

**Memorandum**

NOV 25 1998

Date

From

for *Michael Mangano*
June Gibbs Brown
Inspector General

Subject

Review of the Center for Mental Health Services' Mental Health Clinical Training Program and Payback Requirements (CIN: A-15-97-80001)

To

Nelba Chavez, Ph.D.
Administrator
Substance Abuse and Mental Health
Services Administration

Attached is our final report entitled "Review of the Center for Mental Health Services' (CMHS) Mental Health Clinical Training Program (MHCT) and Payback Requirements." The objective of our audit was to determine whether the appointments and payback activities of clinical trainees provided financial support under the MHCT Program were adequately monitored by CMHS and its contractors.

Officials in your office generally concurred with our recommendations, set forth on page 7 of the attached report, and have taken or are in the process of taking corrective action. The Substance Abuse and Mental Health Services Administration's comments are presented as Appendix B to this report.

Within the next 60 days, we would appreciate your views and the status of any further action taken or contemplated on our recommendations. If you have any questions, please call Joseph J. Green, Assistant Inspector General for Public Health Service Audits, at (301) 443-3582.

To facilitate identification, please refer to Common Identification Number A-15-97-80001 in all correspondence relating to this report.

Attachment

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**REVIEW OF THE CENTER FOR
MENTAL HEALTH SERVICES' MENTAL
HEALTH CLINICAL TRAINING
PROGRAM AND PAYBACK
REQUIREMENTS**



**JUNE GIBBS BROWN
Inspector General**

**NOVEMBER 1998
A-15-97-80001**

EXECUTIVE SUMMARY

BACKGROUND

The Mental Health Clinical Training (MHCT) Program was established in 1948. Under the program, the Government awarded grants to public and nonprofit institutions and organizations to provide funding to individuals for graduate training or development in psychology, psychiatry, nursing, or social work. Since October 1992, the program has been administered by the Substance Abuse and Mental Health Services Administration (SAMHSA). For the appointment periods 1992 through 1996, SAMHSA's Center for Mental Health Services (CMHS) awarded over \$13 million in financial support to 851 clinical trainees. Generally, trainees are required to repay each month of financial support through an equal period of service to underserved mentally ill populations in public facilities. If a trainee fails to satisfy this service payback obligation, the trainee must repay the Federal Government three times the cost of the traineeship plus interest.

In the early 1990's, SAMHSA conducted several reviews and surveys of the MHCT Program. As a result of those reviews and surveys, administrative improvements were made to the program. For instance, with the assistance of a contractor (Kendrick & Company), SAMHSA developed and implemented an automated system to monitor and track program recipients. In addition, SAMHSA made regulatory changes that required immediate repayment of the cost of the traineeship upon the trainees' failure to perform required service and simplified the method of calculating interest for those in financial payback status.

In 1993, CMHS contracted with KRA Corporation (KRA) to monitor and track the appointments and payback activities of the trainees, as well as to complete the processing of files carried over from Fiscal Years 1981 through 1992. The CMHS contract with KRA ended November 30, 1996. Effective December 1996, CMHS contracted with Armstrong Data Services (ADS), Inc., to monitor and track the trainees' appointments and payback activities, as part of its efforts to improve the administration of the MHCT Program.

According to SAMHSA officials, the MHCT program has been highly successful in providing trained clinicians to underserved populations. The impact is evident across the disciplines and is directed toward priority populations. They stated that of approximately 7,000 persons trained, approximately 95 percent have completed or are in the process of completing the service required. The remaining trainees have either received waivers because of death or disability, or are in the process of completing financial payback. The SAMHSA officials believe that the payback service mechanism has been an effective way of encouraging newly trained mental health professionals to enter the public mental health system.

OBJECTIVE

We conducted our audit to determine whether the appointments and payback activities of clinical trainees provided financial support under the MHCT Program were adequately monitored by CMHS and its contractors.

