on average, 6 days outside of the timely access standards, with the longest time past due being 19 days. Table B above summarizes CCR Title 28, § 1300.67.2.2 Timely Access to Non-Emergency Health Care Services, which lists various appointment types by need and by urgency and provides a standard that establishes a timeframe in which a behavioral health clinic must offer an initial assessment appointment date. Department staff were relying on the periodic reviews from the state over their compliance with the program requirements. Since state reviews did not address issues of noncompliance with program requirements, department continued its practice as needed to deliver the services. Not offering initial assessment appointments in a timely manner can result in critical patient mental health declines between date of first contact and date of initial assessment appointment."

Current Status

Reported Finding Corrected? Yes No

All recommendations have been implemented.

Recommendation 2.1

"Develop a process to maintain compliance with initial assessment appointment offerings set forth in state standards, and ensure it is reflected in the department's internal written procedures."

Management Reply

"**Partially Concur.** Riverside University Health System -Behavioral Health (RUHS-BH) on average meets timely access standards more than 80% of the time as evidenced by a recent Department of Health Care Services (DHCS) review where the department was found to be in compliance at a rate 91 % with regard to timely access standards. During the time period that was being audited, the department faced challenges including staffing shortages, the COVID-19 pandemic, as well as ongoing inequities that exist in mental health funding formulas. This funding disparity has had serious repercussions for mental health services in Riverside County.

In addition, recent changes to Medi-Cal under the CalAIM waiver will no longer require behavioral health departments to offer an assessment as the first outpatient appointment. This will allow RUHS-BH to offer additional services that up until now were not able to be counted toward our 10-day timeliness standard. It is anticipated that this change will impact our system by decreasing wait times and increasing our timeliness percentage, even during times of staffing shortages. The changes will be documented in the department's internal written procedures."

Actual/ estimated Date of Corrective Action: **Ongoing**

Current Status

Corrective Action: X Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

Under California's Medicaid reform (CalAIM) and consistent with W&I Code section 14184.402, mental health services can now be provided prior to an assessment for an unspecified amount of time if the services are deemed clinically appropriate and medically necessary. Furthermore, DHCS has clarified that the non-emergency timeliness standard (CCR Title 28, § 1300.67.2.2) only applies to a screening that identifies initial indicators of a beneficiary needs in order to make a determination for a referral to services. Specifically, the CSI Data Dictionary, which specifies how non-urgent timeliness is reported on the CSI Assessment Records, clarifies that an "assessment is considered any initial encounter used to establish eligibility". (CIS Data dictionary v 8 issued in Aug. 2022). It has been RUHS-BH' practice to immediately begin to assess for eligibility starting when a beneficiary requests services. RUHS-BH is in compliance with this requirement.

Recommendation 2.2

"Ensure personnel are properly trained and possess knowledge on the state standards relating to their functions."

Management Reply

"**Concur.** Behavioral Health staff will be properly trained on state standards related to their functions and timeliness to services."

Actual/ estimated Date of Corrective Action: **Ongoing**

Current Status

Corrective Action: X Fully Implemented Partially Implemented Not Implemented

Description of the corrective action taken (or pending action and estimated date of completion for planned corrective action that is partially or not implemented).

In July of 2022, the department implemented a learning management system to track staff's compliance with mandated trainings, including standards related to their functions and timeliness to services