

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005  
Performed as Special Assistant Auditors  
For the Auditor General, State of Illinois

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

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DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
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**CENTER OFFICIALS**

Network Executive Director	Mr. Dan Wasmer
Hospital Administrator	Ms. Elaine Novak, M.S., OTR/L
Medical Director (1/1/05 – Present) (7/1/03 – 12/31/04)	Dr. Richard Malis Dr. Ray Wilkerson
Business Office Administrator (1/1/05 - Present) (7/1/03 – 12/31/04)	Mr. Peter Cruz Mr. Michael Gevers

The Center is located at:

4200 N. Oak Park Avenue  
Chicago, IL 60634



Rod R. Blagojevich, *Governor*

Carol L. Adams, Ph.D., *Secretary*

Chicago-Read Mental Health Center • 4200 North Oak Park Avenue • Chicago, Illinois 60634

## MANAGEMENT ASSERTION LETTER

September 22, 2005

Prado & Renteria, CPAs Prof. Corp.  
1837 S. Michigan Ave.  
Chicago, Illinois 60616

Ladies and Gentlemen:

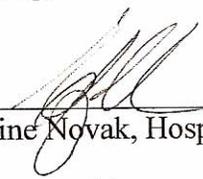
We are responsible for the identification of and compliance with all aspects of laws, regulations, contracts, or grants that could have a material effect on the operations of the Agency. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the Agency's compliance with the following assertions during the two-year period ended June 30, 2005. Based on this evaluation, we assert that during the year(s) ended June 30, 2004 and June 30, 2005, the Agency has materially complied with the assertions below.

- A. The agency has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The agency has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The agency has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts by the agency are in accordance with applicable laws and regulations and other accounting and record keeping of such revenues and receipts is fair, accurate and in accordance with law.

- E. The money or negotiable securities or similar assets handled by the agency on behalf of the state or held in trust by the agency have been properly and legally administered, and the accounting and record keeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Chicago-Read Mental Health Center

  
\_\_\_\_\_  
Elaine Novak, Hospital Administrator

  
\_\_\_\_\_  
Pete Cruz, Chief Fiscal Officer

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
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**COMPLIANCE REPORT**

**SUMMARY**

The limited State compliance testing performed in this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**ACCOUNTANTS' REPORT**

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes relates only to those chapters of the "Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies" (*Audit Guide*) which are identified in the report as having compliance testing performed.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>This Report</u>	<u>Prior Report</u>
Findings	2	3
Repeated findings	2	1
Prior recommendations implemented or not repeated	1	2

Details of findings are presented in a separately tabbed report section.

**SCHEDULE OF FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Prior Finding Code</u>
CURRENT FINDINGS			
05-1	10-12	Insufficient resources allocated to patient accounts	03-3
05-2	13	Failure to perform annual performance evaluations	03-2
PRIOR FINDINGS NOT REPEATED			
05-3	14	Appropriation of wages for an employee with state-wide responsibilities	03-1

## EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Department and Center personnel at an exit conference on February 21, 2006. Attending were:

Department of Human Services  
Albert Okwuegbunam, DHS Audit Liaison  
Via telephone conference

Chicago Read Mental Health Center  
Elaine Novak, Hospital Administrator  
Peter Cruz, Business Office Administrator

Office of the Auditor General  
Kevin Carhill, Audit Manager

(Special Assistant Auditors)  
Hilda S. Renteria, Partner  
Cecilia Salinas, Auditor

Responses to the recommendations were provided by Carol L. Adams, Secretary, Illinois Department of Human Services, in a letter dated March 15, 2006.



INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we performed a limited scope examination of the State of Illinois Department of Human Services – Chicago Read Mental Health Center's (Center) compliance with the requirements listed below, as more fully described in the Audit Guide for Performing Financial Audits and Compliance Attestation Examinations of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2005. The management of the State of Illinois Department of Human Services – Chicago Read Mental Health Center (Center) is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois Department of Human Services – Chicago Read Mental Health Center's compliance based on our examination.

- A. The State of Illinois Department of Human Services – Chicago Read Mental Health Center has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois Department of Human Services – Chicago Read Mental Health Center has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The State of Illinois Department of Human Services – Chicago Read Mental Health Center has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the State of Illinois Department of Human Services – Chicago Read Mental Health Center are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Department of Human Services – Chicago Read Mental Health Center on behalf of the State or held in trust by the State of Illinois Department of Human Services – Chicago Read Mental Health Center have been properly and legally administered and the accounting and recordkeeping relating thereto, is proper, accurate, and in accordance with law.

Our limited scope compliance examination of the Center was limited to the following areas of the Audit Guide:

- Chapter 8 – Personal Services Expenditures
- Chapter 9 – Contractual Services Expenditures
- Chapter 11 – Commodities Expenditures
- Chapter 17 – Revenues, Refunds and Receivables
- Chapter 18 – Appropriations, Transfers and Expenditures
- Chapter 22 – Review of Agency Functions and Planning Program
- Chapter 30 – Auditing Compliance With Agency Specific Statutory Mandates

The areas of the Audit Guide not examined at the Center have had procedures performed on a Department-wide basis through the compliance examination of the Department of Human Services Central Office, and accordingly, any findings from the results of those procedures have been included in the Department of Human Services – Central Office compliance report. We have also performed certain agreed-upon procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General’s financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 22, 2005.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis evidence about the State of Illinois Department of Human Services – Chicago Read Mental Health Center’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois Department of Human Services – Chicago Read Mental Health Center’s compliance with specified requirements.

In our opinion, the State of Illinois Department of Human Services – Chicago Read Mental Health Center complied in all material respects, with the aforementioned requirements during the two years ended June 30, 2005. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings, Recommendations and Center Responses as findings 05-1 and 05-2.

As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

## **Internal Control**

The management of the State of Illinois Department of Human Services – Chicago Read Mental Health Center is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our limited scope compliance examination, we considered the State of Illinois Department of Human Services – Chicago Read Mental Health Center’s internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General. We have also performed certain agreed-upon procedures with respect to the accounting records of the Center to assist in the performance of the Auditor General’s financial statement audit of the entire Department of Human Services, and we have issued our report thereon dated September 22, 2005.