SUMMARY OF FINDINGS

MONITORING CLINICAL TRAINEES' APPOINTMENTS AND SERVICE PAYBACK ACTIVITIES

The KRA did not adequately monitor the appointments and service payback activities for clinical trainees provided financial support from 1992 through 1996 and for trainees whose debts had been referred for collection and then canceled in 1996. The CMHS contract required KRA to monitor the trainees' appointments and service payback activities and identify for referral to the Health Resources and Services Administration (HRSA) for debt collection the trainees who did not satisfy their service payback obligation. It also required KRA to audit the service payback status of trainees in debt collection and report to CMHS and HRSA the current status. Because KRA did not properly identify and refer for debt collection trainees who defaulted on their payback services, collection action was not taken against 7 trainees. These trainees owed the Government \$263,370 and were liable for it unless they resumed and completed their service payback obligation.

RECOMMENDATIONS

We recommend that SAMHSA:

1. ensure ADS complies with the contract requirements;
2. request ADS to audit the status of the service payback activities of all trainees awarded financial support between 1992 and 1996; and
3. implement procedures to refer MHCT trainees, who default on their payback obligations, to the Office of Inspector General for exclusion from participation in the Medicare/Medicaid programs.

The SAMHSA's written comments, dated October 21, 1998, to a draft of this report are included as Appendix B. The SAMHSA generally concurred with our recommendations.

TABLE OF CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	i
BACKGROUND	1
OBJECTIVES, SCOPE, AND METHODOLOGY	2
FINDINGS IN DETAIL	4
MONITORING CLINICAL TRAINEES' APPOINTMENTS	
AND SERVICE PAYBACK ACTIVITIES	4
Contract Requirements	4
Monitoring By KRA Was Not Adequate	5
Seven Trainees Owed Monetary Debts To The Government	6
Potential Exclusion from Medicare and Medicaid for Failure to	
Pay Back Service Obligations	7
RECOMMENDATIONS	7
OTHER MATTER	7
SAMHSA COMMENTS AND OIG RESPONSE	8
APPENDIX A	
APPENDIX B	

ABBREVIATIONS USED

ADS	Armstrong Data Service, Inc.
APAC	Annual Clinical Training Payback Activities Certification
C.F.R.	Code of Federal Regulations
CMHS	Center for Mental Health Services
HRSA	Health Resources and Services Administration
KRA	KRA Corporation
SAMHSA	Substance Abuse and Mental Health Services Administration
MHCT	Mental Health Clinical Training Program

BACKGROUND

Mental Health Clinical Training Program and Payback Requirements

The Mental Health Clinical Training (MHCT) Program was established in 1948. Under the program, the Government awarded grants to public and nonprofit institutions and organizations to provide funding to individuals for graduate training or development in psychology, psychiatry, nursing, or social work. Since October 1992, the program has been administered by the Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Mental Health Services (CMHS). From 1948 to 1992, the program was administered by the National Institute of Mental Health. For the appointment periods 1992 through 1996, CMHS awarded more than \$13 million in financial support to 851 clinical trainees.

Generally, the trainees are required to repay each month of financial support through an equal period of service to underserved mentally ill populations in public facilities. According to Title 42 Code of Federal Regulations (C.F.R.), Part 64a, trainees have up to 24 months after the financial support ends to begin their service repayment. If a trainee does not satisfy the service payback obligation, he or she must repay the Federal Government an amount equal to three times the cost of the traineeship, and applicable interest.

In the early 1990's, SAMHSA conducted several reviews and surveys of the MHCT Program. As a result of those reviews and surveys, administrative improvements were made to the program. For instance, with the assistance of a contractor (Kendrick & Company), SAMHSA developed and implemented an automated system to monitor and track program recipients. In addition, SAMHSA made regulatory changes that required immediate repayment of the cost of the traineeship upon the trainees' failure to perform required service and simplified the method of calculating interest for those in financial payback status.

In 1993, CMHS contracted with KRA Corporation to monitor the appointments and payback activities of the trainees, as well as to complete the processing of files carried over from Fiscal Years 1981 through 1992. The contract required the contractor to identify trainees who did not satisfy the service payback obligations so they could be referred for debt collection to the Health Resources and Services Administration (HRSA)¹. The contract also required the contractor to monitor the trainees in debt collection and report to CMHS and HRSA the trainees' service payback status. The CMHS contract with KRA ended November 30, 1996. Effective December 1996, CMHS contracted with Armstrong Data Services (ADS), Inc., to monitor and track the trainees appointments and payback activities, as part of its efforts to improve the administration of the MHCT Program. As of October 1996, 7,395 trainees were on record at CMHS for obtaining financial support since 1981 for clinical training.

