
I. PROGRAM OBJECTIVES:

To carry out the State's Plan for providing comprehensive community mental health services and supports to adults with a serious mental illness and to children with a serious emotional disturbance, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) was awarded a grant from Substance Abuse and Mental Health Services Administration (SAMHSA) to implement a coordinated system of outreach, assessment, and care coordination integrating youth peer partners to improve access to treatment and support services for young people ages 16-25 who have a serious emotional disturbance or serious mental illness. The program to which this compliance supplement applies is:

- Healthy Transitions for Youth and Young Adults with Serious Mental Disorders

This is the first year of a **five** -year grant to implement a coordinated system of outreach, assessment, and care coordination integrating youth peer partners to improve access to treatment and support services for young people from ages 16-25 who have a serious emotional disturbance or serious mental illness. The **HEALTHY TRANSITIONS PROGRAM FOR YOUTH AND YOUNG ADULTS WITH SERIOUS MENTAL ILLNESS** has a total grant award of **\$5,000,000**. The grant award for FFY 2018 is **\$1,000,000**, which includes central office administration and direct contracts with **Youth Villages in Hendersonville and Cherokee Hospital Systems/ Analeniski Behavioral Health in the Qualla Boundary**. There is a contract with the **University of North Carolina @Greensboro** for evaluations. **North Carolina Families United** will hire, train, and support the state Youth/Young Adult Coordinator. The Youth/Young Adult Coordinator would in turn support the provider agencies as they hire Youth Peer Partners. The Youth/Young Adult Coordinator would assist the Youth Peer Partners in bringing a series of seven youth leadership and self- advocacy trainings to each site over the course of the grant and in assessing community readiness for a Youth Move NC chapter or other culturally relevant support for youth leadership. In addition, NC Families United would consult with each site's implementation team as they develop a plan to increase family peer support for caregivers supporting transition age youth. **University of North Carolina at Chapel Hill** now supports three Coordinated Specialty Care (CSC) Teams in urban centers through five major activities: 1) maintenance of a Quality Assurance Database for CSC Teams, 2) CSC fidelity monitoring, 3) technical assistance and clinical consultation, 4) community outreach and education to enhance early identification, and 5) development of programs for vocational and educational recovery and peer support.

North Carolina Healthy Transitions for Youth and Young Adults with Serious Mental Illness

The State Mental Health Agency—the North Carolina DMHDDSAS will implement a coordinated system of outreach, assessment, and care coordination integrating youth peer partners to improve access to treatment and support services for young people from ages 16-25 who have a serious emotional disturbance or serious mental illness. North Carolina is a geographically, culturally, and demographically diverse state that is currently home to over 10 million residents (2016 US Census).

DMHDDSAS has selected two communities in western NC to explore the best methods to provide coordinated outreach, assessment and care coordination in rural settings as 80% of

NC's counties are rural and 41% of North Carolinians live in rural communities. Access to care is often compromised in rural NC by challenges with transportation, workforce recruitment, and stigma. The first community is Eastern Band of Cherokee Indians (EBCI) whose tribal lands cross five counties: Jackson, Swain, Haywood, Cherokee, and Graham. 60% of the approximately 15,200 EBCI members live in the Qualla Boundary in Swain and Jackson. Although the Qualla Boundary will be the focal point, any young people aged 16-25 with severe or emerging behavioral health symptoms eligible for Analenisgi Behavioral Health services will be eligible for grant participation.

The other community is Henderson County. This county was chosen due to the positive relationships between the identified provider, Youth Villages (YV), and the local child welfare and juvenile justice systems providing an opportunity to test a rural model for coordinated care for transition age youth as North Carolina reforms its behavioral health and child welfare systems and raises its juvenile age to 18 years.

According to the 2013 EBCI Community Health Assessment, American Indians had the highest rate of respondents (8.4%) who reported in 2011 that they needed mental health care but were unable to access it. In this 2013 EBCI Community Health Assessment, American Indians in western NC reported higher rates of mood disorders than other racial and ethnic groups while reporting lower rates of available social and emotional support. To address these needs, since 2013, Analenisgi Behavioral Health has grown from 15 to over 80 clinicians and has embedded clinicians in primary care, juvenile services and Family Safety (child welfare). Additionally, in the last two years the EBCI started its own child welfare (Family Safety) and juvenile services agencies to better address the needs of its most vulnerable youth by providing integrated and culturally responsive care. Despite dramatic improvements, youth aging out of Family Safety and Juvenile Services remain disconnected from services.