Our consideration of the internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings, Recommendations and Center Responses as findings 05-1.

As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

## **Supplementary Information for State Compliance Purposes**

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information as listed in the table of contents as Supplementary Information for State Compliance Purposes is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, to the 2005 and 2004 Supplementary Information for State Compliance Purposes, except for information on Employee Overtime, Contractual Payroll Employees, Center Utilization, Annual Center Statistics and Service Efforts and Accomplishments on which we did not perform any procedures. However, we do not express an opinion on the supplementary information.

We have not applied procedures to the 2003 Supplementary Information for State Purposes, and accordingly, we do not express an opinion thereon.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Center and Department of Human Services management, and is not intended to be and should not be used by anyone other than these specified parties.



Prado & Renteria, CPAs, Prof. Corp.

September 22, 2005

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

**05-1 Finding – INSUFFICIENT RESOURCES ALLOCATED TO PATIENT ACCOUNTS**

The Center did not take appropriate action in creating financial case records; processing Notices of Determination and referring account receivables to Central office in accordance with Department policies.

**Financial Case Records**

Our testing of 24 patient files revealed the following:

- For seventeen of 24 patient files tested (71%) the Center did not obtain information about the patient's assets and other resources to complete the financial case record.
- One patient out of 24 (4%) was not billed even though the patient received social security benefits and was Medicare eligible.

The Illinois Department of Mental Health and Developmental Disabilities (DMHDD) Policy and Procedures Manual 01.04.02.03 states that when a recipient enters a facility, financial data is obtained from completed forms, questionnaires and interviews with recipient, relatives of recipient and other persons or organizations. Service charges are determined on basis of financial data and documentation obtained. In addition, the Center's Recipient Resource Unit manual states that the Center is required to perform a patient financial background investigation. The investigation extends to every individual or entity that, under statute, may have an obligation or responsibility for the payment of services charged the patient.

**Notice of Determination**

The Center did not send the "Notice of Determination" (DHS-612) to the patient within 60 days.

- For two out of twenty four (8%) accounts receivable tested totaling \$1,763, the "Notice of Determination" were completed 20 and 58 days after the 60 day grace period.
- One out of twenty four (4%) accounts receivable tested totaling \$3,037 did not have a "Notice of Determination" on file.

The Department of Mental Health and Developmental Disabilities (DMHDD) Policy and Procedure Manual 01.04.02.03 provides that debtor is notified of charges by form DMHDD-612, "Notice of Determination" prepared and mailed by Center staff. The Center's Recipient Resource Unit manual states that the Center is required to complete and issue to the recipient, a "Notice of Determination" within 60 days of admittance.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

**05-1 Finding – INSUFFICIENT RESOURCES ALLOCATED TO PATIENT ACCOUNTS**

**Accounts Receivable Over 180 Days Old**

The Center did not notify the Department of Human Services Central Office of a collection problem with certain patient's accounts receivable.

- Eighteen out of twenty four (75%) accounts receivable tested were over 180 days old and the Center did not report the collection problems to Central Office. These accounts receivable totaled \$84,915 and ranged from \$458 to \$29,797.
- Six out of twenty four (25%) accounts receivable tested were over 180 days old and the Center did not report timely the collection problems to Central Office. These accounts receivable totaled \$35,687 and ranged from \$2,406 to \$ 7,916. Delays in reporting accounts to Central Office ranged from 1 to 29 months.

According to the Department of Mental Health and Developmental Disabilities (DMHDD) Policy and Procedure Manual No. 01.04.02.03, a regular recipient account is not due until the end of a 90-day period following the date of "Notice of Determination". The Statewide Accounting System Manual (SAMS) Policy and Procedure No. 26.40.20 states that agencies must place all debts over \$1,000 and more than 90 days past-due in the Comptroller's Offset System. Therefore at 180 days, DMHDD Policy and Procedure No. 01.04.02.03 states that Form DMHDD-681, "Notice to DMHDD Central Office of Account Collection Problem" should be completed and used to notify DMHDD Central Office of an account collection problem and to request assistance in collection.

**Medicare Billings**

The Center lost Medicare billing opportunities.

We tested 24 patient files which included 11 that were Medicare eligible. Our testing revealed that the Center placed six of the 11 (55%) Medicare eligible patients in one of the Center's non-certified Medicare units, thus rendering Medicare reimbursement non-applicable.

The Department of Mental Health and Developmental Disabilities (DMHDD) Policy and Procedure Manual 01.04.02.03 states that service charges for Medicare benefits shall be established in accordance with the policies, methods and procedures provided by Medicare. This includes placement of patients in certified Medicare units.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

**05-1 Finding – INSUFFICIENT RESOURCES ALLOCATED TO PATIENT ACCOUNTS**

Center officials stated that the Center's Resource Recipient Unit (RRU) relies on the intake unit summary sheet to collect and document personal and financial information about a patient. The intake unit summary sheet however, does not contain information about a patient's assets and other resources. In addition, the RRU unit is experiencing significant delays in referring problem accounts to Central office due to reduction of personnel and significant changes in employee responsibilities in the Recipient Resource Unit.

Center officials stated that intake personnel made decision to place these patients in a non-certified Medicare unit however the RRU was unable to establish the reasons for such placement.

The Center may experience financial loss from failure to investigate patient's financial background and from failure to complete and issue the Notice of Determination. In addition, failure to notify Central Office of the account collection problem may result in the delay or loss of collection and an inaccurate reporting of accounts receivable. (Finding Code 05-1, 03-3)

Recommendation

We recommend that the Center allocate sufficient resources to the Recipient Resource Unit to process, bill and collect amounts owed.

Department Response

Agreed. The Center will assign an Account Clerk II at least four (4) hours a day and the Office Associate two (2) days after each payroll close out to alleviate the current backlog in the Patient Resource Unit. This arrangement will start March 6, 2006.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Current Findings

**05-2 Finding – THE CENTER DID NOT COMPLETE EMPLOYEE PERFORMANCE EVALUATIONS IN A TIMELY MANNER.**

The Center did not conduct employee performance evaluations in accordance with administrative and Center policies.