¹ Effective October 1995, the Division of Fiscal Services within the Health Resources and Services Administration, which was responsible for handling SAMHSA's debt collection referrals, became part of the Programs Support Center — a separate Operating Division under the Office of the Secretary.

According to SAMHSA officials, the MHCT program has been highly successful in providing trained clinicians to underserved populations. The impact is evident across the disciplines and is directed toward priority populations. They stated that of approximately 7,000 persons trained, approximately 95 percent have completed or are in the process of completing the service required. The remaining trainees have either received waivers because of death or disability, or are in the process of completing financial payback. The SAMHSA officials believe that the payback service mechanism has been an effective way of encouraging newly trained mental health professionals to enter the public mental health system.

Regulations and Procedures

The legislative authority for awarding clinical traineeships is contained in Section 303 of the Public Health Service Act. Governing regulations are found in Title 42 C.F.R., Part 64a. The CMHS procedures for monitoring and tracking the trainees are found in the contractor's scope of work (Appendix A).

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

We conducted our audit to determine whether the appointments and payback activities of clinical trainees provided financial support under the MHCT Program were adequately monitored by CMHS and its contractors.

Scope

We reviewed the files of 45 randomly selected trainees out of 851 provided financial support from 1992 through 1996. The CMHS provided the 45 trainees financial support totaling \$1,066,856 for clinical training. Also, we reviewed the files of 10 randomly selected trainees out of 43 that CMHS referred to HRSA for debt collection between 1984 through 1996, and subsequently requested in 1996 that collection be canceled.

We obtained the applicable laws and regulations established for the program. Also, we reviewed several reports of prior reviews and surveys conducted by the Public Health Service and CMHS to identify problems previously noted with the program. We reviewed the contract between CMHS and KRA Corporation to understand the contractor's scope of work. We held discussions with CMHS officials responsible for awarding the grants and officials responsible for ensuring the trainees satisfy the service payback obligations. We observed KRA performing its routine duties in monitoring the trainees' appointments and payback activities. We reviewed monthly reports KRA provided to CMHS for monitoring purposes.

We obtained various reports maintained in the CMHS' data system to evaluate the information used by KRA in the appointment and payback processes. We used the report entitled "Appointments by Grant Number" to identify the 851 trainees to whom CMHS provided financial support during 1992 through 1996. We used the report entitled "Key Look-Up Listing" dated November 26, 1996, to identify the trainees' payback status.

We obtained the Clinical Training Debt Collection Report, dated October 2, 1996, provided to CMHS by HRSA, to identify the 123 trainees who failed to satisfy the payback obligations between 1984 through 1996. We reviewed the Memorandum, dated November 19, 1996, from CMHS to HRSA requesting the cancellation of debt collection actions for the 43 trainees.

Our internal control review was limited to obtaining an understanding of the functions performed by KRA in monitoring the appointments, service payback activities, and debt collection referrals. We did not test the internal controls because the objectives of our review were accomplished through substantive testing.

Methodology

For the 55 trainees randomly selected for review, we obtained the official files KRA maintained and used to monitor the trainees' appointments and payback activities. We reviewed the established grant files for letters and notices from CMHS to the grantees requesting the required forms and other information needed in the processes. For each trainee, we conducted a file review to assess the completion, accuracy, and timeliness of the following forms:

- * Statements of Appointment,
- * Statements of Non-Delinquency on Federal Debt,
- * Clinical Training Payback Agreement,
- * Termination Notice, and
- * Annual Clinical Training Payback Activities Certification.

We prepared a data collection instrument to document our analysis of the above forms and to formulate conclusions for the trainees' files. We discussed the results with CMHS officials to obtain an understanding and reasons for the noncompliance with the regulations and procedures. We provided the CMHS officials with a summary of the results and detailed conclusions for each file reviewed. For the files with problems, we suggested specific corrective actions. The CMHS reviewed the files and took actions needed. In addition, CMHS established a Clinical Training Processing Guide for ADS. The guide contains detailed instructions for documenting, monitoring, and tracking the trainees' appointments and service payback activities.