Access and quality of mental health and substance use services were listed as the number one and two priorities in the 2015 Henderson County Community Health Assessment. "Between 2006 and 2013, the number of Henderson County residents served by the Area Mental Health Program decreased 15%, from 3,014 to 2,559" during a period of continued population growth and significant changes in the state's infrastructure for delivering public behavioral health services. As the 2015 Henderson Community Assessment noted, "in many cases, patients dealing with mental illness and substance abuse are left to seek services from hospital emergency rooms and many more are left with no services at all." This community assessment also noted that access to behavioral health services is especially challenging for the 9.9% of the population that is Hispanic (of any race.)

This initiative is targeted to specifically assist in addressing a comprehensive plan and service array by providing a coordinated system of outreach, assessment, and care coordination integrating youth peer partners to improve access to treatment and support services for young people from ages 16-25 who have a serious emotional disturbance or serious mental illness and to improve the behavioral and emotional functioning of the young people served.

The goals and objectives of the program are as follows:

Goal 1. Increase the capacity of the selected communities to identify mental health symptoms in young people.

Objective 1. Within six months of grant start, each site implementation team will develop or adapt culturally relevant outreach materials to aid community gatekeepers in identifying young people from ages 16-25 who are demonstrating a range of mental health symptoms including symptoms associated with a psychosis including the perceptual symptoms that can precede psychosis. The gatekeepers will include school personnel at high schools and community colleges as well as staff at primary care, child welfare, juvenile justice, and other child/family/veteran serving agencies in each site.

Objective 2. In each site, project staff will make an average of two outreach contacts per week in the third and fourth quarters of the first year. In grant years 2-5, the project staff will make one outreach contact per week.

Objective 3: By the last quarter of the first year, each site implementation team will provide recommendations to the state Healthy Transitions Team on how to identify and address a need or gap for transition age youth in other communities during grant years 2-5.

Goal 2: Increase the number of young people from 16-25 years who are assessed for serious emotional disturbance or serious mental illness.

Objective 1: Within 4 months of grant start, each site implementation team will develop a referral protocol that details how gatekeepers can refer young people who are displaying symptoms to the site assessor/outreach clinician. Part of the referral protocol will include mapping the available behavioral health services and recovery supports.

Objective 2: Each site assessor/outreach clinician will assess or provide outreach services for 20 youth and young adults in year one and 135 youth in the remaining grant years. Outreach efforts will be made in the high schools and community colleges but any gatekeepers in the selected communities can make referrals.

Goal 3: Increase the number of young people who are recommended for behavioral health services who attend at least one behavioral health session.

Objective 1: 90% of assessments and work of outreach clinicians will occur in community settings instead of outpatient behavioral health settings.

Objective 2: The Youth Peer Partners in each site will support at least 20 young people to attend at least one behavioral health service or recovery support in the first year and 150 in the remaining years of the grant. The Youth Peer Partners will support young people in connecting to a behavioral health service of their preference even when that service is of lower intensity than recommended in the assessment. Youth Peer Partners will conduct their work in communities.

Goal 4: Increase the capacity of the youth and young adults to fully participate in their own treatment and supports planning.

Objective 1: The Youth Peer Partner and State Youth/Young Adult Coordinator will provide a series of seven youth advocacy and leadership trainings in each site over the five years of the grant. These youth advocacy and leadership trainings were developed by Youth Move NC and NC Families United, North Carolina's statewide family organization. The ECBI may opt for a different, culturally relevant youth leadership training.

Objective 2: The Youth Peer Partners will facilitate RENEW (Rehabilitation for Empowerment, Natural Supports, and Work) for 8 young people in each site in the first year and 60 youth in the remaining grant years.

Goal 5: Increase peer support for family/caregivers who are assisting their emerging adults with behavioral health symptoms navigate the developmental transition tasks and child/adult systems.

Objective 1: Each site's implementation team will map the potential resources to support parents within the first six months of the grant.

Objective 2: In months 6-12 of the first year of the grant, NC Families United will consult with each site's implementation team to develop a plan and a process to increase family peer support for families/caregivers supporting emerging adults with serious mental illness.