Twenty-four personnel files out of fifty (48%) files tested did not include annual performance evaluations based on the employee's creditable service date. Our procedures revealed that thirteen employee performance evaluations were presented between one and seven months late, eight were past due as of the end of our fieldwork and three had no record of a performance evaluation on file.

Section 302.270 of the Merit and Fitness code (80 IL Admin. Code 302.270) states that each agency shall prepare an evaluation for employees not less often than annually. In addition, Department of Human Services Administrative Directive .01.02.04.020 (Employee Performance Evaluations), requires performance evaluations at least annually on or before the employee's creditable service date. (Creditable service date is all service in full or regularly scheduled part-time pay status beginning with the date of the initial employment or 1) in a Step Pay Plan - the effective date of a salary increase that is equivalent to at least a full step; 2) Merit Compensation Pay Plan – the effective date of a Merit Compensation Increase.)

Center officials said they did not have a mechanism in place to track employee performance evaluation due dates.

Failure to complete performance evaluations or complete them in a timely manner could result in an incomplete employee history and employees' lack of awareness of the required performance improvements. (Finding Codes 05-2, 03-2, 01-1)

Recommendation

We recommend the Center implement necessary controls to ensure that annual performance evaluations are conducted as required by the Department of Human Services Administrative Directives.

Department Response

Agreed. The Center as of November 1, 2005 has implemented a resource database which will give all supervisors six (6) weeks notice prior to the evaluation due date. All supervisors have been provided training in the use of the database and compliance will be noted in each supervisor's evaluations. The Hospital Administrator will monitor compliance and the results will be reported to the Center's Governing Body.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
FINDINGS, RECOMMENDATIONS AND CENTER RESPONSES  
For the Two Years Ended June 30, 2005

Prior Audit Findings Not Repeated

**05-3 Finding – APPROPRIATION OF WAGES FOR AN EMPLOYEE WITH  
STATE-WIDE RESPONSIBILITIES**

The wages of an employee with statewide responsibilities were paid from Center appropriations.  
(Finding Code 03-1)

Status – not repeated

Our testing of personal service expenditures during this period did not reveal employees on the Center's payroll who did not perform job responsibilities related to the Center.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
LIMITED SCOPE COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2005

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

Fiscal Schedules and Analysis:

- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Description of Locally Held Funds
- Schedule of Locally Held Funds – Cash Basis
- Schedule of Changes in State Property
- Comparative Schedule of Cash Receipts and Deposits
- Analysis of Significant Variations in Expenditures
- Analysis of Significant Lapse Period Spending
- Schedule of Changes in Inventories
- Analysis of Accounts Receivable

Analysis of Operations

- Center Functions and Planning Program
- Average Number of Employees
- Employee Overtime (not examined)
- Contractual Payroll Employees (not examined)
- Shared Resources
- Center Utilization (not examined)
- Annual Center Statistics
  - Cost Per Year / Day Per Resident (not examined)
  - Ratio of Employees to Residents (not examined)
  - Reported Employee Job Injuries (not examined)
  - Food Service (not examined)
- Service Efforts and Accomplishments (not examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide, as adopted by the Auditor General, except for information on Employee Overtime, Contractual Payroll Employees, Center Utilization, Annual Center Statistics and Service Efforts and Accomplishments on which they did not perform any procedures. However, the auditors do not express an opinion on the supplementary information.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

	APPROPRIATIONS NET OF TRANSFERS	EXPENDITURES THROUGH JUNE 30, 2005	LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2005	TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2005	BALANCES LAPSED AUGUST 31, 2005
PUBLIC ACTS 93-0842					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 23,876,200	\$ 22,781,903	\$ 959,305	\$ 23,741,208	\$ 134,992
Employee retirement contributions paid by employer	33,583	33,583	-	33,583	-
State contributions to state employees' retirement system	3,782,000	3,565,515	151,507	3,717,022	64,978
State contributions to Social Security	1,626,300	1,550,277	66,400	1,616,677	9,623
Contractual Services	2,592,200	1,990,801	456,748	2,447,549	144,651
Travel	37,700	32,285	983	33,268	4,432
Commodities	646,200	492,159	69,714	561,873	84,327
Printing	14,600	8,690	2,907	11,597	3,003
Equipment	65,000	50,000	14,734	64,734	266
Telecommunications services	197,800	172,753	24,736	197,489	311
Operation of auto equipment	32,600	24,658	7,577	32,235	365
Costs associated with behavioral health services	370,200	370,200	-	370,200	-
Total	<u>\$ 33,274,383</u>	<u>\$ 31,072,824</u>	<u>\$ 1,754,611</u>	<u>\$ 32,827,435</u>	<u>\$ 446,948</u>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	<u>APPROPRIATIONS NET OF TRANSFERS</u>	<u>EXPENDITURES THROUGH JUNE 30, 2004</u>	<u>LAPSE PERIOD EXPENDITURES JULY 1ST TO AUGUST 31, 2004</u>	<u>TOTAL EXPENDITURES 14 MONTHS ENDED AUGUST 31, 2004</u>	<u>BALANCES LAPSED AUGUST 31, 2004</u>
PUBLIC ACT 93-092					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 24,044,300	\$ 22,430,812	\$ 1,142,363	\$ 23,573,175	\$ 471,125
Employee retirement contributions paid by employer	976,200	766,515	41,188	807,703	168,497
State contributions to state employees' retirement system	3,255,600	2,065,696	14	2,065,710	1,189,890
State contributions to Social Security	1,668,800	1,570,043	80,202	1,650,245	18,555
Contractual Services	2,614,700	2,196,778	416,528	2,613,306	1,394
Travel	39,100	32,744	562	33,306	5,794
Commodities	687,500	647,497	22,183	669,680	17,820
Printing	15,100	13,360	344	13,704	1,396
Equipment	66,600	65,651	838	66,489	111
Telecommunications services	255,500	214,873	39,547	254,420	1,080
Operation of auto equipment	36,000	23,508	4,646	28,154	7,846
Costs associated with behavioral health services	383,600	383,600	-	383,600	-
Total	<u>\$ 34,043,000</u>	<u>\$ 30,411,077</u>	<u>\$ 1,748,415</u>	<u>\$ 32,159,492</u>	<u>\$ 1,883,508</u>

