

June 23, 2016

2015-131

Jennifer Kent, Director
Department of Health Care Services
1501 Capitol Mall, Suite 4510
Sacramento, California 95814

Dear Ms. Kent,

As I am sure you are aware, my office was recently informed that the Department of Health Care Services (department) provided incomplete data for an audit that my office is performing related to oversight and monitoring of psychotropic medications prescribed to foster children, and the availability and adequacy of other supportive services, such as mental health and behavioral health services that foster children are eligible to receive. This audit, requested by Senator McGuire and approved by the Joint Legislative Audit Committee, was intended to provide an independent, objective analysis of the use of psychotropic medications and the provision of other supportive services.

After nearly nine months of audit work—including site visits to four counties, analyses of dozens of boxes of hard-copy records for foster children at those counties, analyses of electronic data from your department and other auditees—and just eight days before we were scheduled to issue our final report, your department confirmed that it failed to provide all requested data. The department's omission and late disclosure that it failed to provide all the relevant data necessary for the analysis has now hindered the opportunity for a robust policy discussion within the Legislature on these important issues.

Because of its role in Medi-Cal (e.g., Medi-Cal claims for medication and for mental health services), on October 20, 2015, my staff asked the department for Medi-Cal data related to this audit, including fee-for-service, managed care, mental health services, and pharmacy data. In November 2015, my Information Technology audit staff worked with your department's audit coordinator to not only clarify the units in your department responsible for providing the mental health services data, but also to obtain this information. Furthermore, based on our review of the communication from your department, your staff acknowledged having all of the data my office requested and planned on providing it. Finally, my Information Technology audit staff confirmed at several points after the initial request for information that the department was, indeed, providing all relevant Medi-Cal data, including medications and services provided by county mental health plans, county managed care plans, and fee-for-service providers.

After conducting multiple analyses of the Medi-Cal data and completing visits to four counties, and as part of our quality control process, my audit team shared the draft results of our work with your department on Tuesday, May 3, 2016, including drafts of certain data tables. Although your staff raised certain concerns at this meeting about the numbers reflected on some of the data tables (e.g., some numbers seemed too high, some numbers seemed too low, etc.), we were given no indication that our results were the product of incomplete data. Moreover, it was not until nearly a month later, on June 2, 2016, and after receiving a draft copy of our audit report, that your department once again raised

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concerns about data in various tables and suggested that it may have failed to provide all relevant data for our analysis. In response to those concerns, my staff engaged in several conversations with your staff, and my staff even went so far as to share with your staff the billing codes we used as part of our analysis.

Despite these conversations, it was not until Friday, June 10, 2016, that my staff concluded from your staff's comments that the department had failed to provide all relevant data, as we had requested nearly nine months earlier. The following Monday, June 13, 2016—eight days before we were to issue our report—your department confirmed that it failed to provide the fee-for-service and managed care claims data that were included as part of our original data request.

As you know, when my office conducts audits, we strive to provide independent, accurate, and timely analyses that contribute to important public policy debate and decisions. I am sure you will agree that the results of this audit will provide the Legislature and the administration with analyses and recommendations to inform policy decisions regarding the use of psychotropic medications and the provision of other mental health services for foster children in California. While we appreciate the department's efforts to get the additional data to us promptly, its failure to provide all the data we originally requested will now require my office to conduct additional analyses of more than a billion electronic records and make any necessary changes to our report based on the revised analyses. Unfortunately, this further delays our ability to provide this important information to the Legislature and the public.

Sincerely,



ELAINE M. HOWLE, CPA
California State Auditor

cc: Honorable Freddie Rodriguez, Chair, Joint Legislative Audit Committee
Honorable Richard D. Roth, Vice Chair, Joint Legislative Audit Committee
Honorable Mike McGuire, Senator, State of California