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**OFFICE OF THE STATE
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March 25, 1999

Mr. James L. Stone, MSW, CSW
Commissioner
New York State Office of Mental Health
44 Holland Avenue
Albany, NY 12229

Re: Report 99-Y-7

Dear Mr. Stone:

To assist in your oversight of the Office of Mental Health's (OMH) Year 2000 compliance progress, we reviewed selected steps being taken by OMH, as of February 9, 1999, to make the Uniform Billing System (UBS), Comprehensive Billing System (COBS), and Inpatient Private Party System (I/P PP) Year 2000 compliant. The UBS has been designated a "mission critical" system, and COBS and I/P PP "high priority" systems, by New York State's Office For Technology, which is responsible for overseeing the State's Year 2000 readiness. UBS generates bills for inpatient stays to Medicare, Medicaid, and third party health insurance companies. COBS generates bills to Medicare, Medicaid, third party health insurance companies, and private payors for outpatient services, physician services in non-teaching hospitals, and patient services from managed care programs. I/P PP generates bills to private payors for inpatient stays. The steps we selected for review pertained to Year 2000 project planning and management, Year 2000 system testing, identification and correction of system data exchanges, and the establishment of contingency plans for continuing important business and service functions in the event of a Year 2000-related failure.

The objective of our review was to assess whether OMH appears to be taking the necessary steps to address Year 2000 problems related to the UBS, COBS and I/P PP systems. To complete our review we interviewed OMH personnel and reviewed OMH documents. In addition, we obtained and analyzed OMH responses to a Year 2000 assessment questionnaire that we designed (see attached Table). Unlike an audit, a review does not include testing or verifying information

and records provided by OMH and does not include a review of internal controls. Therefore, we cannot conclude whether the UBS, COBS and I/P PP systems will be Year 2000 compliant in a timely manner.

The results of our review show that OMH is taking many of the steps necessary to address Year 2000 problems related to the UBS, COBS and I/P PP systems. At this time, OMH officials have completed remediation of the systems, and OMH has been using the remediated systems as part of its operations. For example:

- Efforts to correct the systems are covered by a written Year 2000 schedule, and OMH management monitors the schedule.
- The OMH has completed all testing of the systems we reviewed except the final phase. This testing phase, which includes all OMH systems, is scheduled to occur at the end of the first quarter of 1999, when work on all OMH systems will be complete.
- Data exchanges have been inventoried and considered as part of the overall Year 2000 project, and OMH has corrected the data exchanges in conjunction with work on the systems we reviewed.
- OMH has not prepared contingency plans to ensure the continuance of business and service functions that are dependent on the systems we reviewed. However, OMH is in the process of preparing contingency plans for these systems, according to OFT guidelines, as well as an agency-wide plan.

Major contributors to this review were Brian Reilly, Mike Farrar, Jorge R. Vazquez, and Jerry Steigman.

Your comments to this review are welcomed. We wish to express our appreciation to the management and staff of the Office of Mental Health for the courtesies and cooperation extended to our auditors during this review, and hope that it is helpful to your Year 2000 monitoring and oversight responsibilities.

Very truly yours,

Kevin M. McClune
Audit Director

cc: Richard English, OMH
Gary Davis, OFT

**OFFICE OF MENTAL HEALTH
YEAR 2000 ASSESSMENT QUESTIONNAIRE
UNIFORM BILLING SYSTEM
COMPREHENSIVE BILLING SYSTEM
INPATIENT PRIVATE PARTY SYSTEM**

TABLE

A colored "traffic light" Legend is included in the table below to assist management in focusing an appropriate level of attention on the issues identified in the Status and Comments sections of the Review Findings. This table covers our review of all three systems except where otherwise noted.

Legend:

	Status/Comments contain matters which may be of immediate concern to management.		Status/Comments contain matters which management may wish to consider.		Status/Comments do not contain issues which require immediate management consideration.
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Review Findings:

	YEAR 2000 STEPS	STATUS	COMMENTS
	A. PROJECT PLANNING & MANAGEMENT		
	A1. Is there a written Year 2000 Project Plan and does it include/identify steps needed to correct the systems in question?	Yes	The overall project plan provides an adequate overview of the projects, including generalized approaches, staffing, and project progress.
	A2. Does the Plan (or any other available record) define what is meant by "compliance" when describing systems at the agency which are Year 2000 ready?	Yes	OMH uses OFT's definition for reporting purposes, and the federal Health Care Financing Administration's definition (including consideration of data exchanges) of compliance for the management of the project.
	A3. Is there a written schedule covering the time frame for achieving compliance for the systems in question?	Yes	There is a schedule for the overall management of OMH's Top 40 and High Priority systems.
	A4. Is progress toward completion of the schedule for the systems in question being monitored?	Yes	Progress is monitored through various progress reports and weekly meetings at all levels.

TABLE I (Cont'd.)

	YEAR 2000 STEPS	STATUS	COMMENTS
	A5. Are the systems in question meeting the schedule (no significant slippage being reported)?	Yes	Remediation of the UBS was completed as of August 11, 1998. Remediation of the COBS was completed as of July 20, 1998. Remediation of the I/P PP was completed as of December 31, 1998.
	B. TEST PLANS		
	B1. Is there a documented test plan and does it include/identify steps needed to ensure that the systems in question will process as expected after they have been corrected to comply with Year 2000?	Yes	The test plans included an overall approach to testing, and a checklist to be completed by all programmers. Work and responsibilities were assigned based on a standardized logical approach, programmers updated the Program Enhancement/Modification System to apprise their supervisors of their status, and various levels of testing took place. Users were involved in all phases of the remediation and testing. OMH has a Year 2000 compliant test platform.
	C. DATA EXCHANGES		
	C1. Have all data exchange partners/interfaces for the systems in question been identified and included on a written inventory record?	Yes	All exchanges are recorded on work flow and job stream diagrams that consider all inputs and outputs to the systems.
	C2. Have data exchange interfaces been considered in the overall Year 2000 Project Plan and the test plan covering the systems in question?	Yes	OMH considered data exchanges in its planning of the overall project and the remediation and testing phases.
	D. CONTINGENCY PLANS		
	D1. Is there a written business contingency plan in place for the systems in question and does the plan specify steps for completing vital business functions if the systems in question are noncompliant or inoperable for Year 2000 purposes?	No	OMH received guidance from OFT the first week in February 1999, and will complete a system-specific contingency plan to submit to the State Emergency Management Office. In addition, OMH has an agency-wide contingency plan in draft with farther-reaching implications, i.e., how OMH will provide its services in the face of various disaster scenarios.