

STATE OF COLORADO



Colorado Department of Human Services  
*people who help people*

OFFICE OF BEHAVIORAL HEALTH AND HOUSING  
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Bill Ritter, Jr.  
Governor

Karen L. Beye  
Executive Director

July 22, 2010

The Honorable Dave Schultheis  
Chairman, Legislative Audit Committee  
200 East Colfax, Room 346  
Denver, CO 80203

Dear Senator Schultheis:

At the request of Jennifer Page, Audit Manager, we have prepared the attached status report on the recommendations made in the November 2009 audit of the Colorado Mental Health Institute at Pueblo. This is the first status report after the Legislative Audit Committee hearing on this audit on December 7, 2009.

The Colorado Department of Human Services (CDHS), to the extent possible, has implemented or is in the process of implementing all of the audit recommendations. The attached status report contains:

- 1) The implementation Status of each recommendation.
- 2) A brief explanation of the actions taken.
- 3) The impact of other factors on the implementation and revised implementation dates, if applicable.

Please contact, Joscelyn Gay, (303) 866-2806, if have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Karen L. Beye".

Karen L. Beye  
Executive Director

Enclosure

**Department of Human Services, Colorado Mental Health Institute at Pueblo, Performance Audit  
Recommendation Implementation Status Report  
July 19, 2010**

**Recommendation No. 1:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should ensure that forensic patients in the community receive appropriate care and monitoring by:

- a. Implementing policies and procedures and updating contract provisions related to monitoring and treating forensic patients in the community to clearly delineate the respective roles and responsibilities of the Institute's Forensic Community-Based Services (FCBS) program and the community mental health centers.
- b. Providing training and guidance to Institute and community mental health center staff on health care standards, as well as on their roles and responsibilities for monitoring and caring for forensic patients.
- c. Improving oversight of community mental health centers to ensure that they adequately treat forensic patients in their care and comply with the terms of their contracts with the Department.
- d. Ensuring that appropriate enforcement actions are taken against community mental health centers for noncompliance with contract terms. The Department should consider: (1) implementing a separate fee schedule that pays higher rates for forensic patients who require more extensive monitoring, (2) implementing more stringent penalties for repeated noncompliance by community mental health centers, and (3) investigating alternative means of providing continuing care for forensic patients in the community if community mental health centers do not provide adequate care and monitoring.
- e. Implementing a standard quality assurance process for reviewing forensic patient records after escapes occur to assess the appropriateness of the patient's care and monitoring prior to escape and to determine if a lack of care and monitoring contributed to the escape. Corrective actions should be taken as appropriate.

**Recommendation No. 1 Status Report**

**a. Implementation: Implemented June 2010/Ongoing.**

In June 2010, the Department implemented a revised Forensic Community-Based Services (FCBS) procedures manual for use by the Division of Behavioral Health (DBH), the Institute's FCBS program, and the state's community mental health centers. The revised manual delineates the respective roles and responsibilities of the Institute's FCBS program and the community mental health centers with regard to monitoring and treating forensic patients in the community. The document clarifies roles and responsibilities related to the preparation, documentation, and assessment of treatment plans, medication management, and community monitoring. The document is incorporated by reference into the Division of

Behavioral Health's FY 2010-11 contract with each community mental health center. In July 2010, Division of Behavioral Health staff began meeting individually with each community mental health center to provide an orientation to the revised procedures manual.

**b. Implementation: Implemented April 2010/Ongoing.**

As the Department indicated in the audit response, Institute and Division of Behavioral Health staff currently provide training about the treatment and monitoring of forensic patients residing in the community to community mental health center staff. This training includes preparation and review of treatment plans, clinical documentation, and medication documentation. Beginning this year, the Institute and Division of Behavioral Health will conduct formal group training sessions twice a year for community mental health center staff. (One session will be held in the Denver metropolitan area and one session will be held in the Colorado Springs/Pueblo area.) Training topics will include risk assessment, treatment planning, evidence-based practices, medication monitoring, and other topics specific to treating and monitoring forensic patients residing in the community. Institute FCBS staff participate in these training activities along with community mental health center staff.

In addition to the formal training sessions twice a year, Institute and Division of Behavioral Health staff will continue to provide ad-hoc and ongoing individual support and guidance to community mental health center staff about their roles and responsibilities related to monitoring of forensic clients residing in the community, such as the orientation to be provided on the recently revised FCBS procedures manual.

Examples of recent training efforts include an April 2010 training conducted by Institute staff for Pikes Peak Mental Health Center staff about identifying and managing forensic patient risk factors. In May 2010, the Institute held a two-day live (and webinar) training on risk assessment in Denver that included state public defenders, Division of Behavioral Health staff, and Institute FCBS staff. Forensic psychology expert Joel Dvoskin, Ph.D., who is a nationally known expert in this area, presented this training from the University of Arizona. In June 2010, Steven Wong, Ph.D., from the United Kingdom, presented training at the Colorado Mental Health Institute at Pueblo (CMHIP) for community mental health center staff and CMHIP staff about the Violence Risk Scale, a risk assessment instrument he developed that is used at CMHIP and is in wide use internationally.

**c. Implementation: Implemented June 2010/Ongoing.**

The Division of Behavioral Health will continue to monitor each community mental health center to ensure compliance with the execution of the FCBS procedures detailed in the manual. Annual DBH site reviews include reviews of treatment plans, services, and documentation of monitoring of medications provided to the patient. A review of patient risk factors and the adequacy of the patient's treatment plan to address risk factors are also included in the DBH review. In addition, the revised FCBS procedures manual requires centers to update and review the treatment plan with Institute FCBS staff every six months or more often if there is a major change in the patient's condition or service needs. Beginning this year, meetings with the community mental health center forensic coordinators, Institute

FCBS staff, and Division of Behavioral Health staff will be held at least twice per year. These meetings may include a review of risk assessment, medication monitoring, and case specific consultation.