Field work was performed at the SAMHSA, CMHS offices in Rockville, Maryland. The field work was conducted between November 1996 and April 1998. We conducted this performance audit in accordance with generally accepted Government auditing standards.

FINDINGS IN DETAIL

MONITORING CLINICAL TRAINEES' APPOINTMENTS AND SERVICE PAYBACK ACTIVITIES

The KRA did not adequately monitor the appointments and service payback activities for clinical trainees provided financial support from 1992 through 1996 and for trainees whose debts had been referred for collection and then canceled in 1996. The CMHS contract required KRA to monitor the trainees' appointments and service payback activities and identify for referral to HRSA for debt collection the trainees who did not satisfy their service payback obligation. It also required KRA to audit the service payback status of trainees in debt collection and report to CMHS and HRSA the current status. Because KRA did not properly identify and refer for debt collection trainees who defaulted on their payback services, collection action was not taken against 7 trainees. These trainees owed the Government \$263,370 and were liable for it unless they resumed and completed their service payback obligation.

Contract Requirements

The CMHS contract required KRA to follow the regulations established in Title 42 C.F.R., Part 64a and additional specific contract requirements in monitoring the trainees' appointments and service payback activities. Specifically, KRA was required to:

- Obtain adequate documentation supporting the grantees' entrance interviews with the trainees. The primary purpose of the entrance interviews is to explain to the trainees the service payback obligation they are incurring and obtain their written assurance that they will satisfy the requirements. These interviews are documented on the Clinical Training Payback Agreement forms.
- Obtain adequate documentation supporting the grantees' exit interviews with the trainees. The primary purpose of the exit interviews is to remind trainees of their service payback obligation; to fully explain the consequences should they fail to fulfill their obligation; and to discuss their responsibility for reporting their employment activities annually. These interviews are documented on the Termination Notice forms.
- Obtain and review the trainees' annual reports of post-award employment activities until the service payback obligation is satisfied. The Annual Clinical Training Payback Activities Certification forms are used to monitor the trainees' activities until the payback obligation is satisfied.

- Identify trainees who did not engage in service payback and advise CMHS so that CMHS could refer the trainees to HRSA for debt collection.

The CMHS contract required KRA to follow specific contract requirements in monitoring the service payback activities of the trainees referred to HRSA for debt collection. The KRA was required to determine whether the trainees were engaged in service payback and report to CMHS and HRSA the trainees' status. The contract provided that CMHS could request status reports from KRA for monitoring purposes.

A detailed itemization of specific criteria applicable to the contractor scope of work is included as Appendix A.

Monitoring By KRA Was Not Adequate

The CMHS awarded financial support to 851 trainees between 1992 and 1996. Our review of a random sample of 45 trainees showed that KRA did not monitor the trainees' appointments and service payback activities. In 32 of the 45 files maintained by the contractor, we found one or more of the following problems. Specifically, KRA did not:

- Obtain adequate documentation supporting the grantees' entrance interviews with the trainees (9 trainees);

In 9 of the trainees' files, KRA received Clinical Training Payback Agreement forms from the grantees that did not contain adequate documentation of entrance interviews with the trainees including discussions of the obligated service requirements, consequences for failing to fulfill the service requirements, and contents of the payback agreement. The forms in the 9 files did not contain the dates of the interviews, the names of the participants involved in the interviews, or signatures of both the grantees and trainees. Also, the files contained no evidence that KRA called or returned the forms to the grantees to obtain the omitted information and signatures. The files did not contain evidence that KRA forwarded them to the CMHS Project Officer for further actions.

- Obtain adequate documentation supporting the grantees' exit interviews with the trainees (21 trainees);

In 10 of the trainees' files, KRA received Termination Notice forms from the grantees that did not contain adequate documentation of exit interviews with the trainees to remind them of the obligated service requirements, consequences for failing to fulfill the service requirements, and responsibility for reporting their post-award employment activities annually. The forms in the files did not contain dates of the interviews or the names of the participants involved in the interviews. The files did not contain evidence KRA contacted the grantees to determine whether

interviews were conducted with the trainees. In 11 of the files, KRA never received the forms from the grantees. The files contained no evidence KRA followed up with the grantees to obtain the forms or forwarded the files to CMHS' Project Officer for further actions.