Note: The information reflected in this schedule was taken from the Center's records and reconciled to records of the State Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
	P.A. 93-0842	P.A. 93-0092	P.A. 92-0538
GENERAL REVENUE FUND - 001			
Appropriations (net of transfers)	<u>\$ 33,274,383</u>	<u>\$ 34,043,000</u>	<u>\$35,005,450</u>
EXPENDITURES			
Personal services	23,741,208	23,573,175	25,134,202
Employee retirement contributions paid by employer	33,583	807,703	944,421
State contributions to state employees' retirement system	3,717,022	2,065,710	2,584,700
State contributions to Social Security	1,616,677	1,650,245	1,756,823
Contractual services	2,447,549	2,613,306	2,484,579
Travel	33,268	33,306	35,194
Commodities	561,873	669,680	685,406
Printing	11,597	13,704	14,699
Equipment	64,734	66,489	2,177
Telecommunications services	197,489	254,420	238,064
Operations of auto equipment	32,235	28,154	35,127
Expenses related to living skills program	-	-	-
Costs associated with behavioral health services	370,200	383,600	387,900
Total Expenditures	<u>32,827,435</u>	<u>32,159,492</u>	<u>34,303,292</u>
LAPSED BALANCES	<u>\$ 446,948</u>	<u>\$ 1,883,508</u>	<u>\$ 702,158</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

The locally held funds of the Center are grouped into two fund categories. These are nonappropriated funds with the exception of the Patient Travel Trust Fund, which is appropriated funds. The funds are not held in the State Treasury and are described as follows:

1. Governmental Funds

General Revenue Funds

The General Revenue Funds consist of the Patient Travel Trust Fund and Petty Cash account. This fund and account are used to record the activity of monies received from the State's General Revenue Fund for designated purposes.

The Patient Travel Trust Fund (SAMS fund number 1247) was established to provide for transportation of residents without funds. The source of revenue is the State appropriation. Expenditures are for travel costs incurred to transport indigent recipients to another facility or to their home upon discharge.

The Petty Cash account is maintained for the purpose of making change, purchasing items of small cost, payment of postage due, and for other nominal expenditures that cannot be administered economically and efficiently through the customary vouchering system. Reimbursements to the account are from State general revenue appropriations for contractual services.

Special Revenue Funds

The Special Revenue Funds consists of the DHS Other Special Trusts Fund. This fund is used to account for the proceeds of a specific revenue source that is legally restricted to expenditures for specific purposes.

The DHS Other Special Trust Fund (SAMS fund number 1139) was established to provide for the special comfort, pleasure and amusement of the residents. The primary sources of revenue for the fund is a percentage of vending machine commissions and monies donated for resident use. Also, any unclaimed Resident's Trust Fund balance of a resident separated from the Center for two years is transferred to this fund with the provision that the resident is entitled to the money upon application. These funds are then used for activities and materials to help fulfill the recipients' needs in these areas.

STATE OF ILLINOIS  
 DEPARTMENT OF HUMAN SERVICES  
 CHICAGO READ MENTAL HEALTH CENTER  
 DESCRIPTION OF LOCALLY HELD FUNDS  
 FOR THE TWO YEARS ENDED JUNE 30, 2005

2. Fiduciary Fund Type

Agency Fund

The Agency Fund consists of the DHS Resident's Trust Fund. Agency funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

The DHS Resident's Trust Fund (SAMS fund number 1143) is maintained as a depository for funds of residents while in residence at the Center. The fund also is used to receive Social Security monies obtained to pay for resident billings. Disbursements from the fund consist primarily of withdrawals of monies for recipients' personal use at the Center or when discharged as well as payments to the Department of Human Services Central Office for care and treatment charges billed to the recipient.

Investments and Account Locations

Following is information regarding the location and amount of investments held in locally held funds and location of checking/NOW accounts for the locally held funds at June 30, 2005:

Investments

<u>Description</u>	<u>Interest Rate</u>	<u>Carrying Amount</u>
NONE	N/A	N/A

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
DESCRIPTION OF LOCALLY HELD FUNDS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

Location of bank accounts:

Patient Travel Trust Fund

Checking Account  
Banco Popular, Chicago, IL  
Non- interest bearing

Petty Cash Account

Business Office Petty Cash  
Checking Account  
Banco Popular, Chicago, IL  
Non-interest bearing

DHS Other Special Trust Fund

Amusement Saving Fund  
Checking Account  
Banco Popular, Chicago, IL  
Non-interest bearing  
Amusement Savings Fund  
Saving Account  
Banco Popular, Chicago, IL  
Bearing interest at .5%

DHS Resident's Trust Fund

Patient's Trust Fund  
Checking Account  
Banco Popular, Chicago, IL  
Non-interest bearing

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
JUNE 30, 2005

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2004	\$ 13,026	\$ 9,515	\$ 3,706	\$ 286
Receipts				
Investment Income	70			
Resident deposits		79,071		
Appropriations			17,500	2,785
Other	5,740			
Total Receipts	<u>\$ 5,810</u>	<u>\$ 79,071</u>	<u>\$ 17,500</u>	<u>\$ 2,785</u>
Disbursements				
Contractual services	1,787			2,913
Travel	460		15,479	
Resident Activities	2,087			
Resident withdrawals		79,986		
Other			3,445	
Total Disbursements	<u>\$ 4,334</u>	<u>\$ 79,986</u>	<u>\$ 18,924</u>	<u>\$ 2,913</u>
Balance - June 30, 2005	<u><u>\$ 14,502</u></u>	<u><u>\$ 8,600</u></u>	<u><u>\$ 2,282</u></u>	<u><u>\$ 158</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SCHEDULE OF LOCALLY HELD FUNDS - CASH BASIS  
JUNE 30, 2004