Goal 6: Increase the capacity of the selected providers in each site to assess, refer, and provide services for youth identified through outreach efforts.

Objective 1: The assessors in each site will receive training and consultation from North Carolina's First Episode Psychosis Technical Assistance Program, UNC-EPI-TA. This program is housed at University of North Carolina Chapel Hill and was involved in the original RAISE studies for First Episode Psychosis. The assessors will receive at least one training by UNC-EPI-TA for each year of the grant.

Objective 2: UNC-EPI-TA will provide consultation to the selected provider's psychiatrists and therapists in treating any young people identified as clinical high risk for developing psychosis or who are experiencing a first episode psychosis. Since psychosis is a low incidence occurrence, it is difficult to predict numbers served. DMHDDSAS estimates 6 consultations across both sites for each year of the grant.

Goal 7: Sustain components of the grant that prove successful in supporting healthy transitions for emerging adults with serious mental illness and disseminate to other parts of the state

Objective 1: Develop a State Healthy Transition Team to support local implementation teams and develop a strategic plan for scaling up across the rest of the state. The first State Healthy Transitions Team meeting will be held within 3 months of the award with development of initial project plan within 5 months. Implementation data will be collected throughout the project and compiled into a Healthy Transition Development Guide (i.e. a financial and programmatic sustainability plan) for local transition planning and implementation in the final quarter of grant.

II. PROGRAM PROCEDURES:

NC Healthy Transitions or Youth and Young Adults with Serious Mental Illness

The program identifies the priority population as young people from ages 16-25 who have a serious emotional disturbance or serious mental illness living in western NC to explore the best methods to provide coordinated outreach, assessment and care coordination in rural settings as 80% of NC's counties are rural and 41% of North Carolinians live in rural communities. Access to care is often compromised in rural NC by challenges with transportation, workforce recruitment, and stigma. The first community is Eastern Band of Cherokee Indians (EBCI) whose tribal lands cross five counties: Jackson, Swain, Haywood, Cherokee, and Graham. 60% of the approximately 15,200 EBCI members live in the Qualla Boundary in Swain and Jackson. Although the Qualla Boundary will be the focal point, any young people aged 16-25 with severe or

emerging behavioral health symptoms eligible for Analenisgi Behavioral Health services will be eligible for grant participation.

The other community is Henderson County. This county was chosen due to the positive relationships between the identified provider, Youth Villages (YV), and the local child welfare and juvenile justice systems providing an opportunity to test a rural model for coordinated care for transition age youth as North Carolina reforms its behavioral health and child welfare systems and raises its juvenile age to 18 years.

III. COMPLIANCE REQUIREMENTS

Crosscutting Requirements

The DHHS/Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) mandates that all the testing included within the crosscutting section be performed by the local auditors. All requirements for auditing State appropriations for the Substance Abuse Services Programs are set forth in the Crosscutting Supplement, identified as “DMH-0” for those mandated requirements. This supplement provides additional requirements applicable to the Federal funds.

A. ACTIVITIES ALLOWED OR UNALLOWED

Allowable activities under both grants are those activities that are aligned with the Program Objectives and Program Procedures under each grant program as outlined above.

1. Counseling by qualified mental health professional with sufficient education, training, and experience, or any combination of the above to enable the staff to perform this function. All physicians, nurses, and other licensed professional care providers, including counselors must comply with credentialing requirements of their profession.
2. Assessment and Referral for appropriate services such as individual, group or family therapy for each client; educational counseling; vocational counseling and training; job development and placement; money management; nutrition education; legal counseling; stress management, workforce development as well as referrals to primary care physicians and dentists.
Peer to peer mutual aid programs; Resources for safe housing, jobs and Treatment
3. Outreach to students in colleges who may be in need of additional support due to serious emotional disturbance or serious mental illness.

B. ALLOWABLE COSTS/COST PRINCIPLES

All grantees that expend State funds (including federal funds passed through the NC Department of Health and Human Services) are required to comply with the cost principles described in the NC Administrative Code at 09 NCAC 03M.0201. (Note: Pending the change in reference from OMB Circular A-87 to 2 CFR, Part 200 Subpart E – Cost Principles.)

Certain expenditures are considered non-allowable and are not included in the cost allocation. Fixed assets and moveable assets costing \$5,000 or more must be reported on the cost finding as assets. (Moveable assets costing less than \$5,000 may be directly expensed.)