- Obtain and review trainees' annual reports of post-award employment activities until the payback obligation is satisfied (8 trainees); and

In 1 of the trainees' files, KRA never received the Annual Clinical Training Payback Activities Certification form to support completion of the trainee's service payback. In 3 of the files, KRA received the forms from the trainees, but the forms did not reflect the trainees engagement in service payback activities. The files contained no evidence KRA followed up with the trainees to determine their payback status or forwarded the files to CMHS Project Officer for further actions. In 4 of the files, KRA received the forms from the trainees, but did not validate the information provided. The forms did not contain evidence KRA reviewed them to ensure the trainees met the regulatory requirements.

- Identify trainees who did not engage in service payback and advise CMHS so that CMHS could refer the trainees to HRSA for debt collection. (7 trainees).

In 7 of the trainees files, the trainees failed to begin their service obligation within 24 months after their traineeships ended or to make arrangements with CMHS for monetary payback. The files did not contain any evidence that KRA informed CMHS that the trainees had defaulted on their service payback obligations and should be referred to HRSA for debt collections. In 4 of the files, KRA granted the trainees extensions to begin their service payback obligations, however, the files did not contain requests from the trainees.

Seven Trainees Owed Monetary Debts To The Government

At the time of our review, collection action was not being taken against 7 trainees who potentially owed the Government \$263,370, if the trainees did not satisfy their payback obligation. In accordance with Title 42, C.F.R. 64a, trainees who do not satisfy their training obligation are liable to the Government for three times the cost of the training and applicable interest. Also because of KRA's performance, CMHS had limited assurance the trainees were fully aware of their service payback obligations and reporting requirements.

The following Chart identifies debts the 7 trainees potentially owed the Government.

<u>Trainee</u>	<u>Default Date</u>	<u>Triple Debt Owed To Government²</u>
1	08/95	\$ 63,579
2	06/95	\$ 43,998
3	07/96	\$ 27,336
4	06/95	\$ 19,800
5	04/96	\$ 46,200
6	07/96	\$ 27,336
7	08/94	<u>\$ 35,121</u>
Total:		\$263,370

Potential Exclusion from Medicare and Medicaid for Failure to Pay Back Service Obligations

Section 1128(b)(14) of the Social Security Act provides the Secretary with the authority to exclude from the Medicare and Medicaid programs individuals who default on repayments of scholarship obligations or loans made for health professions education. This authority has been delegated to the Inspector General.

RECOMMENDATIONS

We recommend that SAMHSA:

1. ensure ADS complies with the contract requirements;
2. request ADS to audit the status of the service payback activities of all trainees awarded financial support between 1992 and 1996; and
3. implement procedures to refer MHCT trainees, who default on their payback obligations, to the Office of Inspector General for exclusion from participation in the Medicare/Medicaid programs.

OTHER MATTER

On November 19, 1996, CMHS, based on information provided by KRA, requested HRSA to cancel collection action on 43 trainees referred to debt collection between 1984 and 1996. These trainees were in debt collection because they defaulted on their service payback obligation. The CMHS requested HRSA to cancel collection action because KRA had informed them that the trainees were either reporting service, had completed service, had received waivers or had financially repaid their obligation.

² The total debt of \$263,370 for trainees 1 through 7 equals three times the cost of the traineeship, not including applicable interest.

We randomly reviewed the activities of 10 of these trainees and with CMHS assistance determined that 3 had been erroneously removed from debt collection. The CMHS reviewed the remaining 33 trainees and identified an additional 4 trainees that had been erroneously removed from debt collection. In April 1997, CMHS requested HRSA to reinstate to debt collection these 7 trainees who owed the Government \$806,953.

SAMHSA COMMENTS AND OIG RESPONSE

On October 21, 1998, SAMHSA responded to our draft report. The SAMHSA provided general comments and indicated general agreement to our recommendations. The SAMHSA comments are included in this report as Appendix B.

