

93.505

**AFFORDABLE CARE ACT (ACA) MATERNAL, INFANT, AND
EARLY CHILDHOOD HOME VISITING PROGRAM**

State Project/Program: HEALTHY FAMILIES AMERICA HOME VISITING

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Authorization: 42 United States Code Section 701-709

State Authorization: N/A

**N. C. Department of Health and Human Services
Division of Public Health**

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N. C. DHHS Confirmation Reports:

SFY 2019 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by mid-October at the following web address:

<https://www.ncdhhs.gov/about/administrative-offices/office-controller/audit-confirmation-reports>. At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2018-2019)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except select “[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2017-2019\)](#)”.

The Auditor should not consider the Supplement to be “safe harbor” for identifying audit procedures to apply in a particular engagement, but the Auditor should be prepared to justify departures from the suggested procedures. The Auditor can consider the supplement a “safe harbor” for identification of compliance requirements to be tested if the Auditor performs reasonable procedures to ensure that the requirements in the Supplement are current. The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

I. PROGRAM OBJECTIVES

The purpose of this agreement addendum is to provide funding for implementation of the Healthy Families America (HFA) program through the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program. HFA has shown substantial and consistent results related to improved child and maternal health, child abuse and neglect reduction, crime reduction and school readiness. The HFA program will work with its clients to achieve:

- Improved pregnancy outcomes by helping women engage in preventive health practices including obtaining prenatal care, improving diet and nutrition, and reducing the use of tobacco, alcohol and other substances;

- Improved child health and development by helping parents provide responsible, competent and nurturing care; and
- Improved economic self-sufficiency of the family by helping the parents develop a vision for their own future including planning future pregnancies, continued education and employment.

II. PROGRAM PROCEDURES

Health Families America is administered by the North Carolina Department of Health and Human Services—Division of Public Health, Women’s and Children’s Health Section, Children and Youth Branch.

The Division of Public Health collaborated with the Alliance of Evidence-Based Programs in North Carolina to provide braided funding for the support of home visiting projects. Contracts were awarded to local health departments and/or local non-profits through an application process.

The Contractor shall for families at risk and who meet the eligibility requirements:

1. Provide the Healthy Families America home visiting program to families in designated service area.
2. Implement the Healthy Families America model with model fidelity, including standardized screening and assessment of families, maintaining regular and long-term contact with enrolled families, development of appropriate family support plans, resources and referrals matched to family needs, and delivery of reflective supervision and coaching as needed.
3. Provide training to Healthy Families program staff to ensure that individuals employed meet educational criteria specified by the model.
4. Provide resources and referrals to families, including primary and well health care, mental health services, employment assistance, child care, alcohol/drug treatment and support services.
5. Conduct outreach activities to educate community partners about Healthy Families home visiting and systems to improve the early childhood community.
6. Maintain staffing patterns as required by the Healthy Families America model developer. The Family Support Workers shall begin intensive home visitation services to expectant parents and parents of newborns up to six months of age with participants remaining in the program up to three to five years, depending on the level of need. The Program Director shall provide supervision to the lead Family Support Workers. All staff shall participate in orientation and ongoing education and training, technical assistance, consultation and coaching from the Healthy Families America office as appropriate
7. Assure that the NC MIECHV Home Visiting Program Office is notified of a staff vacancy within 5 working days, and that staff vacancies are addressed in a timely way with recruiting plans submitted to the NC MIECHV office within 10 working days of a vacancy occurring.
8. Maintain up-to-date accreditation with the Healthy Families America office.
9. Work collaboratively with other family strengthening programs which includes at a minimum collaboration with Triple P, Pregnancy Care Management, and Care Coordination for children in the service area to assure a continuum of services for families.
10. Maintain resource and referral systems, including primary health care, mental health services, employment assistance, child care, alcohol/drug treatment, other appropriate

