



Mental Health Private Psychiatric Bed Funds

Tropical Texas Behavioral Health

Results in Brief

Why OIG Conducted This Inspection

News articles from March 2021 raised questions about contract oversight for mental health private psychiatric bed funds. As part of a series of inspections of local mental health authorities, the Texas Health and Human Services (HHS) Office of Inspector General Audit and Inspections Division (OIG Inspections) conducted an inspection of Tropical Texas Behavioral Health's (Tropical) use and oversight of funds provided to contracted entities to provide inpatient mental health services to eligible patients.

Summary of Review

The inspection objective was to determine whether Tropical used mental health private psychiatric bed funds in accordance with certain elements of the statement of work in its HHSC contract. The inspection scope covered the period from September 1, 2021, through August 31, 2022.

Background

Tropical is a local mental health authority (LMHA) contracted with the Texas Health and Human Services Commission (HHSC) to provide mental health services. In September 2021, Tropical signed a two-year contract with HHSC, which resulted in the allocation of \$5,576,336 in mental health private psychiatric bed funds for 2022.

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Key Results

Tropical contracted with three local mental health authorities (LMHAs) and three private psychiatric hospitals to provide inpatient mental health services. Tropical accurately paid all tested invoices, totaling \$424,375.

Of the 89 tested hospitalizations with the private psychiatric hospitals, Tropical paid \$41,875 for 28 continued stays for which the requests were not documented as required by its contracts with the hospitals. Tropical grants an initial authorization of three days when approving hospital admissions. If it is anticipated that the client will need more than three days of hospitalization, the hospital must submit a continued stay request to Tropical for authorization. Tropical did not establish controls to document evidence of advance approval of continued stay authorization requests that Tropical's utilization manager for the hospital made in real time. Not requiring its contractors to follow its authorization process could result in Tropical not having enough funds to pay for services provided.

Tropical paid \$163,125 for 32 tested hospitalizations arranged by contracted LMHAs without receiving all the documentation required by its contracts. Tropical asserted it waived the supporting documentation requirement to increase the efficiency and effectiveness of service provision.

While not a finding of noncompliance, Tropical also paid for services at a private psychiatric hospital without a fully executed contract with one hospital for the scope period. OIG Inspections noted this result as an opportunity for improvement.

Recommendations

Tropical should implement controls to document evidence of advance approval requests for continued stays and ensure its contractors follow the established process for authorizing continued stays at private psychiatric hospitals and should revise the requirements in future contracts with other LMHAs, when applicable.

Management Response

Tropical indicated all corrective actions would be implemented by March 2024.