The SAMHSA generally concurred with our recommendations to: (1) ensure ADS complies with the contract requirements; (2) request ADS to audit the status of the service payback activities of all trainees awarded financial support between 1992 and 1996; and (3) implement procedures to refer Mental Health Clinical Traineeship trainees, who default on their payback obligations, to the Office of Inspector General for exclusion from participation in the Medicare/Medicaid programs.

**Administration of the Mental Health Clinical Training Program —
Recipients of Obligated Federal Financial Support**

The Center for Mental Health Services makes grant awards for mental health clinical training to public or nonprofit institutions and organizations under the authority of Section 303 of the Public Health Service Act. This authority was amended October 7, 1980, to obligate each individual who received a clinical traineeship for graduate training or development in psychology, psychiatry, nursing, or social work to repay each year of support through an equal period of service. Title 42 Code of Federal Regulations, Part 64a specifies the types of activities acceptable for payback.

The payback obligation applies to all individuals in the four disciplines who were appointed to a traineeship on or after September 1, 1981, and who were supported for more than 180 days. Such recipients are called "payback" clinical trainees. If a payback trainee fails to complete the required service, the United States Government is entitled to recover an amount equal to three times the cost of the traineeship, plus interest. The trainees have two years from the completion of their final traineeship to begin providing the obligated service (referred to as the grace period).

Trainee Appointment

The contractor begins the tracking process, for both grantees and trainees on an individual basis upon receipt of the Notice of Grant Award from CMHS. The contractor then sends award packages to the grantees for them to complete forms for the selected trainees. The packages include the following forms: (1) Statement of Appointment (PHS-2271), (2) Statement of Non-Delinquency on Federal Debt (PHS-T-600), (3) Clinical Training Payback Agreement and (4) copy of regulations (Title 42 Code of Federal Regulations, Part 64a). Beginning in January 1995, the PHS-2271 was revised to include the data from the PHS-T-600.

Upon receipt, the contractor reviews the forms for completeness and accuracy. The CMHS contract states:

"The contractor shall not perform review of any PHS-2271 [Statement of Appointment] without the corresponding forms (SMA 111-1 or PHS-T-600) [Clinical Training Payback Agreement or Statement of Non-Delinquency on Federal Debt]. If the signatures on either of the forms are omitted (TPD [Training Program Director] and trainee on both the PHS-2271 and the Payback Agreements), the contractor shall return the form(s) to the TPD within 5 days of receipt, with a form letter addressing the problem and requesting execution and return in 10 days.", and

"The Contractor shall not stamp any payback trainee copy of the PHS 2271 if a properly executed Payback Agreement has not yet been received. "Properly executed" means that the form bears the trainee's original signature and the signature of the grantee certifying that the trainee has been advised of his/her payback obligation."

On completion of the review, the contractor enters the information into the data system to establish a record of the appointments and payback obligations. The contract requires the contractor to refer cases to the CMHS Project Officer for action if the grantee institution does not submit adequate documentation, or is slow to submit it after three attempts.

Appointment Termination

The contractor sends each year, in April or May, Termination Notices (TN) to the grantees for them to identify the trainees whose support has ended. The CMHS contract states:

“The contractor shall perform technical review of each intact TN, checking for completeness and accuracy, validating the total number of months of training and the stipend amount (Item 8a), using the data on the trainee’s PHS-2271 for the corresponding periods (Items 20 and 24). In case of discrepancy, the TN data prevails ”

Upon completion of the review and data entry of the Notices, the contractor shall signature-stamp them with the signature of the Project Officer. A copy of the Notice is distributed to the contractor project grant file, trainee file and a copy is mailed to the trainee. If the grantee is slow returning the forms to the contractor, the contract states:

“ The contractor shall perform three follow-up mailings to institutions to instruct the grantee regarding timely submission of required forms. After thirty to forty-five days has elapsed since the mailing of the third letter, the grantee’s case shall be submitted to the Project Officer.”