	1139 DHS Other Special Trusts Fund	1143 DHS Resident's Trust Fund	1247 Patient Travel Trust Fund	N/A Petty Cash Account
Balance - July 1, 2003	\$ 9,920	\$ 5,630	\$ 2,025	\$ 471
Receipts				
Investment Income	39			
Resident deposits		61,520		
Appropriations			20,000	2,577
Other	6,545			
Total Receipts	<u>\$ 6,584</u>	<u>\$ 61,520</u>	<u>\$ 20,000</u>	<u>\$ 2,577</u>
Disbursements				
Contractual services	1,122			2,762
Travel			16,294	
Resident Activities	2,356			
Resident withdrawals		57,635		
Other			2,025	
Total Disbursements	<u>\$ 3,478</u>	<u>\$ 57,635</u>	<u>\$ 18,319</u>	<u>\$ 2,762</u>
Balance - June 30, 2004	<u><u>\$ 13,026</u></u>	<u><u>\$ 9,515</u></u>	<u><u>\$ 3,706</u></u>	<u><u>\$ 286</u></u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SCHEDULE OF CHANGES IN STATE PROPERTY  
YEARS ENDED JUNE 30, 2004 AND 2005

	Land and land improvements	Buildings and building improvements	Equipment	Total
<u>Balance June 30, 2003</u>	<u>\$ 4,514,080</u>	<u>\$ 16,603,796</u>	<u>\$ 2,142,799</u>	<u>\$ 23,260,675</u>
Additions:				
Purchases			67,478	67,478
Transfers-in:				
Intra-agency	59		132,014	132,073
Capital Development Board		1,291,376		1,291,376
Adjustments			10,813	10,813
Total Additions	<u>\$ 59</u>	<u>\$ 1,291,376</u>	<u>\$ 210,305</u>	<u>\$ 1,501,740</u>
Deductions:				
Transfers-out:				
Intra-agency			118,020	118,020
Inter-agency			18,894	18,894
Scrap property			29,188	29,188
Adjustment			15,809	15,809
Total Deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,911</u>	<u>\$ 181,911</u>
<u>Balance June 30, 2004</u>	<u>\$ 4,514,139</u>	<u>\$ 17,895,172</u>	<u>\$ 2,171,193</u>	<u>\$ 24,580,504</u>
Additions:				
Purchases			75,155	75,155
Transfers-in:				
Intra-agency			356,233	356,233
Capital Development Board	23,987	495,355		519,342
Adjustments			20,913	20,913
Total Additions	<u>\$ 23,987</u>	<u>\$ 495,355</u>	<u>\$ 452,301</u>	<u>\$ 971,643</u>
Deductions:				
Transfers-out:				
Intra-agency			526,012	526,012
Inter-agency			15,012	15,012
Scrap property			34,594	34,594
Adjustment			7,730	7,730
Total Deductions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,348</u>	<u>\$ 583,348</u>
<u>Balance June 30, 2005</u>	<u>\$ 4,538,126</u>	<u>\$ 18,390,527</u>	<u>\$ 2,040,146</u>	<u>\$ 24,968,799</u>

Note: The property balances at June 30, 2004 and 2005 have been reconciled to the property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
COMPARATIVE SCHEDULE OF CASH RECEIPTS AND DEPOSITS  
YEARS ENDED JUNE 30,

	FISCAL YEARS		
	2005	2004	2003
<u>RECEIPTS</u>			
Jury duty, witness fees, military duty	\$ 815	\$ 507	\$ 589
Refunds	636	192	1,170
Lost supply reimbursements (keys & pagers)	97	121	253
Fees for patient and employee records	-	-	419
Telephone reimbursements	292	-	-
<b>TOTAL RECEIPTS</b>	<u>\$ 1,840</u>	<u>\$ 820</u>	<u>\$ 2,431</u>
<u>DEPOSITS</u>			
Receipts recorded by Agency	\$ 1,840	\$ 820	\$ 2,431
Add: Deposits in transit - Beginning of year	173	24	-
Excess receipts recorded as deposit by Comptroller for Center	12	2,026	988
Deduct: Deposits in transit - End of year	(137)	(173)	(24)
Receipts not recorded as deposit by Comptroller for Center	(636)	(239)	-
<b>DEPOSITS RECORDED BY COMPTROLLER</b>	<u>\$ 1,252</u>	<u>\$ 2,458</u>	<u>\$ 3,395</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

**Fiscal Year 2005**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2005 and June 30, 2004 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2005</u>	<u>2004</u>	<u>AMOUNT</u>	<u>%</u>
State Contributions	\$33,583	\$807,703	\$(774,120)	(96)%
Employee Retirement	\$3,717,022	\$2,065,710	\$1,651,312	80%
Telecommunication Services	\$196,985	\$254,420	\$(57,435)	(23)%

State Contributions

State Contributions decreased \$774,120 or 96% as a result of the State no longer being required to make contributions on portions of the merit compensation and other bargaining employees.

Employee Retirement

Employee Retirement increased \$1,651,312 or 80% as a result of the passage of legislation in the last quarter of fiscal year 2004 that suspended the contributions and allowed the sale of bonds to make the contributions.

Telecommunication Services

Telecommunication Services decreased \$57,435 or 23% as a result of rate reductions for inbound and outbound calling services implemented in the second quarter of fiscal year 2005.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

**Fiscal Year 2004**

A comparative schedule of significant variations in expenditures (20% or more) for the fiscal years ended June 30, 2004 and June 30, 2003 are shown below:

	FISCAL YEAR ENDED		INCREASE	
	<u>JUNE 30</u>		<u>(DECREASE)</u>	
	<u>2004</u>	<u>2003</u>	<u>AMOUNT</u>	<u>%</u>
State Contributions	\$2,065,710	\$2,584,700	\$(518,990)	(20)%
Equipment	\$66,489	\$2,177	\$64,312	2,954%
Operation of Auto Equipment	\$28,154	\$35,127	\$(6,973)	(20)%

**State Contributions**

Employee Retirement expenditures decreased \$518,990 or 20% as a result of the passage of legislation in the last quarter of fiscal year 2004 that suspended the contributions and allowed the sale of bonds to make the contributions. The Center's appropriations were then lapsed.

**Equipment**

Equipment expenditures increased \$64,312 or 2,954% as a result of a restriction being lifted which allowed the facility to spend money for equipment needs. This restriction was imposed in fiscal year 2003.

