



# Bluebonnet Trails Community Services

A Local Mental Health Authority Contracted  
with the Texas Health and Human Services Commission

## Results in Brief

### Why OIG Conducted This Audit

The Texas Health and Human Services (HHS) Office of Inspector General (OIG) Audit and Inspections Division (OIG Audit) conducted an audit of Bluebonnet Trails Community Services (Bluebonnet Trails). At least once every five years, OIG must conduct a performance audit of each local mental health authority (LMHA) in Texas.

The Texas Health and Human Services Commission (HHSC) paid Bluebonnet Trails \$25.7 million for mental health programs and services delivered during state fiscal year 2022, which covered the period from September 1, 2021, through August 31, 2022. Of the \$25.7 million, \$18.0 million was associated with the LMHA performance contract between HHSC and Bluebonnet Trails. During state fiscal year 2022, Bluebonnet Trails reported 186,782 mental health encounters for 16,778 individuals to HHSC.

### Summary of Review

The audit objective was to determine whether Bluebonnet Trails complied with selected state and contractual requirements.

The audit scope included mental health services at Bluebonnet Trails during the period from September 1, 2021, through August 31, 2022.

### Conclusion

Bluebonnet Trails Community Services (Bluebonnet Trails), a local mental health authority (LMHA), included required elements on mental health assessments and delivered services through qualified staff members.

However, Bluebonnet Trails did not comply with some requirements for conducting mental health assessments timely, financial assessments, recovery plans, level of care deviations, the Inpatient Care Waitlist, and private psychiatric hospitalizations.

### Key Results

Bluebonnet Trails included the assessment date and signature and credentials of the qualified LMHA staff member who performed the assessment on all 163 mental health assessments for routine care services tested. Additionally, for all 172 service notes reviewed, which were associated with one or more core services listed in the recovery plans, Bluebonnet Trails documented (a) the individual's progress or lack of progress in achieving recovery plan goals and (b) the signature and credentials of the qualified LMHA staff member that provided the service.

However, Bluebonnet Trails did not:

- Conduct 4 of 51 mental health assessments associated with screenings timely.
- Conduct or update financial assessments (a) during the audit scope for 11 of 141 individuals and (b) within required time frames for 9 of 141 individuals.
- Obtain the individual's signature on the financial assessments for 13 of 141 individuals.
- Develop a recovery plan for 2 of 158 mental health assessments.
- Have a recovery plan in effect before providing routine care services for 11 of 156 mental health assessments.
- Include all required elements on 95 of 156 recovery plans.

## Background

To deliver mental health services in Texas, HHSC contracts with 37 LMHAs. Each LMHA:

- Supports mental health services through planning, policy development, coordination, and resource allocation and development.
- Provides adults and children with assessment, crisis, intensive, and comprehensive services in a clinically appropriate manner.
- Incorporates jail diversion strategies to reduce involvement of the criminal justice system.

Bluebonnet Trails is the LMHA for eight Texas counties: Bastrop, Burnet, Caldwell, Fayette, Gonzales, Guadalupe, Lee, and Williamson.

## Management Response

Bluebonnet Trails partially agreed with the audit recommendations and indicated corrective actions would be implemented by October 2024.

- Cite an allowable reason as justification for deviating 4 of 25 individuals to a lower level of care.
- Inform one individual that their recommended level of care was higher than their authorized level of care.
- Document the information it provided to 12 of 17 individuals it deviated to a lower level of care.
- Add 9 of 36 individuals to the Inpatient Care Waitlist within one business day.

Additionally, Bluebonnet Trails:

- Paid \$21,875 for 35 days—associated with 13 individual hospitalizations—it denied or did not authorize.
- Paid \$120,625 to three hospitals for 193 days—associated with 19 individual hospitalizations—without an active contract in place.

## Recommendations

Bluebonnet Trails should:

- Conduct mental health assessments timely, as required by Texas Administrative Code.
- Strengthen its processes for conducting and updating financial assessments as required.
- Develop recovery plans before providing routine care services.
- Document all required elements on recovery plans.
- Follow TRRUMG requirements to review and authorize level of care deviations.
- Inform each individual about their recommended level of care.
- Discuss necessary information for each individual to make an informed decision and document the discussion.
- Not pay for services it denied or did not authorize.
- Review all HHSC-funded payments to identify and resolve any potential overpayments.
- Follow its policies and procedures for contracting with private psychiatric hospitals.

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