The centers are also required to provide quarterly reports to Institute FCBS staff. These reports include detailed information about the services the center has provided for the patient, current medications and dosages, progress notes from the patient's medical record, dates of attendance at treatment sessions, and an identification of the risk factors that are present with the patient. The Division of Behavioral Health also recently instituted a special studies code on the Colorado Client Assessment Record (CCAR) data collection instrument to better track forensic patients and assess the services they receive from the center and their treatment outcomes.

**d. Implementation: Implemented July 2010/Ongoing.**

As the Department indicated in the audit response, the Division of Behavioral Health will continue to monitor community mental health centers' compliance with contracts. DBH will follow existing standards for ensuring compliance including proper notice, requiring community mental health centers to establish plans of correction, providing the opportunity to improve concerns, and providing needed technical assistance prior to the levying of liquidated damages and other contract remedies.

Should DBH be unsuccessful in achieving results by following the aforementioned process, DBH then would consider a mix of incentives and sanctions, which could include increased penalties for repeated non-compliance and utilization of an alternative group of providers. In order for DBH to pay a higher fee for forensic clients, it would be necessary to reduce services to other indigent persons (without an influx of additional resources) and that decision would need to be carefully weighed against other competing demands for services.

**e. Implementation: Implemented June 2010/Ongoing.**

The Department fully agrees with the State Auditor's recommendation that a thorough internal and external auditing process should be designed and implemented to result in a planned, consistent, and careful review of the status of patients or clients residing in the community.

The State Auditor's conclusions about the level of care and monitoring in the three escape cases selected for review were extremely concerning to the Department. In order to learn from and better understand the Auditor's findings, the Department commissioned a thorough and independent review of each of these cases by Dr. Jeffrey L. Metzner, M.D., a nationally recognized forensic psychiatric expert.

Dr. Metzner reviewed the full medical documentation for the three patients who are discussed in the State Auditor's Report, and then met with the community mental health center and FCBS staff to discuss the documentation in detail. Dr. Metzner found that in each

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case the patient or client was provided adequate, and in some aspects exceptional, care and oversight. Dr. Metzner's March 10, 2010 detailed written report is available at your request. The State Auditor's inquiries brought to the Department's attention the value of continued external oversight of community case management services. The Department is fully committed to developing a vigorous audit and assessment process. The Department's work in this area, as it relates to the community mental health centers, is described above in section (c). The Department has designed an audit process for the FCBS Program that includes assessments by both Quality Support Services and the Division of Behavioral Health.

Also pursuant to the audit recommendations, the Division of Behavioral Health's revised FCBS procedures manual includes a standard quality assurance process for reviewing forensic patient records after escapes occur to assess the appropriateness of the patient's care and monitoring prior to escape and to determine if gaps in care and monitoring contributed to the escape. (Community mental health centers are required to report all escapes of forensic patients to the Division of Behavioral Health and to FCBS.)

This standardized retrospective review process includes a joint critical incident review and debriefing meeting between Institute FCBS staff, community mental health center staff, and Division of Behavioral Health staff. The following areas will be reviewed as part of this process:

1. Patient compliance with court orders and treatment plan, including medication adherence.
2. Timeline of services and contacts prior to and leading up to the escape.
3. Were any early warning signs present?
4. Did the escape involve identified risk factors, and if so, how were those being mitigated prior to the incident?
5. Changes to policies and procedures, if applicable, based on the review.

In addition, escapes that result in the commission of alleged crimes by the escapee or acts of self-harm by the escapee will be reviewed by Institute and DBH staff using a root cause analysis process. A root cause analysis is a standard tool used by the Institutes, which includes a review of clinical and organization processes, staff actions, and individual performance to identify potential improvements that would tend to decrease the likelihood of such events in the future or determine, after analysis, that no such improvement opportunities exist.

Finally, Institute quality management staff will conduct two audits during FY 2010-11 of a sample of FCBS patient medical records to assess the level of care and monitoring the patients are receiving by Institute FCBS staff. DBH currently conducts a similar review of FCBS patient medical records for patients treated by community mental health center staff.

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## **Recommendation No. 2:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen their policies and procedures for protecting patients and the public when patients are missing by:

- a. Developing a comprehensive set of policies and procedures addressing the steps Institute and community mental health center staff should take to determine a patient's escape or elopement status and to notify local law enforcement, the media, and area schools as appropriate. As part of this process, the Department and the Institute should examine other states' missing patient policies and procedures and incorporate elements from them as appropriate.
- b. Obtaining a formal opinion from the Attorney General's Office to determine the extent to which federal law allows the Institute to: (1) notify outside authorities, including the media and public schools, when forensic and civil patients escape or elope, or (2) provide current threat assessments when forensic and civil patients escape from state custody.

## **Recommendation No. 2 Status Report**

### **a. Implementation: Implemented July 2010/Ongoing.**

The Institute has created a single patient elopement and escape policy and procedure. This policy details the steps Institute staff should take to place a patient on elopement or escape status, begin efforts to locate the patient, and notify local law enforcement, the media, and public schools, as appropriate. The revised FCBS procedures manual directs community mental health center staff to immediately notify the Institute FCBS staff, and then follow the Institute escape procedure. The Institute reviewed other states' escape policies in the process of revising the Institute policy.

The Institute's media notification process for forensic patient escapes has been improved through the use of a media notification network. One entry of information into the network disseminates the information to all Colorado media sites that have registered. Institute staff have compiled accurate criminal histories for all "not guilty by reason of insanity" patients so this information is immediately available if an escape occurs. Notification to schools now goes to the school district administration office for dissemination to all schools in the Pueblo area.