**Operation of Auto Equipment**

Operation of Auto Equipment decreased \$6,973 or 20% as a result of a decrease in vehicle repairs. In fiscal year 2003, there were more vehicle breakdowns and repairs. In fiscal year 2004, the number of breakdowns remained basically the same, but vehicles were only repaired if it would enhance vehicle performance.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2005

We have reviewed lapse period spending for fiscal years ended June 30, 2005 and 2004 and have identified significant lapse period spending (15% or more). A schedule of significant lapse period spending for fiscal year 2005 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2005</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Services	\$2,447,549	\$456,748	19%
Printing	\$11,597	\$2,907	25%
Equipment	\$64,734	\$14,734	23%
Operation of Auto Equipment	\$32,234	\$7,577	24%

Contractual Services

Significant lapse period spending was due to contractual services performed in the last quarter of the fiscal year. The invoices were received during the lapse period and the contract increases were finalized during the lapse period.

Printing

Significant lapse period spending was due to printing expenditures incurred in the last months of the fiscal year. The invoices were received during the lapse period.

Equipment

Significant lapse period spending was due to equipment expenditures incurred in the last months of the fiscal year. The invoices were received during the lapse period and the transfers of funds were finalized during the lapse period.

Operation of Auto Equipment

Significant lapse period spending was due to operation of auto equipment expenditures incurred in the last months of the fiscal year. The invoices were received during the lapse period and the transfers of funds were finalized during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
FOR THE TWO YEARS ENDED JUNE 30, 2005

A schedule of significant lapse period spending for the fiscal year ended June 30, 2004 is shown below:

<u>EXPENDITURE ITEM</u>	<u>Fiscal Year Ended June 30, 2004</u>		
	<u>TOTAL EXPENDITURES</u>	<u>LAPSE PERIOD EXPENDITURES</u>	<u>PERCENTAGE</u>
Contractual Service	\$2,613,307	\$416,528	16%
Telecommunications	\$254,420	\$39,547	16%
Operation of Auto Equipment	\$28,154	\$4,646	17%

Contractual Services

Significant lapse period spending was due to contractual services performed in the last quarter of the fiscal year. The invoices were received during the lapse period and the contract increases were finalized during the lapse period.

Telecommunications

Significant lapse period spending was due to telecommunication expenditures incurred in the last months of the fiscal year. The invoices were received during the lapse period.

Operation of Auto Equipment

Significant lapse period spending was due to operation of auto equipment expenditures incurred in the last months of the fiscal year. The invoices were received during the lapse period.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SCHEDULE OF CHANGES IN INVENTORIES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2005</u>
General Stores:				
Medical lab	\$ 25,353	\$ 36,643	\$ 49,192	\$ 12,804
Food supplies	88,617	340,122	356,335	72,404
Household and laundry	101,075	176,008	194,566	82,517
Other general stores	47,681	80,799	94,427	34,053
Mechanical Store	1,978	96,742	95,894	2,826
Pharmacy	822	872,232	871,394	1,660
	<u>\$ 265,526</u>	<u>\$ 1,602,546</u>	<u>\$ 1,661,808</u>	<u>\$ 206,264</u>
	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
General Stores:				
Medical lab	\$ 20,557	\$ 40,905	\$ 36,109	\$ 25,353
Food supplies	49,166	350,372	310,921	88,617
Household and laundry	57,558	254,484	210,967	101,075
Other general stores	26,187	132,327	110,833	47,681
Mechanical Store	2,074	178,919	179,015	1,978
Pharmacy	-	363,509	362,687	822
	<u>\$ 155,542</u>	<u>\$ 1,320,516</u>	<u>\$ 1,210,532</u>	<u>\$ 265,526</u>

Note: The inventories consist primarily of commodities and medications and are valued at weighted average cost.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
ANALYSIS OF ACCOUNTS RECEIVABLE  
FOR THE YEARS ENDED JUNE 30,

The Department has accounts receivable of \$1,470,786, arising from operations of Chicago Read Mental Health Center at June 30, 2005. This total represents amount due from private assets, private insurance, Social Security Administration, etc. for resident care provided at Chicago Read Mental Health Center. The Department of Human Services Central Office prepares and mails the monthly billing statements, receives the payments and records the revenue and receivable in their general ledger. The Patient Resource Unit at the Center is responsible for determining billing amounts and is responsible for pursuing collection of delinquent accounts. The aging of outstanding accounts receivables and determination of an allowance for uncollectible accounts are the responsibility of the Department of Human Services Central Office.

An aging of accounts receivable as of June 30, 2005, 2004 and 2003 prepared by the Department of Human Services Central Office and forwarded to the Center is as follows:

	<u>June 30,</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current (0-3 months)	\$99,180	\$42,498	\$90,877
Past due (4-6 months)	20,908	23,552	101,216
Past due (7-12 months)	42,605	74,690	203,829
Past due (over 12 months)	<u>1,159,415</u>	<u>1,600,660</u>	<u>1,662,934</u>
Subtotal	\$1,322,108	\$1,741,400	\$2,058,856
Court Cases	<u>148,678</u>	<u>64,940</u>	<u>22,378</u>
Total	<u>\$1,470,786</u>	<u>\$1,806,340</u>	<u>\$2,081,234</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
CENTER FUNCTIONS AND PLANNING PROGRAM  
FOR THE TWO YEARS ENDED JUNE 30, 2005

The functions and planning program of the Center are as follows:

#### FUNCTIONS

Chicago Read Mental Health Center (Center) is an inpatient hospital of the Department of Human Services (DHS). The Center provides comprehensive inpatient psychiatric health care services, in partnership with community providers, to adults without funding. The Center promotes the highest level of function and satisfaction of residents served by the Center. The Mental Health and Developmental Disabilities Code governs the procedures of the Center in regard to the treatment and care of the mentally ill. The Hospital Administrator, the Network Manager and the Director of the Department and Human Services administer the operations of the institution.

