

**REPORT DIGEST**

**DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES  
CHICAGO READ MENTAL HEALTH CENTER  
FINANCIAL AND COMPLIANCE AUDIT  
FOR THE TWO YEARS ENDED JUNE 30, 1995**

**SYNOPSIS**

●The Center did not report all incidents of resident abuse and neglect within the timeframes established by the DMHDD Office of the Inspector General. Incidents were reported late to the Facility Director, the Inspector General, and the Illinois Department of Public Health.

● In September 1993, the Center was notified by the Joint Commission for Accreditation of Health Care Organizations that its accreditation was denied. The decision was based on the Center's failure to meet fire prevention, safety, and detection standards. The Center will attempt to regain certification by August 1996.

**DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES**  
**CHICAGO READ MENTAL HEALTH CENTER**  
**COMPLIANCE AUDIT**  
**For The Two Years Ended June 30, 1995**

<b>EXPENDITURE STATISTICS</b>	<b>FY 1995</b>	<b>FY 1994</b>	<b>FY 1993</b>
●Total Expenditures (All Funds)	\$30,367,277	\$38,501,095	\$39,188,254
<u>Operations Total</u>	\$30,367,277	\$38,501,095	\$39,188,254
% of Total Expenditures	100%	100%	100%
Personal Services	\$24,583,928	\$30,374,333	\$31,099,477
% of Operations Expenditures	81%	79%	80%
Average No. of Employees	596	739	781
Other Payroll Costs (FICA, Retirement)	\$2,606,937	\$3,252,109	\$3,284,723
% of Operations Expenditures	9%	8%	8%
Contractual Services	\$2,090,260	\$3,404,654	\$32,229,263
% of Operations Expenditures	7%	9%	8%
All Other Items	\$1,086,152	\$1,469,999	\$1,574,791
% of Operations Expenditures	3%	4%	4%
<u>Grants Total</u>	0	0	0
% of Total Expenditures	0%	0%	0%
●Cost of Property and Equipment	\$55,617,810	\$54,842,762	\$53,283,952

<b>SELECTED ACTIVITY MEASURES</b>	<b>FY 1995</b>	<b>FY 1994</b>	<b>FY 1993</b>
●Average Number of Residents	286	377	475
●Ratio of Employees to Residents	2.08	1.96	1.64
●Cost Per Year Per Resident	\$136,606	\$130,652	\$99,270
●National School Lunch Program Receipts	0	\$27,393	\$89,006

<b>FACILITY DIRECTOR(S)</b>
During Audit Period: Marva Arnold, Thomas Simpatico, MD (effective 1994) Currently: Thomas Simpatico, MD

## **FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS**

### **LATE REPORTING OF INCIDENTS OF RESIDENT ABUSE AND NEGLECT**

The Center did not always report incidents within the timeframes established by the DMHDD Office of Inspector General. Of the 67 incident reports tested,

- 9 incidents were not reported to the Office of Inspector General within one working day after the incident was discovered.
- 8 incidents were reported to the Department of Public Health later than one calendar day after discovery of the incident.
- 3 incidents were reported to the Facility Director later than the end of the reporting individual's shift. (Finding 1, page 7)

We recommended the Center reiterate to its employees the established timeframes for reporting incidents of resident abuse and neglect. The Center accepted our finding, stating that it is emphasizing incident reporting requirements to its employees both verbally and in writing.

### **OTHER FINDINGS**

The remaining finding concerns a technical violation of a State mandate related to use of treatment review panels. It is being given appropriate attention by the Center. We will review the Center's progress toward implementing our recommendation during the next audit.

Mr. Leonard Beck, the Department's Chief Internal Auditor, provided the Center's responses to our recommendations.

### **OTHER MATTERS**

The Center's triennial Joint Commission for Accreditation of Health Care Organizations (JCAHO) accreditation expired in July 1992. Following a survey conducted in August 1992 and a lengthy appeal process, the Center was notified in September 1993 that its JCAHO accreditation was denied. JCAHO's decision was based on the Center not meeting the standards for Physical Plant Technology and Safety. The Center's fire safety, prevention, and detection systems were found to be not consistent with today's technology. Upgrading this system is required before accreditation can be regained.

The loss of accreditation affects the Center in two ways: loss of esteem within the health care sector and in the eyes of the public, and potential permanent loss of Health Care Financing Administration certification.

Over the past two years, the Center has focused its efforts on meeting all JCAHO standards and will attempt to regain accreditation by August 1996. Specific activities are now in process toward that objective:

- The Life Safety Capital Development Project, to improve the Center's fire safety systems, is approximately 80 percent complete. This project is scheduled for completion by February 1996.
- A Comprehensive Nursing Station Renovation Project had been designed to improve nursing station sight lines and functionality.
- An Environmental Improvement team has been established to regularly survey the Center to identify environmental, safety, and physical plant deficiencies and needs and make recommendations for improvement.
- A Preventative Maintenance Program for the entire physical plant is currently being developed.

### **AUDITORS' OPINION**

Our auditors report that the financial statements of the Center's Locally Held Funds at June 30, 1995 and 1994 are fairly presented.

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WILLIAM G. HOLLAND, Auditor General

WGH:WEH

### **SUMMARY OF AUDIT FINDINGS**

<u>Number of This Audit</u>	<u>Prior Audit</u>
Audit findings	27
Repeated audit findings	02
Prior recommendations implemented	73
or not repeated	

### **SPECIAL ASSISTANT AUDITORS**

KPMG Peat Marwick LLP were our special assistant auditors for this audit.