March 2004

DISTRICT OF COLUMBIA

Status of Reforms to the District's Mental Health System

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Highlights

Highlights of GAO-04-387, a report to the Chairman, Committee on Government Reform, House of Representatives

Why GAO Did This Study

Since 1975, the District of Columbia has operated its mental health system under a series of court orders aimed at developing a community-based system of care for District residents with mental illnesses. Placed in receivership from 1997 to 2002, the District regained full control of its mental health system in 2002 but has been ordered to implement a court-approved plan for developing and implementing a community-based mental health system. Additionally, the District must comply with exit criteria, which must be met in order to end the lawsuit. The court expects that it will take the District 3 to 5 years to implement the court-ordered plan and begin measuring performance against the exit criteria, with year 1 beginning in July 2001.

GAO was asked to report on the current status of the District's efforts to develop and implement (1) a mental health department with the authority to oversee and deliver services, (2) a comprehensive enrollment and billing system that accesses available funds for federal programs such as Medicaid, (3) a consumer-centered approach to services, and (4) methods to measure the District's performance as required by the court's exit criteria.

www.gao.gov/cgi-bin/getrpt?GAO-04-387.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Kathryn G. Allen at (202) 512-7118.

What GAO Found

The District created the Department of Mental Health (DMH) in 2001 to oversee the provision of mental health services. DMH methods of oversight have included establishing certification and making use of licensing standards for participating providers and beginning to monitor provider compliance. DMH also continues to deliver direct services, acting as the primary provider for 55 percent of all consumers enrolled in the mental health system as of October 2003, and operating over 500 beds at St. Elizabeths Hospital, the District-run institution specializing in inpatient care for people with acute, intermediate, and long-term mental health needs.

DMH has also implemented a comprehensive enrollment and billing system designed to coordinate clinical, administrative, and financial processes. The system links payment to consumer treatment and increases access to federal funds by providing mental health rehabilitative services through the District's Medicaid program, which reimbursed DMH $17.5 million in federal Medicaid funds in fiscal year 2003. Providers have faced challenges managing cash flow in a fee-for-service system where service demand varies throughout the year. Also, because provider contracts were tied to the fee-for-service billing projections, DMH could not pay claims for providers who were exceeding their projections until their contracts were changed, and providers did not always receive timely claims payments in fiscal year 2003. DMH senior officials noted that DMH has a plan in process to prevent this problem from recurring.

DMH activities to increase the involvement of consumers in their own treatment and recovery process are evolving. While DMH has established a number of requirements in two key areas—consumer choice and consumer protection—its initial review of providers' records showed gaps in documentation of consumer participation in treatment planning for 41 percent of the records reviewed. Consumer protection policies are also evolving, as DMH instituted a consumer grievance policy that provides a uniform process for ensuring that all consumer grievances are tracked.

DMH is developing data collection methods for 17 performance targets aimed at determining the system's performance against the court's exit criteria. Although the court monitor expects DMH to both measure and improve its performance in fiscal years 2004 and 2005, DMH faces major challenges in accurately measuring its performance, including establishing methods to collect electronic data, correcting known data deficiencies, and working with providers to submit accurate data.

In its comments on a draft of the report, DMH indicated that the report did not reflect the entire spectrum of progress made since the creation of DMH. While the progress cited by DMH is important, GAO believes that focusing on DMH's status in meeting the exit criteria is an appropriate gauge of its overall compliance with the Dixon Decree.