- resources and both formal and informal support services that are kept current and made accessible to the team of home visitors.
11. Participate in continuous quality improvement strategies for Healthy Families America implementation.
 12. Participate in 12 monthly consultation calls with the NC State MIECHV Healthy Families Consultant/Trainer.
 13. Participate in two NC MIECHV Program regional meetings facilitated by the NC MIECHV Program team (Annual trainings are scheduled and provided as required for programmatic needs through the HFA model).
 14. Participate in data collection for federally mandated MIECHV benchmarks by collecting and reviewing data using the MIECHV-approved data collection software. Data collection will be overseen by the NC MIECHV Program, who will support the program in ensuring data quality. Due dates are specified in the contract.
 - a. Data specified by the State or the National Offices must be collected for eligible families that have been enrolled in the program who receive services funded through this contract.
 - b. Each benchmark area required by the State includes multiple constructs. Funded sites must collect data for all constructs under each benchmark area that is requested by the State.
 - c. In addition to the reporting requirements for each benchmark area, the Contractor must collect individual-level demographic and service-utilization data on the participants in their program as necessary to analyze and understand the progress children and families are making.
 - d. Sites shall work with NC MIECHV to use the approved data collection tool. NC MIECHV will provide sites with technical assistance to ensure data collection tool meets the site's needs and reporting requirements.
 - e. Contractor shall maintain and adhere to the site's policy for confidential data safety and monitoring, including provisions for privacy of data, administration procedures that do not place individuals at risk of harm (e.g., questions related to domestic violence and child maltreatment reporting), compliance with appropriate regulations related to Internal Review Board/human subject protections, HIPAA and FERPA, and compliance with the latest federal and state guidelines for safeguarding personally identifiable information.
 15. The Contractor shall update the policy and submit annually to the NC MIECHV Program for review and approval.
 16. The Contractor must provide training for all relevant staff on these topics. All new staff shall be trained within 30 days of hire.
 17. Summary data reports shall be submitted monthly during the contract year to the NC State MIECHV Program.
 18. Maintain the existing community advisory board/committee that includes, but is not limited to, participation by the health department, social services, mental health, substance abuse services, Head Start/Early Head Start, local Smart Start partnership, and family representation.

III. COMPLIANCE REQUIREMENTS

A. ACTIVITIES ALLOWED OR UNALLOWED

Healthy Families America Home Visiting funds may be used to provide direct client services.

Allowed

Salaries and operating expenses to support the project according to model fidelity per the Healthy Families America purveyor.

Unallowed

Funds may NOT be used to supplant existing services supported by federal, State or local funds.

B. ALLOWABLE COSTS/COST PRINCIPLES

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

C. CASH MANAGEMENT

Compliance Requirements – When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from a State agency. When funds are advanced, recipients may be required to follow specific procedures.

Local Governments and Public Authorities

All local governments and public authorities are required to follow cash procedures for State funds outlined in the State's Budget and Fiscal Control Act (General Statute 159-34) and rules, policies, and procedures established by the Local Government Commission. Additionally, the State-awarding agency may specify their own requirements for the management of State funds and these requirements can be found in Part 10 of this Compliance Section.

Nonprofit Organizations

The specific requirements for the cash management of State funds will be specified by the State-awarding agency. The auditor will find the requirements in the contract and grant agreements, administrative manuals published by the awarding State agency and also cash management requirements can be found in the program specific requirements in Part 10 of this Section.

For any program for which an awarding State agency has established rules, policies and procedures for cash management, recipients should also establish similar procedures for subrecipients.

Audit Objectives – Determine whether:

1. The recipient/subrecipient followed procedures established by the applicable laws, regulations, statutes, and agency requirements.
2. The pass-through entity implemented procedures to assure that subrecipients conformed substantially to the same requirements that applied to the pass-through entity.

Suggested Audit Procedures

1. Select a sample of advances of State funds and compare to the dates the funds were disbursed and/or when the checks were presented to the banks for payment. Using these data, verify that:
 - a. The timing of disbursements was in compliance with any requirements of the awarding agency or any applicable laws, regulations, or statutes.

- b. If applicable, procedures were established to minimize the time elapsing between drawdown and disbursement of State funds.
2. Where applicable, select a sample of reimbursement requests and trace to supporting documentation showing that the costs for which reimbursement was requested were paid prior to the date of the reimbursement request.
3. Where applicable, review records to determine if interest was earned on advances. If so, review evidence to ascertain whether it was treated in accordance with the applicable laws, regulations, policies, and procedures and agency requirements.

E. ELIGIBILITY

Services are provided to any high-risk family living in a community served by a Healthy Families America program that meet the program eligibility criteria.

Audit Objectives – Assure compliance with the Healthy Families America Model.

Suggested Audit Procedures – Client records review.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

The grantee has agreed to reimburse the State for any loss or damage to equipment furnished the grantee for use in connection with the performance of his contract as specified on page 5 of the contract document.

The grantee has also agreed to put into place equipment controls and safeguards for equipment costing in excess of \$500 as specified in the contract document.

Audit Objectives – Determine whether:

1. The grantee maintains proper records for equipment and adequately safeguards and maintains equipment.
2. Disposition or encumbrance of any equipment or real property acquired with State awards is in accordance with the requirements of the awarding agency.

Suggested Audit Procedures

1. Obtain entity's policies and procedures for equipment management and ascertain if they comply with the awarding agency's policies and procedures.
2. Select a sample of equipment transactions and test for compliance with the awarding agency's policies and procedures for management and disposition of equipment.

H. PERIOD OF PERFORMANCE

Compliance Requirements – State awards may specify a time period during which the grantee may use the State funds. Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the State awarding agency. Also, if authorized by the State program, unobligated balances may be carried over and charged for obligations of the subsequent funding period. Obligations mean the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

Audit Objective – Determine whether State funds were obligated within the period of availability and obligations were liquidated within the required time period.