### **b. Implementation: In Progress – Estimated Implementation September 2010.**

The Attorney General's Office is currently completing a formal opinion to determine the extent to which federal law allows the Institute to: (1) notify outside authorities, including the media and public schools, when forensic and civil patients escape or elope, or (2) provide current threat assessments when forensic and civil patients escape from state custody. The Attorney General's Office estimates the formal opinion will be complete and provided to the Department by September 1, 2010.

### **Recommendation No. 3:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen the patient complaint system by:

- a. Implementing policies and procedures to ensure that all complaints, including those submitted by patients who are subsequently discharged, are investigated and resolved. Follow up actions taken to address and resolve complaints should be documented in the database.
- b. Ensuring that the information in the complaint database and the topical categories in which the information is captured provide sufficient information to facilitate meaningful analysis.
- c. Analyzing the information in the complaint database to identify patterns and underlying or recurring trends that may affect Institute operations or patient care and taking action as appropriate.

### **Recommendation No. 3 Status Report**

#### **a. Implementation: Implemented January 2010/Ongoing.**

The Institute has taken several actions to ensure that all patient complaints, including those submitted by patients who are subsequently discharged, are investigated and resolved, and that follow-up action is documented in the database. Specifically, the Institute substantially revised its patient complaint policy. In an effort to increase the number of complaints resolved prior to discharge, timelines for addressing complaints have been shortened from a previous deadline of 40 days to a deadline of 13 days. These shortened time frames have resulted in a decrease in the number of grievances that are not addressed before the patient is discharged. A review of the database indicates that since January 2010 the majority of patient complaints filed by patients who were discharged prior to resolution of the complaint have been addressed. In addition, the Institute's patient representative now ensures that complaint resolutions are implemented and that the resolution is entered into the database.

#### **b. Implementation: Implemented May 2010/Ongoing.**

The complaint database used by both Institutes has been revised to increase the specificity of the topical categories in the database. The previous "other" category has been split into four additional categories for the purpose of facilitating and improving meaningful analysis of complaint types and trends. Specifically, the following four categories have been added (in addition to the ten existing categories):

1. Complaints about unfair treatment (not related to complaints about the Institute's behavioral rewards program);
2. Complaints about legal rights;
3. Patient requests for technical assistance (e.g., "What is the phone number for the legal Center?"); and,
4. Complaints about medication levels and information about possible side effects of medications.

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In addition, the Institute now enters the names of staff into the database if the staff person has been determined (as a result of an investigation triggered by a patient complaint) to have violated Department or Institute policy or standards.

**c. Implementation: Implemented February 2010/Ongoing.**

As the Department indicated in the audit response, Institute management meets monthly to review a report containing all complaint information for the previous month, including those complaints brought by patients who have been discharged. (Previously, the monthly management review consisted only of a review of statistical data, such as number and categories of grievances.) Once a quarter, the Institute patient representative presents a summary of types of grievances and data showing trends to the Institute's Governing Body. Additionally, the Patient Representative now meets weekly with the Assistant Superintendent to review each entry into the database, including the narrative summary of the complaint, the resolution efforts, and the categorization.

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**Recommendation No. 4:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen their policies and procedures surrounding workers' compensation claims by:

- a. Reassessing and revising Department policies related to investigating and documenting claims to ensure that the claims are valid and should be paid by the State. Any changes made to the policies should be implemented Department-wide, and the Department should train staff on the policies.
- b. Ensuring that supervisors appropriately investigate all workers' compensation claims and provide all pertinent investigation information to Department human resources staff.
- c. Ensuring that Department human resources staff review claims for adequate documentation and complete information before providing the claims to Pinnacle Assurance.

**Recommendation No. 4 Status Report**

**a. Implementation: In Progress – Estimated Implementation July 2010.**

A task force of Department benefits and human resources specialists has prepared a draft Workers' Compensation Policy that contains detailed procedures for investigating and documenting workers' compensation claims to ensure that the claims are valid and should be paid by the State. The draft policy will be presented to the Department's executive management team for consideration during July 2010.

**b. Implementation: In Progress – Estimated Implementation September 2010.**

Once the new Workers' Compensation Policy has been adopted by the Department, it will be communicated to all employees. Between January and March 2010, training on employee

injury analysis was delivered to 75 CMHIP supervisors by CDHS risk managers and the State Office of Risk Management. Additional training for supervisors and managers on the proposed new policy's requirements, that supervisors appropriately investigate all claims and provide all pertinent investigation information to Department human resources staff, will be provided in September 2010.

**c. Implementation: In Progress – Estimated Implementation October 2010.**

A portion of the training for Department supervisors and managers will include procedures for human resources staff to review all claims for adequate documentation and complete information before the claims are provided to Pinnacle Assurance. Training will be completed by October 2010.

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**Recommendation No. 5:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should consider implementing an injury reduction program to help reduce the number of workers' compensation claims by Institute employees and thereby reduce the associated costs to the State. The Department should consider incorporating in the injury reduction program physical assessments of current employees, physical prerequisites for new direct-care employee hires, and ongoing analysis of information collected from root cause investigations in the injury reduction program. If such a program is implemented, the Department and Institute should evaluate the long-term effects of the program on workers' compensation costs.

**Recommendation No. 5 Status Report**

**Implementation: In Progress – Estimated Implementation December 2010.**

The Department has carried on an active injury reduction program at CMHIP for the past several years. In addition, Department risk managers and benefits specialists are working with the Office of State Risk Management to identify providers of physical assessments for current and new direct care employees. The feasibility and cost of implementing such a physical assessment program are still under review and should be complete by December 2010.