Admissions to the facility are adults who come from an area that includes the northern half of Chicago, all of Evanston and some northern Cook County suburbs. The Center is currently funded for 130 beds. The Center actively pursues and maintains a close relationship with the network of community providers in the surrounding areas to ensure appropriate and efficient admission, treatment and return to the community. The Center is located at 4200 North Oak Park Avenue in Chicago.

#### PLANNING PROGRAM

The Center has a formal strategic planning program. The Governing Body based on broad guidelines established by DHS determines plans and objectives for the Center. In addition, each program/service at the Center develops goals and objectives in consideration of the goals of the Center as a whole. The Center has various Councils/Committees to address the needs of the Hospital. The councils/committees meet on a periodic basis and include: Governing Body, Quality Council, Clinical Executive Committee, Hospital Education & Training Committee and the Environmental & Safety Committee.

The Center appears to have an adequate Agency Function and Planning Program in place. However, administrative issues including resolutions for audit findings and allocation of human resources are not addressed.

The long-term and short-term plans for the Center are designed to improve the quality of the treatment and provide safe environments for the patients and include the following:

1. Enhance patient safety by implementing incentives related to Joint Commission on Accreditation of Health Organizations (JCAHO) National Patient Safety Goals; monitor effectiveness and re-evaluate incentives as necessary.
2. Ensure that Chicago Read continues to serve target population – persons with a serious mental illness who do not have funding.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
CENTER FUNCTIONS AND PLANNING PROGRAM  
FOR THE TWO YEARS ENDED JUNE 30, 2005

3. Continuous improvement of workplace safety through coordination of efforts and new initiatives.
4. Enhance the ability of all of the staff at the Center to access and use information technology in order to provide a safe and efficient work environment.
5. Implement and monitor the Catalyst System, a patient acuity system, to ensure appropriate staffing levels.
6. Monitor the HUB Pharmacy Services.

The planning and evaluation programs administered by the Center during the audit period appear adequate based on the criteria presented in Chapter 22 of the “Audit Guide for Performing Compliance Audits of Illinois State Agencies,” issued by the State of Illinois, Office of the Auditor General.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
AVERAGE NUMBER OF EMPLOYEES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

AVERAGE NUMBER OF EMPLOYEES

The following table, prepared from Center records, presents the average number of employees, by function, for the past three years.

	<u>Fiscal Year</u>		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Rehabilitation services	-	-	-
Adult inpatient services	-	-	-
Central admissions	-	-	-
Medical, surgical and clinical services	218	240	257
Staff development	-	-	-
Administrative services	61	63	71
Engineering	22	15	17
Business management	-	-	-
Other support services	58	70	74
Dietary	-	-	-
Total Employees	<u>359</u>	<u>388</u>	<u>419</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
EMPLOYEE OVERTIME  
FOR THE TWO YEARS ENDED JUNE 30, 2005

EMPLOYEE OVERTIME (not examined)

Certain employees are eligible for overtime if the hours worked during a week exceed the standard workweek hours. The standard workweek hours range from 37 ½ to 40 depending on an employee’s job classification. In most cases employees are compensated at 1 ½ times their normal hourly rate for overtime hours worked. A supervisor must approve all overtime. Certain employees may receive compensatory time off in lieu of pay depending on the position classification of the employee’s job title.

The following table, prepared from Department records presents the paid overtime and earned compensatory time incurred during fiscal year 2005 and 2004.

	<u>2005</u>	<u>2004</u>
Paid overtime hours worked during fiscal year	<u>81,751</u>	<u>61,640</u>
Value of overtime hours worked during fiscal year	<u>\$2,748,108</u>	<u>\$2,195,606</u>
Compensatory hours earned during fiscal year	<u>7,841</u>	<u>6,460</u>
Value of compensatory hours earned during fiscal year	<u>\$180,186</u>	<u>\$165,413</u>
Total paid overtime hours and earned compensatory hours during fiscal year	<u>89,592</u>	<u>68,100</u>
Total value of paid overtime hours and earned compensatory hours during fiscal year	<u>\$2,928,294</u>	<u>\$2,361,019</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
CONTRACTUAL PAYROLL EMPLOYEES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CONTRACTUAL PAYROLL EMPLOYEES (not examined)

The Center hires some individuals to perform personal services pursuant to a contract where the individual is deemed an “employee” under IRS regulations. Some of the services provided by the contractual payroll employees were in the areas of patient/consumer advocate, risk manager, network family consultant, network manager and Psych Intern.

The following table prepared from Department records presents the number of contractual payroll employees and amount expended for contractual payroll employees during fiscal year 2005 and 2004.

	<b>2005</b>	<b>2004</b>
Contractual payroll employees paid during the fiscal year	<u>9</u>	<u>10</u>
Total amount expended for contractual payroll employees during the fiscal year	<u>\$196,870</u>	<u>\$294,774</u>

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
SHARED RESOURCES  
FOR THE TWO YEARS ENDED JUNE 30, 2005

SHARED RESOURCES

During fiscal year 2005, Chicago Read Mental Health Center shared an employee with Elgin Mental Health Center. 100% of the employee's expenditure is related to Elgin Mental Health Center where the employee served as Interim Hospital Administrator. Chicago Read Mental Health Center assumed 100% of the payroll cost.

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
CENTER UTILIZATION  
FOR THE TWO YEARS ENDED JUNE 30, 2005

CENTER UTILIZATION (not examined)

Chicago Read Mental Health Center (Center) is situated on 52 acres in Chicago, IL. The Center has eleven buildings on its grounds. Center management has provided the information below outlining their occupancy and/or utilization of the buildings on the grounds of the Center.