Funds must be expended or earned in accordance with the Performance Agreement between the Division of MH/DD/SAS and the LME-MCO, including amendments via individual allocation letters.

Funds designated for substance abuse may be used for planning, establishing, maintaining, coordinating and evaluating projects for the development of more effective prevention and treatment programs and activities to deal with substance abuse (42 U.S.C. 300x-3(a)(1) 1989 Revision).

SPECIAL CONDITIONS:

1. The award of these funds shall not be used by a county or LME-MCO as a basis to supplant any portion of a county's commitment of local funds to the area authority or LME-MCO;
2. If these funds shall be used to support a new service for which a license and/or accreditation is required, such licensure/accreditation shall be completed prior to the delivery of services;
3. If these funds shall be used for a new service which does not have an established reimbursement rate, a new Service Objective Form must be submitted and approved by the Division before any payments will be made;
4. The funds provided shall not be used to supplant Federal or non-Federal funds for services or activities which promote the purposes of the grant or funding;
5. The funds provided shall not be utilized to supplement any reimbursement for services or staff activities provided through the NC Medicaid Program;
6. The funds provided shall not be utilized to supplement any reimbursement for services or staff activities supported through the Division's payment of other Unit Cost Reimbursement (UCR) or non-UCR funds, without the prior written approval of the DMH/DD/SAS Assistant Director of Budget and Finance and the Healthy Transitions Project Administrator.
7. Funds shall be used in accordance with SAMHSA's standard funding restrictions:
 - No purchases are allowed for any one item above \$5,000 without prior written permission from DMH/DD/SAS.
 - Funds shall not be used for facility purchase, construction or renovation.
8. Funds shall be used in accordance with cost principles describing allowable and unallowable expenditures for nonprofit organizations in accordance with OMB Circular A-122;
9. Funds may not be used to satisfy any condition for any state, local or other funding match requirement);
10. Funds are prohibited to be used to provide individuals with treatment services in penal or correctional institutions of the State (This includes jails, prisons, adult and juvenile detention centers, juvenile training schools, holding facilities, etc.);
11. Funds are prohibited to be used towards the annual salary of any contractor or subcontractor, including LME-MCO, provider, or contractor employee, consultant, or other individual that is more than Level I of the most current US Office of Personnel Management Federal Executive Salary Schedule.
12. Funds shall not be utilized for law enforcement activities;

13. No part of any Healthy Transitions funding shall be used for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any state legislative body itself.

C. CASH MANAGEMENT

The DHHS Controller's Office is responsible for submitting a Financial Status Report 269 to the Federal Grants Management Officer for documentation of federal funds expended according to the DHHS Cash Management Policy.

E. ELIGIBILITY

- Resident of Henderson county North Carolina or the Qualla Boundary (Jackson, Swain, Haywood, Cherokee, and Graham.
- Be 16-25 years old;
- Have a serious emotional disturbance or serious mental illness

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment Management

This requirement refers to tangible property that has a useful life of more than one year and costs of \$5,000 or more. Such equipment may only be purchased per the conditions of the approved contract or grant agreement. Should the contract be terminated, any equipment purchased under this program shall be returned to the Division.

Real Property Management

This requirement does not apply to DMH/DD/SAS contracts.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching: There are no matching requirements for this program.

Level of Effort: Not applicable.

Earmarking: Not required for this funding.

H. PERIOD OF PERFORMANCE

This requirement does not apply at the local level.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Procurement

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to comply with the procurement guidelines found in 2 CFR Part 200 – Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards which can be accessed at:

<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

All grantees that expend State funds (including federal funds passed through the NC Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Agency Purchasing Manual accessible on the Internet at <https://ncadmin.nc.gov/document/procurement-manual-5-8-2013-interactive>.

Nongovernmental sub-recipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment

All grantees awarded contracts utilizing federal dollars must be in compliance with the provisions of Executive Order 12549, 45 CFR Part 76 and Executive Order 12689.

J. PROGRAM INCOME

This requirement does not apply.

L. REPORTING

Financial Reports:

For federal funds allocated outside of UCR, approved expenditures shall be reported through the routine submission of monthly Financial Status Reports (FSRs). Any exceptions to the required timely reporting of federal funds expended shall be approved in writing by the DMH/DD/SAS Assistant Director of Budget and Finance and the Healthy Transitions Project Administrator.