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**Recommendation No. 6:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should ensure the efficient and effective use of resources for law enforcement at the Institute by:

- a. Reevaluating the Institute's law enforcement needs and determining the most cost-effective way to meet those needs. As part of this evaluation, the Department and the Institute should work with Pueblo City and County law enforcement officials to determine the extent to which local law enforcement could meet the Institute's law enforcement needs. If the Department and the Institute determine that working with local law enforcement is a feasible alternative, the

Department and the Institute should develop interagency agreements with local law enforcement officials, as needed.

- b. Reclassifying or eliminating any unnecessary law enforcement positions at the Institute and ensuring that any remaining P.O.S.T.-certified positions are used for law enforcement rather than administrative functions.
- c. Clarifying the purpose and jurisdiction of the Institute's police force in statute or Department rule.

#### **Recommendation No. 6 Status Report**

**a. Implementation: In Progress – Estimated Implementation October 2010.**

The Department is currently seeking consulting services to provide an independent assessment of the Institute's law enforcement needs and recommendations as to the most cost-effective way to meet those needs.

**b. Implementation: In Progress – Estimated Implementation October 2010.**

The Department will make a determination of the need to reclassify or eliminate any unnecessary law enforcement positions at the Institute once the independent consultant assessment is complete. In the interim, the Institute has reassigned some administrative duties previously assigned to P.O.S.T.-certified positions to increase the use of these positions for law enforcement rather than administrative functions.

**c. Implementation: In Progress – Estimated Implementation July 2011.**

Clarification of the purpose and jurisdiction of the Institute's police force in statute or Department rule is dependent upon the results of the independent consultant assessment.

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#### **Recommendation No. 7:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should ensure that Institute employees appropriately request approval for outside employment and report activities that could be considered a conflict of interest by:

- a. Developing a process for routinely notifying employees of their responsibility to submit an outside employment and conflict-of-interest disclosure statement. This statement should require employees to request approval for outside employment and disclose activities in order for management to determine if they interfere with employees' state duties or conflict with the State's interests. The statement should also certify that employees are aware of and in compliance with applicable statutes, state personnel rules, and policies.
- b. Developing guidelines for supervisors to use when reviewing outside employment requests to aid in determining whether to approve or deny the outside employment request.

## **Recommendation No. 7 Status Report**

### **a. Implementation: Implemented/Ongoing March 2010.**

The Department implemented a process in March 2010 that includes a required form for disclosure of outside employment and conflict of interest as part of the annual performance evaluation process. Supervisors and their employees complete the form during the annual performance evaluation, thus ensuring that outside employment is approved and does not pose a conflict of interest with state duties or state interests. The disclosure form includes a certification by employees that they are aware of and in compliance with applicable statutes, state personnel rules, and policies.

### **b. Implementation: Implemented March 2010.**

In March 2010, the Department developed and implemented guidelines for use by supervisors to review requests for outside employment and to screen for possible conflicts of interest. Supervisors now use these standards to determine whether to approve or deny requests for outside employment.

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## **Recommendation No. 8:**

The Department of Human Services should ensure accountability for physician and other professional medical services provided through the Department's contract with the University of Colorado at Denver Health Sciences Center by:

- a. Clearly defining in the contract: (1) the roles, responsibilities, and authority of all individuals included in the contract, especially those functioning in key management positions at the Institute; (2) performance measures and expectations for the contract physicians and other medical professionals; and (3) the services to be provided by the University in exchange for the administrative fee.
- b. Actively monitoring the services provided under the contract, which should include designating a Department employee as contract monitor and having this individual work with the Chief of Medicine to ensure that performance evaluations are completed for all of the contract physicians and other medical professionals.

## **Recommendation No. 8 Status Report**

### **a. Implementation: Implemented June 2010.**

The Department revised the FY 2010-11 Interagency Agreement with the University of Colorado at Denver (UCD) to include position descriptions describing the roles and responsibilities of each medical staff position provided by UCD, including the Chief of the Medical Staff and other medical staff functioning in key management positions. The Agreement specifically states that each medical staff provided under the Agreement shall perform the duties and responsibilities as detailed in the position description. Management

will review these position descriptions with each member of the medical staff on an annual basis and may also create custom position descriptions by adding additional duties or responsibilities to the generic position description.

The Department's revised FY 2010-11 Interagency Agreement with the University of Colorado at Denver (UCD) includes a standardized performance evaluation form and process. The Agreement requires UCD to provide copies of completed performance evaluations for each medical staff provided under the Agreement to the Department's Mental Health Institute Division Director by May 15<sup>th</sup> of each year. In addition, the revised Agreement requires UCD to notify the Institute Division Director about any disciplinary or regulatory action taken against any medical staff providing services at the Institutes.

The 8.1 percent annual administrative fee charged by the University represents the charge to reimburse UCD for the indirect administrative costs incurred in delivering the professional services provided through this Agreement. These costs include payroll, benefits, human resources, procurement, finance, budget, legal counsel, department administration, insurance, information technology, etc. The UCD rate for off-campus services (such as providing medical staff services at the Institutes), as certified with the federal Department of Health and Human Services in November 2007, is 26.0 percent. UCD is willing to charge the Division an 8.1 percent rate given the educational and programmatic relationship between the two agencies. The Department's Interagency Agreement with the University was amended, effective July 1, 2010, to reflect that the 8.1 percent fee is to partially reimburse the University for federally certified indirect costs associated with the provision of medical staff services to the Institutes.