<u>Buildings</u>	<u>Type/Use</u>	<u>Square feet</u>	<u>Status</u>	<u>%</u>
A-Building	Inpatient/offices	23,800	Occupied	100%
B-Building	Inpatient/offices	23,800	Occupied	50%
C-Building	Inpatient/offices	23,800	Occupied	100%
D-Building	Inpatient/offices	23,800	Occupied	100%
E-Building	Cafeteria/offices/ kitchen/stores	38,100	Occupied	100%
F-Building	Offices	32,300	Occupied	100%
G-Building	Intake/security/pharmacy	19,000	Occupied	100%
H-Building	Dept. Rehab/auditorium social hall/Post Office	40,400	Occupied	100%
J-Building	Under renovation	26,700	Unoccupied	0%
K-Building	Offices/court/laundry	24,900	Occupied	100%
Engineering	Shops/offices/garages storage	48,480	Occupied	100%

STATE OF ILLINOIS  
DEPARTMENT OF HUMAN SERVICES  
CHICAGO READ MENTAL HEALTH CENTER  
ANNUAL CENTER STATISTICS  
FOR THE TWO YEARS ENDED JUNE 30, 2005

COST PER YEAR/DAY PER RESIDENT (not examined)

The following schedule represents costs per resident based upon the Department of Human Services Management Cost System. This includes costs for depreciation and an allocation of costs incurred by the Department's Central Office and other State agencies.

	<u>2005</u>	<u>Fiscal Year</u> <u>2004</u>	<u>2003</u>
Cost per year per resident	<u>*</u>	<u>\$236,077</u>	<u>\$217,937</u>
Cost per day per resident	<u>*</u>	<u>\$645</u>	<u>\$597</u>

\* - The Department had not calculated this statistic by the close of fieldwork.

RATIO OF EMPLOYEES TO RESIDENTS (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Certified Capacity of Center	<u>180</u>	<u>180</u>	<u>200</u>
Average number of residents	<u>152</u>	<u>163</u>	<u>178</u>
Average number of employees	<u>359</u>	<u>388</u>	<u>419</u>
Ratio of employees to residents	<u>2.36 to 1</u>	<u>2.38 to 1</u>	<u>2.35 to 1</u>

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REPORTED EMPLOYEE JOB INJURIES (not examined)

The following comparisons are prepared from Center records for the fiscal years ended June 30:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Number of reported employee injuries	<u>102</u>	<u>72</u>	<u>105</u>

FOOD SERVICES (not examined)

The following table, prepared from the Center records, summarizes the number of meals served and the average cost per meal.

	Fiscal Year		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Meals served	<u>152,478</u> (est)	<u>178,818</u>	<u>194,781</u>
Total food costs	\$275,835	\$320,063	\$300,200
Total labor costs	<u>624,810</u>	<u>718,693</u>	<u>712,122</u>
Total costs	<u>\$900,645</u>	<u>\$1,038,756</u>	<u>\$1,012,322</u>
Average food costs / meal	\$1.81	\$1.79	\$1.54
Average labor costs / meal	<u>4.10</u>	<u>4.02</u>	<u>3.66</u>
Total average cost / meal	<u>\$5.91</u>	<u>\$5.81</u>	<u>\$5.20</u>

STATE OF ILLINOIS  
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SERVICE EFFORTS AND ACCOMPLISHMENTS  
FOR THE TWO YEARS ENDED JUNE 30, 2005  
(not examined)

Over the past two years, Chicago Read Mental Health Center has had the following services efforts and accomplishments:

**FISCAL YEAR 2004**

Safety Accomplishments-

- Fully implemented Joint Commission on Accreditation of Healthcare Organizations (JCAHO) National Patient Safety Goals
- Finalized revision and retraining of controlling contraband within the hospital.
- Implemented the Policy and Procedure Database to ensure that current policies are readily available to staff.
- Implemented computerized Work Order system to ensure work orders were completed in a timely manner.

Census Management Accomplishments -

- Provided more efficient care to our patients. While managing an increased presentation of patients (2901), the Center was able to:
  - decrease the average length of stay (hospital-wide) by 5.8 days or 13% from the previous year and
  - Decrease the average daily census by 17 patients per day or 9%.
- Opened the Reintegration and Recovery Program on J West. This is a 15 bed unit which served behavior management patients from Chester Mental Health Center who were ready to transition back into a community state operated hospital and then back into their home community. Prior to the opening, trained staff and established the treatment philosophy for the program. Opening in December 2003, the unit transferred 26 patients from Chester through the end of the fiscal year.
- Working the OCAPS, completed implementation of the Pharmacy HUB site at Chicago Read.
- Initiated a relationship with Division of Alcohol and Substance Abuse and began a Co-Location Program which provided DASA funded staff to assess and identify resources for patients who were diagnosed as primary substance abuse and needed DASA funded services.
- Completed our JCAHO survey and was awarded full accreditation for three years.

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(not examined)

**FISCAL YEAR 2005**

Safety Accomplishments-

- Implemented three (3) Violence Prevention Workgroups focused on assessment of risk of violence, training of staff and equipment needs. By the end of the fiscal year, the workgroups accomplished the development of a violence risk assessment tool (V-Rat), developed staff training and ordered a new mobile phone system to replace and expand the radio capacity we currently have for notifying staff of emergency situations.

Census Management Accomplishments-

- With about the same number of presentations of patients (2846), the Center continued to efficiently manage the hospital, ensuring that beds were available for patients who needed services. The Center was able to:
  - decrease the average length of stay (hospital wide) by 12.8 days or 32% from the previous year and
  - Decrease the average daily census by 10 patients per day or 6%.
- The hospital implemented a No Smoking Policy for patients and visitors with a restricted smoking component for staff.
- The Nursing Department with the assistance of the Information Technology Department, implemented a computerized acuity system for patient care.
- Chicago Read successfully hired a Medical Director. Dr. Richard Malis was promoted to the position January 3, 2005.
- In preparation for FY06, in which Chicago Read was to be downsized from 180 beds to 130 beds, we managed several Labor Relation activities which affected a large number of the staff. Seventy one (71) staff were potentially affected by the layoff/bumping process associated with the downsizing. Following all bargaining unit contractual agreements, the layoff/bumping process affected over 50 of our staff. Another 70 staff were then involved in being displaced subsequent to Central Intake, a patient care unit closing and a reorganization of the remaining units.
- Designed and opened the Intake and Stabilization Unit (ISU). The unit is designed to accept all admissions into the hospital and determine the appropriate unit which will provide the treatment for the patient. In addition, the unit provides treatment for patients who require stabilization and only a brief hospitalization. The unit is an ideal treatment environment for patients who are diagnosed with primary substance abuse disorders and whose symptoms clear quickly once admitted to the hospital.