

MANAGEMENT ADVISORY COMMENTS

**ALLEGHENY COUNTY
HEALTHCHOICES BEHAVIORAL
HEALTH PROGRAM**

December 31, 2007



CASE | SABATINI

PROFESSIONAL ACCOUNTING,
CONSULTING & BUSINESS
ADVISORY SERVICES

May 12, 2008

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To Dan Onorato, Allegheny County Chief Executive
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In planning and performing our examination of the financial schedules of Allegheny County's HealthChoices Behavioral Health Program as of December 31, 2007, we considered its internal control as required under *Government Auditing Standards* as issued by the Comptroller General of the United States and not to provide assurance on internal control. In connection with our examination we noted certain matters that we believe you should consider. All of them are considered advisory in nature and do not constitute reportable conditions.

The following summarize such matters:

Third Party Liability

Our understanding of the payment of claims for HealthChoices clients which have other insurance coverage is that Community Care will pay the patient responsibility as disclosed on the Explanation of Benefits provided by the other insurance up to Community Care's allowed amount for the particular service. During our testing of these claims as processed by Community Care since the implementation of the MC400 claims system, we found less than 5% of the claims were not processed according to Community Care's policy. Within those exceptions, there were both overpayments and underpayments, with the net difference being immaterial to the financial statements.

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Third Party Liability -- (continued)

We recommend that Community Care continue to take steps to re-emphasize its policies regarding this type of claim and consider additional review of these claims until these claims are processed in accordance with Community Care policies.

We have previously discussed our comments and suggestions with various County personnel and would be pleased to discuss them further.



Certified Public Accountants