**b. Implementation: Implemented June 2010.**

The Mental Health Institute Division Director is the Department employee identified to monitor UCD performance with the terms of the Interagency Agreement. As part of these duties, the Division Director will ensure that performance evaluations are received for each medical staff member provided under the Agreement. It should also be noted that Joint Commission accreditation requirements and federal Center for Medicare and Medicaid Services certification requirements direct the Governing Body and leadership of each Institute to monitor the performance of the medical staff.

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**Recommendation No. 9:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should improve nonexempt employees' compliance with timekeeping and leave requirements by:

- a. Reviewing and clarifying, as needed, policies and procedures for monitoring and approving overtime, leave, and time clock practices. These policies and procedures should address the need for prior approval for overtime, limits on the amount of overtime allowed, clocking in and out, and leave documentation.

- b. Communicating clear policies to all Institute staff and providing training to all staff on their responsibilities. In particular, supervisors' responsibilities should be emphasized.
- c. Determining how to best allocate read-only timekeeping system licenses to Institute supervisors to enable them to perform timely monitoring of employees' time and leave.

**Recommendation No. 9 Status Report**

**a. Implementation: In Progress – Estimated Implementation December 2010.**

The Department is currently reviewing the Department's timekeeping and leave documentation policy. This review will be completed by August 31, 2010 and any policy revisions as a result of this review will be implemented by December 31, 2010. The Colorado Mental Health Institute at Pueblo has implemented a requirement that overtime be approved in advance in writing. Other overtime policies and procedures implemented at the Mental Health Institute at Fort Logan (as cited in the audit) will be implemented at the Colorado Mental Health Institute at Pueblo by August 31, 2010. It should be noted that the Institutes' overtime expenditures have declined significantly in the last two fiscal years, from \$418,231 in FY 2008-09 to an estimated \$99,050 in FY 2009-10.

**b. Implementation: In Progress – Estimated Implementation December 2010.**

As discussed above in recommendation 9(a), the Department is currently reviewing timekeeping and leave documentation policies and procedures. Following this review, the Department will disseminate all relevant changes to Department employees and supervisors concerning timekeeping and leave documentation policies and procedures, including employee and supervisor responsibilities, by December 31, 2010.

**c. Implementation: In Progress – Estimated Implementation November 2010.**

The Department's Payroll unit has identified supervisors at the Institute needing read-only access to the automated timekeeping system and will provide these supervisors with this access. In addition, due to cost constraints, some supervisors may be provided with more frequent hard copy reports for their employees, rather than read-only access. The Department's Payroll unit will also provide these supervisors with training about using and understanding the Department's automated time-clock system and reports. These efforts will be completed by November 30, 2010. Additionally, the Department's Payroll unit currently distributes periodic reports to management on overtime usage and the earning and use of comp time.

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**Recommendation No. 10:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should evaluate the costs and benefits of implementing an automated staff scheduling system for the Institute and for other 24-hour facilities under the Department's oversight. The Department should develop implementation plans as appropriate.

**Recommendation No. 10 Status Report**

**Implementation: Implemented July 2010/Ongoing.**

The Mental Health Institute Division has implemented a low cost, internet-based staff scheduling system at each Institute. This system will allow Department and Institute management to obtain accurate data about utilization of nursing staff, staff to patient ratios, and other information that will assist with optimizing the allocation of staff.

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## STATE OF COLORADO



**Colorado Department of Human Services**

*people who help people*

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Reggie Bicha

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John W. Hickenlooper  
Governor

Reggie Bicha  
Executive Director

August 3, 2012

Dianne E. Ray, CPA  
State Auditor  
Colorado Office of the State Auditor  
200 East 14<sup>th</sup> Avenue, 2<sup>nd</sup> Floor  
Denver, CO 80203

Dear Ms. Ray:

In response to your request dated June 22, 2012, we have prepared a status report regarding the implementation of audit recommendations contained in the November 2009 *Colorado Mental Health Institute at Pueblo Performance Audit*. The enclosed status report provides a brief explanation of the actions taken by the Colorado Department of Human Services to implement each recommendation.

If you have questions related to the status report, please contact Ken Cole at (303) 866-7091 or by email at [kenneth.cole@state.co.us](mailto:kenneth.cole@state.co.us); questions related to the Department-wide recommendations should be directed to Reginald Jefferson at (303) 866-5083 or by email at [reginald.jefferson@state.co.us](mailto:reginald.jefferson@state.co.us). A representative from the Department will attend the August 2012 hearing to present the enclosed status report.

Sincerely,

Reggie Bicha  
Executive Director

Enclosure

cc: Nikki Hatch, Deputy Executive Director of Operations  
Lisa Clements, Director, Office of Behavioral Health  
Reginald Jefferson, Director, Office of Administrative Solutions  
Jay Morein, Director, Office of Performance & Strategic Outcomes  
Ken Cole, Deputy Director, Office of Behavioral Health  
Charissa Hammer, Director, Audit Division

## **AUDIT RECOMMENDATION STATUS REPORT**

**AUDIT NAME:** Colorado Mental Health Institute at Pueblo

**AUDIT NUMBER:** Performance Audit 1986

**DEPARTMENT/AGENCY/ENTITY:** Department of Human Services

**DATE:** August 2012

### **SUMMARY INFORMATION**

*Please complete the table below with summary information for all audit recommendations. For multi-part recommendations, list each part of the recommendation SEPARATELY. (For example, if Recommendation 1 has three parts, list each part separately in the table.)*