Suggested Audit Procedures

1. Review the award documents and regulations pertaining to the program and determine any award-specific requirements related to the period of availability and document the availability period.
2. Test a sample of transactions charged to the State award after the end of the period of availability and verify that the underlying obligations occurred within the period of availability and that the liquidation (payment) was made within the allowed time period.
3. Test a sample of transactions that were recorded during the period of availability and verify that the underlying obligations occurred within the period of availability.
4. Select a sample of adjustments to the State funds and verify that these adjustments were for transactions that occurred during the period of availability.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Compliance Requirements

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 conform with federal agency codifications of the grants management common rule accessible on the Internet at

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

All grantees that expend State funds (including federal funds passed through the N. C. 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 Procurement Manual accessible on the Internet at http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf.

Audit Objectives – Determine whether procurements were made in compliance with the provisions of the program requirements and any applicable laws, regulations, statutes or other provisions of the awarding State agency.

Suggested Audit Procedure

Test a sample of procurements to ascertain if the applicable laws and the awarding agency procedures were followed.

J. PROGRAM INCOME

Client and third-party fees collected by the local provider from the provision of maternal and child health services must be used to expand, maintain or enhance those services in either the year in which they were earned or a subsequent fiscal year. (10A NCAC 43B .0105).

L. REPORTING

Financial Reporting

Contractors are required to submit monthly expenditure and financial reports within 30 days after the end of the month that the services were provided.

Performance Reporting

- Collect and enter data into an appropriate data management platform on program implementation and outcomes for participants (mothers and babies enrolled in the

program) as required by the contract. Information collected includes characteristics of clients (including when they enroll in the program during their pregnancies) to ensure the target population is being reached; frequency, content and duration of client visit information to ensure appropriate service provision; and maternal and child outcomes such as substance use during pregnancy, birth outcomes, breastfeeding, immunizations, subsequent pregnancies, child development indicators and maternal workforce and school involvement. This data collection will be used for the funding benchmarks.

- Provide an annual accounting of actual program fiscal expenditures, program revenues (if applicable), and other sources of funding for the program including in-kind contributions.

Audit Objective – Determine whether required reports include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements.

Suggested Audit Procedures

1. Perform monthly review of submitted reports to ascertain whether they are properly formatted and completed.
2. Review amounts requested and compare with previous months for outliers or unreasonable expenditures.
3. Compare submitted workload with established objectives for the current fiscal year to track compliance with yearly objectives.

M. SUBRECIPIENT MONITORING

The contractor shall not subcontract any of the work contemplated under this contract without obtaining prior to written approval from the Division. Any approved subcontract shall be subject to all conditions of this contract. Only the subcontractors specified in the contractor's application are to be considered approved upon award of the contract. The contractor shall be responsible for the performance of any subcontractor.

N. SPECIAL TESTS AND PROVISIONS

Consolidated Agreement System

The DHHS Division of Public Health is made up of six major sections: Chronic Disease & Injury, Environmental Health, Epidemiology, Women's and Children's Health, Oral Health, and Administrative, Local, and Community Support. The Division utilizes a single written agreement to manage all funds, that is, State, Federal, or private grant funds, that the Division allocates to local health departments across the State. This document, as amended, is called the Consolidated Agreement.

The Agreement sets forth the more general requirements of the funding relationship between the state and local public health agencies. The respective requirements are detailed under the headings: Responsibilities of the Department (Local Public Health Unit); Funding Stipulations; Fiscal Control; and Responsibilities of the State; and Compliance. More specific information related to program activity is set out in a document called the Agreement Addenda. This document details which outcome objectives (which may or may not be negotiable at the beginning of each fiscal year) that each health department must achieve in exchange for the funding. A third part of the system is the Budgetary Estimate which is sent annually from each of the Sections or Branches of the Division to all health departments being allocated funds from specific sources, i.e., State appropriations or other federal grant funds for specific activities. This Budgetary Estimate indicates the amount and respective sources of the allocated funds. Each health department should be able to provide an auditor with a copy of the Consolidated

Agreement for the particular year being audited, as well as copies of the Budgetary Authorization and any revisions, Agreement Addenda, expenditure reports and any activity reports for each source of money received. If the health department cannot provide these documents, they may contact the State Division of Public Health Budget Office for assistance.

Suggested Audit Procedures – The auditor should review Section B. FUNDING STIPULATIONS of the Consolidated Agreement before beginning an audit. The fourteen items of this Section describe much of the detailed information the auditor may be seeking during a review of these programs.

Conflicts of Interest and Certification Regarding No 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 N. C. Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143C-6-23 for fiscal years beginning on or after 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) completed by the grantee's board of directors or other governing body 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)). 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.