



NEW YORK CITY DEPARTMENT OF

HEALTH AND MENTAL HYGIENE

Mary T. Bassett, MD, MPH

Commissioner

Oxiris Barbot, M.D.

First Deputy Commissioner

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May 13, 2016

Andrew A. SanFilippo

Executive Deputy Comptroller

Division of State Government Accountability

Office of the State Comptroller

110 State Street, 11th Floor

Albany, NY 12236

Dear Mr. SanFilippo:

Following the Office of the State Comptroller's issuance of the audit report on the Department of Health and Mental Hygiene's Administration of the contract (#225) with Center for Urban Community Services (CUCS), the Department of Health and Mental Hygiene ((DOHMH, we)

1. Determined once again that CUCS delivered all contracted services both measuring its output "level of services" and outcome. Thus, we will not recoup the \$1.05 million disallowed by the auditors.
2. As previously stated, DOHMH continues to disagree with the auditors' calculations and assumptions. We are also disappointed that the auditors did not correct the calculation errors that we identified and communicated to the auditors.
3. DOHMH contacted the NYS Office of Mental Health (OMH) requesting guidance on the expense methodology for supportive housing programs. During our communication, OMH officials acknowledged that the existing Consolidated Fiscal Reporting Manual (CFR) pre-dates the advent and expansion of supportive housing programs and thus does not cover the complexity of allocating direct care costs to the Supportive Housing model. We were told that OMH plans to update the CFR guidance to address these challenges faced by the supportive housing programs, however, a timeline was not provided.

We continue to monitor and oversee CUCS' expenses claimed to DOHMH. Our oversight continues to focus on both programmatic and fiscal compliance and controls. As previously stated, our oversight is robust and consists of three layers i) Program's specialists, ii) Office of Program Review and Evaluation's audits and iii) fiscal monitoring by our Claims Verification Unit. In addition to these controls, we also have independent public accounting firms perform a fiscal audit of CUCS' compliance with its contract with DOHMH.

Sara Packman, Assistant Commissioner of Audit Services, is the contact for the matters addressed in this report. If you require additional information she may be contacted at 347-396-6679 or via email at spackman@health.nyc.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Oxiris Barbot".

Oxiris Barbot, M.D.
First Deputy Commissioner

OB/mc

Attachment

cc: Sara Packman, Assistant Commissioner of Audit Services
Tony Hannigan, Executive Director, CUCS