Grantees must provide monthly and final Financial Status Reports (FSRs).

Program Reports:

Healthy Transitions grantees must provide bi-annual reports and. The final progress report must summarize information from the bi-annual reports, describe the accomplishments of the project, and describe next steps for implementing plans developed during the grant period.

Session Law 2015-241 Reporting Requirements

In accordance with Session Law 2015-241, the following requirements apply to DMH/DD/SAS subrecipient grantees) which contract directly with DMH/DD/SAS:

No later than December 1 of each fiscal year, each nonprofit organization receiving funding shall submit their DMH/DD/SAS contract administrator a written report to include the following information about the fiscal year preceding the year in which the report is due:

- a) The entity's mission, purpose, and governance structure.
- b) A description of the type of programs, services, and activities funded by State appropriations.
- c) Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

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- d) Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities.
 - e) A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.
 - f)

M. SUBRECIPIENT MONITORING

Monitoring is required if the agency disburses or transfers any State funds to other organizations, except for the purchase of goods or services, the grantee shall require such organizations to file with it similar reports and statements as required by G. S. §143C-6-22 and 6-23 and the applicable prescribed requirements of the Office of the State Auditor's Audit Advisory #2 (as revised January 2004) including its attachments. If the agency disburses or transfers any pass-through federal funds received from the State to other organizations, the agency shall require such organizations to comply with the applicable requirements of 2 CFR Part 200.331. Accordingly, the agency is responsible for monitoring programmatic and fiscal compliance of subcontractors based on the guidance provided in this compliance supplement and the audit procedures outlined in the DMH-0 Crosscutting Supplement.

N. SPECIAL TESTS AND PROVISIONS

All grantees are required to comply with the NC Department of Health and Human Services and DMHDDSAS records retention schedules and policies. These include Functional Schedule for State Agencies, Records Retention and Disposition Schedule – DMH/DD/SAS Local Government Entity (APSM 10-6), Records Retention and Disposition Schedule - DMH/DD/SAS Provider Agency (APSM- 10-5) and the DHHS Records Retention and Disposition Schedule for Grants.

The records of the contractor shall be accessible for review by the staff of the North Carolina Department of Health and Human Services and the Office of the State Auditor for the purpose of monitoring services rendered, financial audits by third party payers, cost finding, and research and evaluation.

Records shall be retained for a period of three years following the submission of the final Financial Status Report or three years following the submission of a revised final Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving these funds has been started before expiration of the three year retention period, the records must be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later. The grantee shall not destroy, purge or dispose of records related to these funds without the express written consent of DHHS-DMH/DD/SAS.

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

Audit Objectives

- a. To ensure compliance with the DHHS and DMH/DD/SAS records retention schedules and policies; and
- b. To ensure compliance with all federal and State policies, laws and rules that pertain to this fund source and/or to the contract/grant agreement.

Suggested Audit Procedures

- a. Verify that records related to this fund source are in compliance with DHHS-DMH/DD/SAS record retention schedules and policies.
- b. Review contract/grant agreement identify any special requirements; and verify if the requirements were met.
- c. Verify that financial assistance under the Substance Abuse Prevention and Treatment Block Grant was only provided to public or non-profit entities.
- d. When applicable, verify that the grantee has obtained a DUNS number and is registered in the Central Contractor Registration (CCR) system.
- e. Verify that the Conflict of Interest declaration is signed AND that there are no overdue tax debts at the federal, State or local level as required below.

Conflicts of Interest and Certification Regarding Overdue Tax Debts

All non-State entities (except those entities subject to the audit and other reporting requirements of the Local Government Commission) that receive, use or expend State funds (including federal funds passed through the NC Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143C-6-23 effective July 1, 2007. These requirements include the submission of a Notarized Conflict of Interest Policy (see G. S. 143C-6-23(b)) and a written statement (if applicable) that the entity does not have any overdue tax debts as defined by G. S. 105-243.1 at the federal, State or local level (see G. S. 143C-6-23(c)).

G. S. 143C-6-23(b) stipulates that every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and other reporting requirements of the Local Government Commission) must hold the subgrantee accountable for the legal and appropriate expenditure of those State grant funds.