

2023-120 AUDIT SCOPE AND OBJECTIVES

Department of Health Care Services—Licensed Recovery and Treatment Facilities

The audit by the California State Auditor will provide independently developed and verified information related to the Department of Health Care Services' oversight of licensed recovery and treatment facilities. The audit's scope will include, but not be limited to, the following activities:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. Assess DHCS' processes for licensing and certifying alcoholism and drug abuse recovery or treatment facilities (facilities) and monitoring those facilities, including the following factors:
 - (a) Whether DHCS' licensing and certification processes are different for facilities serving six or fewer individuals.
 - (b) DHCS' process and average timeline for investigating and resolving complaints about facilities.
 - (c) DHCS' process for inspecting licensed facilities, including the frequency of its inspections and whether it does so in person.
 - (d) Whether DHCS evaluates the effectiveness of treatment and patient care at facilities.
3. Obtain DHCS' license data and determine the following:
 - (a) Whether the same business owners, operators, or management companies are circumventing Health & Safety Code 11834.23 by obtaining individual licenses for contiguous or closely located property for the same treatment facility.
 - (b) Whether DHCS has policies or practices to detect or prevent the scenario described in (a).
 - (c) What steps DHCS takes to evaluate the effect of overconcentration of licensed facilities within a residential neighborhood, including whether that overconcentration changes the setting from residential to institutional and the effect of that change on the ability of clients or residents to recover.
4. Review DHCS' process for licensing and monitoring facilities that serve six or fewer individuals to determine the frequency and extent to which it performs the following actions:
 - (a) Denies a license for a facility and the basis for the denial.
 - (b) Suspends or revokes a license for a facility and its basis for the suspension or revocation.
 - (c) Enforces sanctions against a facility operating without a license and the types of penalties it imposes.
 - (d) Issues a license or certification to a facility that is located on a lot not zoned for a residential use.
5. Review and assess any other issues that are significant to the audit.