Trainee Payback

The contractor sends to the former trainees Annual Clinical Training Payback Activities Certification (APAC) approximately one year after the award termination date. The contractor uses the forms to monitor the trainees activities until the payback obligation is satisfied. The contract states:

“APACs and attached correspondence, if any, shall be reviewed by the contractor in accordance with all legal regulatory and programmatic requirements and a determination made as to who will review the APAC and correspondence using the criteria that follow. A “precedents file” containing information as to what constitutes acceptable payback service within legal, regulatory, and programmatic guidelines and requirements will also be used to supplement Contractor’s base of knowledge.”, and

“If the contractor determines the forms to be completed correctly and in conformance with regulatory requirements, signature-stamp the Project Officer’s signature, file the payback file copy, and mail trainees’ copy of APAC.”

If the trainees submit written requests for extension of the time for beginning service, for a break in service, or for a waiver of service, the contractor is to refer the cases to the CMHS Project Officer for action.

Debt Collection

If the former trainees do not begin payback services within 24 months after the date their support ended or make arrangements with CMHS for monetary payback, the contractor is to send the trainees three warning letters in 30-day increments before the file is recommended for debt collection. The contract states:

“The contractor shall continue to process all trainee records which have been determined to be in default. Processing shall include determining that the trainee has not met the requirements of the regulations and all attempts to meet the requirements have failed. The contractor shall code the trainee records as financial payback mandated and prepare all forms and transmittals to HRSA through the Government Project Officer. The contractor shall monitor the debt collection system by tracking debt collection action and/or canceling debt collection action when a trainee has responded or completed his/her payback obligation. Status reports shall be generated as required or requested by CMHS for monitoring purposes. The Contractor shall audit status of trainees in debt collection as required and report to the Project Officer and the HRSA the current status.”



DEPARTMENT OF HEALTH & HUMAN SERVICES

Substance Abuse and Mental
Health Services Administration
Rockville MD 20857

RECEIVED

OCT 21 1998

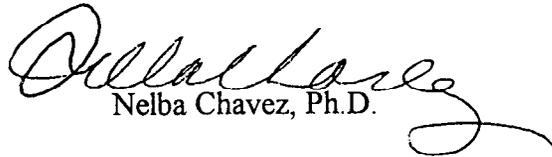
TO: June Gibbs Browns
Inspector General

FROM: Administrator

SUBJECT: Review of the Center for Mental Health Services' Mental Health Clinical
Training Program and Payback Requirements (CIN: A-15-97-80001)

We appreciate the opportunity to provide comments on the draft report of the Office of Inspector General review of the Center for Mental Health Services' Mental Health Clinical Training Program and payback requirements. The Substance Abuse and Mental Health Services Administration's comments on the report are attached.

If you have any questions regarding these comments, please contact Mr. Robert Willcoxon on (301) 443-4543.


Nelba Chavez, Ph.D.

Attachment

IG _____
EAG _____
SAG _____
FAG _____
L3-AS _____
L3-IC _____
L3-11 _____
L3-01 _____
L3-02 _____
L3-03 _____
L3-04 _____
L3-05 _____
L3-06 _____
L3-07 _____
L3-08 _____
L3-09 _____
L3-10 _____
L3-11 _____
L3-12 _____
L3-13 _____
L3-14 _____
L3-15 _____
L3-16 _____
L3-17 _____
L3-18 _____
L3-19 _____
L3-20 _____
L3-21 _____
L3-22 _____
L3-23 _____
L3-24 _____
L3-25 _____
L3-26 _____
L3-27 _____
L3-28 _____
L3-29 _____
L3-30 _____
L3-31 _____
L3-32 _____
L3-33 _____
L3-34 _____
L3-35 _____
L3-36 _____
L3-37 _____
L3-38 _____
L3-39 _____
L3-40 _____
L3-41 _____
L3-42 _____
L3-43 _____
L3-44 _____
L3-45 _____
L3-46 _____
L3-47 _____
L3-48 _____
L3-49 _____
L3-50 _____
L3-51 _____
L3-52 _____
L3-53 _____
L3-54 _____
L3-55 _____
L3-56 _____
L3-57 _____
L3-58 _____
L3-59 _____
L3-60 _____
L3-61 _____
L3-62 _____
L3-63 _____
L3-64 _____
L3-65 _____
L3-66 _____
L3-67 _____
L3-68 _____
L3-69 _____
L3-70 _____
L3-71 _____
L3-72 _____
L3-73 _____
L3-74 _____
L3-75 _____
L3-76 _____
L3-77 _____
L3-78 _____
L3-79 _____
L3-80 _____
L3-81 _____
L3-82 _____
L3-83 _____
L3-84 _____
L3-85 _____
L3-86 _____
L3-87 _____
L3-88 _____
L3-89 _____
L3-90 _____
L3-91 _____
L3-92 _____
L3-93 _____
L3-94 _____
L3-95 _____
L3-96 _____
L3-97 _____
L3-98 _____
L3-99 _____
L3-100 _____