<b>Recommendation Number</b> <i>(e.g., 1a, 1b, 2, etc.)</i>	<b>Agency's Response</b> <i>(i.e., agree, partially agree, disagree)</i>	<b>Implementation Date</b> <i>(as listed in the audit report or the Agency's prior status report)</i>	<b>Implementation Status</b> <i>(Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable)</i>	<b>Revised Implementation Date</b> <i>(Complete only if agency is revising the implementation date.)</i>
			Please refer to the attached sheet for definitions of each implementation status option.	
2b	Agree	September 2010	Implemented	
4a	Agree	October 2010	Implemented and Ongoing	
4b	Agree	October 2010	Implemented and Ongoing	
4c	Agree	October 2010	Implemented and Ongoing	
5	Agree	December 2010	Partially Implemented	December 2012
6a	Agree	October 2010	Implemented	
6b	Agree	October 2010	Implemented and Ongoing	
6c	Agree	July 2011	No Longer Applicable	
9a	Agree	December 2010	Partially Implemented	September 2012
9b	Agree	December 2010	Partially Implemented	March 2013
9c	Agree	November 2010	Implemented and Ongoing	

## DETAIL OF IMPLEMENTATION STATUS

### **Recommendation #: 2b**

**Agency Addressed: Department of Human Services**

### **Recommendation Text in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen their policies and procedures for protecting patients and the public when patients are missing by:

- b. Obtaining a formal opinion from the Attorney General's Office to determine the extent to which federal law allows the Institute to:  
(1) notify outside authorities, including the media and public schools, when forensic and civil patients escape or elope, or (2) provide current threat assessments when forensic and civil patients escape from state custody.

### **Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- b. Agree. Implementation date: April 2010.

### **Agency's Written Response in Audit Report:**

- b. The Department will request a formal opinion from the Attorney General's Office to determine the extent to which state and federal laws allow the Institute to notify outside authorities, including the media and public schools, when forensic and civil patients escape or elope. The Department will also request confidential written advice from the Attorney General's Office about providing a threat assessment when civil and forensic patients escape from custody.

### **July 2010 Status Update:**

- b. Partially Implemented. The Attorney General's Office is currently completing a formal opinion to determine the extent to which federal law allows the Institute to: (1) notify outside authorities, including the media and public schools, when forensic and civil patients escape or elope, or (2) provide current threat assessments when forensic and civil patients escape from state custody. The Attorney General's Office estimates the formal opinion will be complete and provided to the Department by September 1, 2010.

Revised implementation date: September 2010.

### **Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented.

**Agency's Current Comments on Implementation Status of Recommendation:**

The Attorney General's Office issued an opinion dated March 24, 2011, concerning the extent to which federal law allows the Institute to: (1) notify outside authorities, including the media and public schools, when forensic and civil patients escape or elope, or (2) provide current threat assessments when forensic and civil patients escape from State custody. CMHIP modified the hospital policy on escapes (CMHIP Policy 32.10) in order to be fully consistent with the Attorney General's Office opinion, and distributed the revised policy hospital-wide.

**Recommendation #: 4a**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen their policies and procedures surrounding workers' compensation claims by:

- a. Reassessing and revising Department policies related to investigating and documenting claims to ensure that the claims are valid and should be paid by the State. Any changes made to the policies should be implemented Department-wide, and the Department should train staff on the policies.

**Agency's Response** (*i.e., Agree, Partially Agree, or Disagree*):

- a. Agree. Implementation date: October 2010.

**Agency's Written Response in Audit Report:**

- a. The Department will reassess and revise, as necessary, all policies related to investigating and documenting workers' compensation claims. Any changes made to Department policies will be implemented Department-wide and staff will be trained as needed on the policies.

**July 2010 Status Update:**

- a. Partially Implemented. A task force of Department benefits and human resources specialists has prepared a draft Workers' Compensation Policy that contains detailed procedures for investigating and documenting workers' compensation claims to ensure that the claims are valid and should be paid by the State. The draft policy will be presented to the Department's executive management team for consideration in July 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented and Ongoing.

**Agency's Comments on Implementation Status of Recommendation:**

The CDHS Workers' Compensation policy was revised on December 30, 2010. The policy includes a process for reporting questionable claims. CDHS Human Resources staff provide training at least quarterly to supervisors regarding investigating incidents and compliance with workers' compensation rules and the CDHS policy.

**Recommendation #: 4b**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen their policies and procedures surrounding workers' compensation claims by:

- b. Ensuring that supervisors appropriately investigate all workers' compensation claims and provide all pertinent investigation information to Department human resources staff.

**Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- b. Agree. Implementation date: October 2010.

**Agency's Written Response in Audit Report:**

- b. The Department will implement a system to ensure that all departmental supervisors appropriately investigate all workers' compensation claims and provide the information to human resources staff.

**July 2010 Status Update:**

- b. Partially Implemented. Once the new Workers' Compensation Policy has been adopted by the Department, it will be communicated to all employees. Between January and March 2010, training on employee injury analysis was delivered to 75 CMHIP supervisors by CDHS risk managers and the State Office of Risk Management. Additional training for supervisors and managers on the proposed new policy's requirements, that supervisors appropriately investigate all claims and provide all pertinent investigation information to Department human resources staff, will be provided in September 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented and Ongoing.

**Agency's Comments on Implementation Status of Recommendation:**

The CDHS Workers' Compensation policy requires supervisors to complete a thorough investigation and submit a report (CDHS IOJ form) to Human Resources.

**Recommendation #: 4c**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should strengthen their policies and procedures surrounding workers' compensation claims by:

- c. Ensuring that Department human resources staff review claims for adequate documentation and complete information before providing the claims to Pinnacol Assurance.

**Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- c. Agree. Implementation date: October 2010.

**Agency's Written Response in Audit Report:**

- c. The Department will implement internal procedures to ensure that human resources staff review all workers' compensation claims for adequate documentation and complete information before providing the claims to Pinnacol Assurance.

