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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

May 8, 2024

Ann Marie T. Sullivan, M.D.
Commissioner
Office of Mental Health
44 Holland Avenue
Albany, NY 12229

Re: Reporting of Community-Based
Services Under the Transformation
Reinvestment Plan
Report 2024-F-5

Dear Dr. Sullivan:

Pursuant to the State Comptroller's authority as set forth in Article V, Section 1 of the State Constitution and Article II, Section 8 of the State Finance Law, we have followed up on the actions taken by officials of the Office of Mental Health (OMH) to implement the recommendations contained in our initial audit report, *Reporting of Community-Based Services Under the Transformation Reinvestment Plan* (Report [2021-S-15](#)).

Background, Scope, and Objective

OMH's mission is to promote the mental health of all New Yorkers, with a particular focus on providing hope and recovery for adults with serious mental illness and children with serious emotional disturbances. OMH operates psychiatric centers across the State and regulates, certifies, and oversees more than 4,600 programs operated by local governments and non-profit agencies. OMH has sought to reduce the capacity at its inpatient facilities and provide services in lower-cost, more accessible community-based settings. To accomplish this, OMH developed the Transformation Reinvestment Plan (Plan) in 2014. The Plan aims to rebalance the agency's institutional resources by further developing and enhancing community-based services (CBS) in the State. Under the Plan, OMH reinvests funds realized through the closure of inpatient State beds (about \$110,000 per closed bed) into expanded CBS.

To document its oversight of reinvestments and services provided under the Plan, OMH prepares monthly reports compiled from data submitted by voluntary providers that received the funds. The monthly reports present a variety of data on where funds are reinvested geographically and for what services. Examples of CBS supported via the reinvestment funds include supported housing, mobile integration teams, various crisis services, and clinic expansion. One key piece of data on the monthly reports is known as "New Individual Served" (NIS). Measuring NIS helps demonstrate the expansion of services with the reinvested funds. According to OMH, since 2014 and continuing through December 2023, the State has allocated more than \$104.5 million in CBS from reinvestment funds, serving more than 146,500 individuals. Nearly \$19 million in additional reinvestment funds have also been directed across the State.

The objective of our initial audit report, issued October 26, 2022, was to determine whether OMH provided adequate reporting of CBS reinvestment funds under the Plan. The audit covered the period from April 2018 through February 2022. The audit identified certain inconsistencies with how the NIS data is collected—including how providers reported NIS for different services, the timing of reporting for certain services, and variations in the process used for reporting—which could impact the accuracy of the information included in the reports. While we determined OMH had developed processes to report on the funds reinvested in CBS under the Plan, we also identified opportunities for OMH to improve its communication and data collection to ensure greater accuracy of its reports documenting its oversight of Plan reinvestments. We also found that OMH could improve its reporting to show progress toward achieving targets supported through Plan reinvestments.

The objective of our follow-up was to assess the extent of implementation, as of January 2024, of the three recommendations included in our initial audit report.

Summary Conclusions and Status of Audit Recommendations

OMH officials have made some progress in addressing the issues we identified in the initial audit. Of the initial report's three audit recommendations, one has been implemented, one has been partially implemented, and one has not been implemented.

Follow-Up Observations

Recommendation 1

Issue updated guidance to providers and State facilities on how to identify and count a NIS.

Status – Implemented

Agency Action – In April 2023, OMH issued memorandums to providers, as well as to OMH staff who submit reports at State facilities, that included clarification and guidance on reinvestment program reporting of OMH reinvestment-funded programs. The guidance defined a NIS as “the total unduplicated number of individuals who received services for the first time by the reinvestment program during the reporting period.” It also clarified that NIS should be counted by “the number of individual people who were newly admitted/enrolled in that program during the reporting period who were not previously served by that program.”

Recommendation 2

Provide guidance or notes on the monthly reports indicating which services and counties report quarterly versus monthly and the associated impact to provide better context to readers of the reports.

Status – Partially Implemented

Agency Action – Starting with the January 2023 monthly report, OMH added a column to select schedules in the report that indicates which counties and services report quarterly versus monthly. While the addition of this column to the monthly reports allows readers to identify the applicable reporting schedule for each listed service and county, the monthly reports do not explain how the different reporting methods—namely, quarterly reporting—impact the data and can potentially mislead readers. As noted in the initial report, providers that report quarterly submit all NIS figures for the 3-month period in the

last month of the quarter. As a result, even though individuals may have been served during the first 2 months of a quarter, OMH's monthly reports for those months would reflect NIS figures of zero.

Recommendation 3

Include information on the monthly reports to clearly show progress toward achieving targets in the 11 reinvestment areas for the Plan.

Status – Not Implemented

Agency Action – OMH's website includes information on 16 major reinvestment service areas, including the 11 areas identified in the initial report. It also has a link to the monthly reports and a section, added in February 2024, titled "Monitoring Progress and Quality of Transformation Plan" that features links to both publicly available and non-publicly available program statistics. However, these statistics are not included in the monthly reports, do not address all the major reinvestment areas identified in the initial audit, and were not limited to results achieved using only Plan reinvestment funds.

Reiterating their response to the initial audit, OMH officials pointed out that the statistics identified in the initial audit were not "targets" but rather snapshots of accomplishments achieved using Plan reinvestment funds. OMH officials also stated they agree there is value in creating statistics that would be beneficial to those running the programs involved in the Plan; however, they believe the publicly available statistics on its website that focus on program-wide metrics, along with a comparison to state averages that include all funding sources, are sufficient.

While we acknowledge OMH's efforts to provide statistics valuable to program administration, the audit recommendation was geared toward providing readers of the report with information that would allow them to gauge how reinvestment funds were being utilized to achieve results within the major Plan reinvestment areas. As such, we do not believe the actions taken by OMH officials address the audit recommendation.

Major contributors to this report were Holly Thornton, Matthew Conway, and Jacqueline Keeys-Holston.

OMH officials are requested, but not required, to provide information about any actions planned to address the unresolved issues discussed in this follow-up within 30 days of the report's issuance. We thank the management and staff of OMH for the courtesies and cooperation extended to our auditors during this follow-up.

Very truly yours,

Scott Heid
Audit Manager

cc: Tarra Pratico, Office of Mental Health