10/23/98

**Comments on OIG Report Entitled, "Review of the Center for Mental Health Services' Mental Health Clinical Training Program and Payback Requirements"
(A-15-97-80001)**

General Comments

This report concludes that the Center for Mental Health Services' (CMHS) contractor did not adequately monitor the appointments and service payback activities for clinical trainees provided financial support from 1992 through 1996. The report further concludes that because the contractor did not perform as required, appropriate collection action was not taken against seven trainees. These trainees were subject to penalties and fees totaling \$263,370, and were liable unless they resumed and completed their service payback obligation. This dollar value includes triple damages calculations.¹

The report acknowledges that prior to the beginning of the audit period, CMHS management and staff started a major review and restructuring of the Clinical Training Payback Tracking and Data Unit, making improvements in both data systems and management oversight. Even earlier, CMHS had requested a major overhaul of the computer system containing the trainee data which was being tested in the fall of 1996. As a result, at the beginning of this review (fall of 1996), we vigorously questioned the advisability of the Office of Inspector General (OIG) proceeding with a major retrospective audit just as significant data tracking systems improvements, management oversight, and contract changes were taking place.

As noted in the report, we believe that the Clinical Training Payback program has been highly successful in providing trained clinicians to under served populations. The impact is evident across the disciplines and is directed towards priority populations. Of the approximately 7,000 persons trained, over 95 percent have completed the service required. The remaining trainees are either in the process of completing their service payback obligation, have received waivers because of death or disability, or are in the process of completing financial payback. The payback service mechanism has been an effective way of encouraging newly trained mental health professionals to enter the public mental health system.

In summary, while some inefficiencies were noted in the contractor's monitoring of this program between 1992 - 1996, and while we generally concur (as noted below) with the recommendations in this report, significant technological and management improvements have been instituted since the inception of this audit both to correct past inefficiencies and to prevent future inefficiencies from occurring in this very successful program.

* ¹ If an individual fails to begin or complete the obligated service in accordance with the requirements...the United States is entitled to recover from that individual an amount equal to three times the cost of the clinical traineeship.

OIG Recommendation #1.

Ensure the contractor complies with the contract requirements.

SAMHSA Comment

We concur with this recommendation. CMHS is actively monitoring to ensure contractor compliance with all contract requirements.

The current Government Project Officer (GPO) and Alternate GPO supervise and monitor all work performed by the contractor. Only the GPO and Alternate GPO approve and sign correspondence and OMB-cleared forms documenting payback activities and other program requirements. The GPOs are the liaison to the Program Support Center's Debt Management Branch, and the Office of the General Counsel. The GPOs review monthly progress reports, and review and approve monthly vouchers. Special GPO oversight efforts in the past 18 months include the development of a comprehensive Clinical Training Processing Guide, and the reorganization of over 1,000 clinical trainee files.

OIG Recommendation #2.

Request the contractor to audit the status of the service payback activities of all trainees awarded financial support between 1992 and 1996.

SAMHSA Comment

We have already accomplished this task. Specifically, in the last 18 months, program staff completed a full-scale review of all active files to assure compliance with payback monitoring and trainee tracking (i.e., reporting, etc.) requirements. We have, therefore, reviewed 100 percent of active trainee files, including trainees awarded financial support between 1992 and 1996.

OIG Recommendation #3.

Implement procedures to refer Mental Health Clinical Traineeship trainees, who default on their payback obligations, to the Office of Inspector General for exclusion from participation in the Medicare/Medicaid programs.

SAMHSA Comment

We concur. CMHS will implement procedures to refer Mental Health Clinical Traineeship trainees, who default on their payback obligations, to the Office of the Inspector General for exclusion from participation in the Medicare/Medicaid programs.