**July 2010 Status Update:**

- c. Partially Implemented. A portion of the training for Department supervisors and managers will include procedures for human resources staff to review all claims for adequate documentation and complete information before the claims are provided to Pinnacol Assurance. Training will be completed by October 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented and Ongoing.

**Agency's Comments on Implementation Status of Recommendation:**

Human Resources staff are following up with supervisors and injured workers when necessary to ensure adequate documentation and complete information is provided to Broadspire. Please note the State's Third Party Administrator has changed from Pinnacol Assurance to Broadspire.

**Recommendation #: 5**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should consider implementing an injury reduction program to help reduce the number of workers' compensation claims by Institute employees and thereby reduce the associated costs to the State. The Department should consider incorporating in the injury reduction program physical assessments of current employees, physical prerequisites for new direct-care employee hires, and ongoing analysis of information collected from root cause investigations in the injury reduction program. If such a program is implemented, the Department and Institute should evaluate the long-term effects of the program on workers' compensation costs.

**Agency's Response** (i.e., Agree, Partially Agree, or Disagree):

Agree. Implementation date: December 2010.

**Agency's Written Response in Audit Report:**

The Department will pursue additional funds to expand its current injury reduction program (People-Based Safety) to continue to help reduce workers' compensation claims and costs for Institute employees. The Department realized significant cost avoidance (\$1.3 million) in State Fiscal Year 2009 in workers' compensation claims. The Department will track and evaluate the long-term effects of the program on workers' compensation costs.

The Department will consider implementing physical assessments for current employees to ensure that they are able to safely carry out assigned job duties. The Department will also consider implementing physical fitness prerequisites for new direct care hires at the Institute to ensure the ability of new hires to meet bona fide job requirements and will collect and evaluate on an ongoing basis the information obtained from root cause investigations in the injury reduction program.

**July 2010 Status Update:**

Partially Implemented. The Department has carried on an active injury reduction program at CMHIP for the past several years. In addition, Department risk managers and benefits specialists are working with the Office of State Risk Management to identify providers of physical assessments for current and new direct care employees. The feasibility and cost of implementing such a physical assessment program are still under review and should be complete by December 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Partially Implemented.

**Agency's Comments on Implementation Status of Recommendation:**

The Denver Health Medical Center conducted a site visit on March 14, 2012 to CMHIP to determine the requirements for a functional agility test for new hires in the Therapy Assistant II, Health Care Technician and Nurse classifications. The Functional Agility Test has been drafted and the Department is conducting a review of the cost of the assessments. If feasible, the testing will be implemented by December 2012.

**Recommendation #: 6a**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should ensure the efficient and effective use of resources for law enforcement at the Institute by:

- a. Reevaluating the Institute's law enforcement needs and determining the most cost-effective way to meet those needs. As part of this evaluation, the Department and the Institute should work with Pueblo City and County law enforcement officials to determine the extent to which local law enforcement could meet the Institute's law enforcement needs. If the Department and the Institute determine that working with local law enforcement is a feasible alternative, the Department and the Institute should develop interagency agreements with local law enforcement officials, as needed.

**Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- a. Agree. Implementation date: October 2010.

**Agency's Written Response in Audit Report:**

- a. The Institute will evaluate law enforcement needs, including the most cost-effective way to meet those needs. This evaluation will include discussions with local law enforcement officials to assess whether it is feasible and cost effective for local law enforcement to assume these duties and responsibilities. An interagency agreement would be developed if this evaluation results in such a partnership with a local law enforcement agency.

**July 2010 Status Update:**

- a. Partially Implemented. The Department is currently seeking consulting services to provide an independent assessment of the Institute's law enforcement needs and recommendations as to the most cost-effective way to meet those needs.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented.

**Agency's Comments on Implementation Status of Recommendation:**

The Department hired an independent consultant to study the Institute's law enforcement needs, and received consultant recommendations in July 2011. The consultant report recommended that the Department retain the CMHIP police department. The report included other recommendations about the CMHIP police department, including increased training, changes in hiring practices, and other minor operational recommendations. These recommendations have been implemented. The report did not recommend that the Department develop an interagency agreement with local law enforcement to provide police services on the CMHIP campus.

**Recommendation #: 6b**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should ensure the efficient and effective use of resources for law enforcement at the Institute by:

- b. Reclassifying or eliminating any unnecessary law enforcement positions at the Institute and ensuring that any remaining P.O.S.T.-certified positions are used for law enforcement rather than administrative functions.

**Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- b. Agree. Implementation date: October 2010.

**Agency's Written Response in Audit Report:**

- b. The Institute will review the current duties and responsibilities of each of the P.O.S.T.-certified positions. Following this review, the Department will take appropriate action, which may include reclassifying positions, reassigning duties, or eliminating P.O.S.T.-certified positions. The implementation of Recommendation 6(a) may also result in changes in the P.O.S.T.-certified positions.

**July 2010 Status Update:**

- b. Not Implemented. The Department will make a determination of the need to reclassify or eliminate any unnecessary law enforcement positions at the Institute once the independent consultant assessment is complete. In the interim, the Institute has reassigned some administrative duties previously assigned to P.O.S.T.-certified positions to increase the use of these positions for law enforcement rather than administrative functions.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented and Ongoing.

**Agency's Comments on Implementation Status of Recommendation:**

Following the July 2011 consultant report, the Department reviewed the duties and responsibilities of each P.O.S.T.-certified position. Based on the review, CMHIP management reclassified a police officer position into a non-police position and will convert an additional position to a non-police position when it becomes vacant.

**Recommendation #: 6c**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should ensure the efficient and effective use of resources for law enforcement at the Institute by:

- c. Clarifying the purpose and jurisdiction of the Institute's police force in statute or Department rule.

**Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- c. Agree. Implementation date: July 2011.

**Agency's Written Response in Audit Report:**

- c. Following the evaluation conducted pursuant to Recommendation 6(a), the Department will review the need to revise statute or create Department rules to clarify the roles and responsibilities of the Institute's police force and P.O.S.T.-certified officers. If the Department and the Governor's Office agree statutory change is required, legislation would be developed for potential sponsorship and introduction during the 2011 Legislative Session.

**July 2010 Status Update:**

- c. Not Implemented. Clarification of the purpose and jurisdiction of the Institute's police force in statute or Department rule is dependent upon the results of the independent consultant assessment.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

No Longer Applicable.

**Agency's Comments on Implementation Status of Recommendation:**

Based upon the July 2011 consultant report and its recommendations, no statutory or rule changes are necessary to clarify the purpose and jurisdiction of the Institute's police force.

**Recommendation #: 9a**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should improve nonexempt employees' compliance with timekeeping and leave requirements by:

- a. Reviewing and clarifying, as needed, policies and procedures for monitoring and approving overtime, leave, and time-clock practices. These policies and procedures should address the need for prior approval for overtime, limits on the amount of overtime allowed, clocking in and out, and leave documentation.

**Agency's Response** (*i.e., Agree, Partially Agree, or Disagree*):

- a. Agree. Implementation date: August 2010.

**Agency's Written Response in Audit Report:**

- a. The Department will review and clarify, where needed, policies and procedures for monitoring and approving overtime, leave and time clock practices. These policies and practices will address the need for prior approval of overtime, limits on the amount of overtime allowed, where and when employees should clock in and out, and leave documentation.

**July 2010 Status Update:**

- a. Partially Implemented. The Department is currently reviewing the Department's timekeeping and leave documentation policy. This review will be completed by August 31, 2010 and any policy revisions as a result of this review will be implemented by December 31, 2010. The Colorado Mental Health Institute at Pueblo has implemented a requirement that overtime be approved in advance in writing. Other overtime policies and procedures implemented at the Mental Health Institute at Fort Logan (as cited in the audit) will be implemented at the Colorado Mental Health Institute at Pueblo by August 31, 2010. It should be noted that the Institutes' overtime expenditures have declined significantly in the last two fiscal years, from \$418,231 in FY 2008-09 to an estimated \$99,050 in FY 2009-10.

Revised implementation date: December 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Partially Implemented.

**Agency's Comments on Implementation Status of Recommendation:**

The Department has drafted three policies governing timekeeping, hours worked and overtime compensation, and holiday leave. The Hours Worked and Overtime Compensation Policy was presented to the CDHS Employee Council for comment on June 26, 2012. The other policies will be similarly vetted through the Employee Council at future meetings. These policies will then be referred to the Executive Director for final review and approval by September 2012.

**Recommendation #: 9b**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should improve nonexempt employees' compliance with timekeeping and leave requirements by:

- b. Communicating clear policies to all Institute staff and providing training to all staff on their responsibilities. In particular, supervisors' responsibilities should be emphasized.

**Agency's Response (i.e., Agree, Partially Agree, or Disagree):**

- b. Agree. Implementation date: August 2010.

**Agency's Written Response in Audit Report:**

- b. The Department will communicate clear policies to all Institute staff and provide training to all levels of staff, particularly supervisors, regarding their responsibilities in the areas of leave administration, overtime practices, and timekeeping practices.

**July 2010 Status Update:**

- b. Not Implemented. As discussed above in recommendation 9(a), the Department is currently reviewing timekeeping and leave documentation policies and procedures. Following this review, the Department will disseminate all relevant changes to Department employees and supervisors concerning timekeeping and leave documentation policies and procedures, including employee and supervisor responsibilities, by December 31, 2010.

Revised implementation date: December 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Partially Implemented.

**Agency's Comments on Implementation Status of Recommendation:**

Once the above mentioned policies have been vetted through the Employee Council and approved by the Executive Director, web-based training will be planned and implemented by March 2013 to support the policies.

**Recommendation #: 9c**

**Agency Addressed: Department of Human Services**

**Original Recommendation in Audit Report:**

The Department of Human Services and the Colorado Mental Health Institute at Pueblo should improve nonexempt employees' compliance with timekeeping and leave requirements by:

- c. Determining how to best allocate read-only timekeeping system licenses to Institute supervisors to enable them to perform timely monitoring of employees' time and leave.

**Agency's Response** (*i.e., Agree, Partially Agree, or Disagree*):

- c. Agree. Implementation date: August 2010.

**Agency's Written Response in Audit Report:**

- c. The Department will consider the feasibility of allocating read-only timekeeping system licenses to Institute supervisors to enable them to perform real-time monitoring of employees' time and leave.

**July 2010 Status Update:**

- c. Partially Implemented. The Department's Payroll unit has identified supervisors at the Institute needing read-only access to the automated timekeeping system and will provide these supervisors with this access. In addition, due to cost constraints, some supervisors may be provided with more frequent hard copy reports for their employees, rather than read-only access. The Department's Payroll unit will also provide these supervisors with training about using and understanding the Department's automated time-clock system and reports. These efforts will be completed by November 30, 2010. Additionally, the Department's Payroll unit currently distributes periodic reports to management on overtime usage and the earning and use of comp time.

Revised implementation date: November 2010.

**Current Implementation Status of Recommendation (i.e., Implemented, Implemented and Ongoing, Partially Implemented, Not Implemented, or No Longer Applicable):**

Implemented and Ongoing.

**Agency's Comments on Implementation Status of Recommendation:**

All supervisors were trained on the proposed policies and granted read-only access to the automated timekeeping system by the November 2010 deadline. If any of the proposed policies change, as mentioned above, supervisors will be retrained.