

93.243-1

**SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES:
PROJECTS OF REGIONAL AND NATIONAL SIGNIFICANCE:
DISCRETIONARY – STRATEGIC PREVENTION FRAMEWORK
(SPF)**

**State Project/Program: PRESCRIPTION DRUG PREVENTION (SPF-RX)
PARTNERSHIPS FOR SUCCESS (SPF-PFS)**

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION**

Federal Authorization: Children’s Health Act of 2000 Section 516 of the Public Health Service Act of 2000, Section 520A-J,581,582, Public Law 106-310;
Public Health Service Act, Title V, Section 509,516,42
U.S.C.290bb.

**N. C. Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

Agency Contact Person – Program

Jessica Dicken,
(919) 715-2432
Jessica.Dicken@dhhs.nc.gov

Agency Contact Person – Financial

Christal Kelly
Phone: (919) 715-2124
Christal.Kelly@dhhs.nc.gov

Address Confirmation Letters To:

SFY 2020 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 DHHS 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 2019-2020). 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 \(State Fiscal Years 2018-2020\)](#)”.

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.

This compliance supplement should be used in conjunction with the OMB 2020 Compliance Supplement which will be issued in the summer. This includes “Part 3 - Compliance Requirements,” for the types that apply, “Part 6 - Internal Control,” and “Part 4 - Agency Program” requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

PROGRAM OBJECTIVES:

To carry out the state plan by providing comprehensive substance abuse prevention and treatment services, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) was awarded two grants from the Substance Abuse and Mental Health Services Administration (SAMHSA) to reduce and prevent the prescription drug misuse and abuse in the state. These grants target specific geographical areas and populations and were awarded based on several criteria using a data-driven selection process.

Primary prevention programs are those programs and services that are directed at individuals who have not been determined to require treatment for substance abuse. These comprehensive primary prevention programs give priority to target population subgroups that are at risk of developing a pattern of substance abuse.

This compliance supplement pertains to the two Strategic Prevention Framework (SPF) programs funded by SAMHSA:

- Prescription Drug Prevention (SPF-Rx)
- Partnerships for Success (SPF-PFS)

This is the fourth year of a five-year grant for the SPF-Rx grant. The grant award for FY19 is \$371,616 which includes central office grant administration and allocations to the LME-MCOs that oversee services in the Columbus, Dare, Mitchell, Nash and Stokes county. These LME-MCOs are Eastpointe, Trillium Health Resources, Sandhills, Vaya Health and Cardinal Innovations.

This is the second year of a five-year grant for the SPF-PFS grant. The grant award for FFY 2019 is \$2,098,590.50 which includes central office administration and allocations for 10 counties to be selected based on eligibility criteria.

Strategic Prevention Framework - Prescription Drug Prevention (SPF Rx)

The purpose of the SPF Rx grant is to strengthen existing efforts to prevent prescription drug misuse and abuse by employing culturally relevant, evidence-based strategies and interventions. The NC-SPF-Rx Initiative prevention activities target youth ages 12-17 and adults 18 and older. Five counties based on data indicators were identified -- Columbus, Dare, Mitchell, Nash, and Stokes.

The NC SPF-Rx Initiative aligns itself with SAMHSA’s Strategic Initiative 1, focusing on Goal 1: Prevention of Substance Abuse and Mental Illness. SPF-Rx has two priorities: 1) educate and raise community awareness about the dangers of sharing medications and 2) work with medical communities on the risk of overprescribing to young adults. Other

prevention resources are directed towards prescription drug misuse among adults 18 years and older. The Initiative addresses the main goals of preventing the onset and reducing the progression of substance use and related problems in high-need/high capacity communities through strengthening prevention capacity/infrastructure and leveraging, redirecting and aligning the state-wide funding streams and resources for prevention. The accomplishment of these goals is done within a culturally responsive prevention system, relevant and consistent data systems, and implementation of evidence-based/informed strategies to improve the health and well-being of North Carolina citizens. In the third year of the grant, the project decided to partner with the NC Higher Education on Alcohol and Other Drugs Coalition, primarily known as the C3 coalition, to help raise awareness around prescription stimulants and benzos on college campuses.

The SPF Rx grant program directly supports the goals of SAMHSA's Strategic Initiative. NC SPF-Rx promotes the adoption of evidence-based/informed strategies (programs, practices and policies) to deliver appropriate prevention outcomes and to establish an effective infrastructure to build resiliency and prevent prescription drug abuse and misuse.

Building on SAMHSA's Strategic Initiative Goal 1: Prevention of Substance Abuse and Mental Illness, the following goals are addressed in a conceptual model that will produce the overall outcomes for the project and implement in the five-year timeline.

The goals and objectives for the SPF-Rx are:

Goals and Objectives:

Goal 1: Raise community awareness and educate about the dangers of sharing medications.

Objectives:

- (1.1) Increase awareness and educate about risks associated with sharing medications
- (1.2) Increase awareness and educate about secured storage of prescription drugs
- (1.3) Increase awareness and educate about proper disposal of expired and/or no longer needed prescription drugs.

Goal 2: Work with the medical communities on the risks associated with overprescribing to young adults.

Objectives:

- (2.1) Increase awareness about the safer prescribing practices
- (2.2) Decrease the young adult prescribing rate
- (2.3) Increase the registration and utilization of Prescription Drug Monitoring Program (PDMP)

Strategic Prevention Framework- Partnerships for Success (SPF-PFS)

The purpose of this project is to prevent the onset and reduce the progression of underage alcohol use, vaping, marijuana use, and their related consequences in counties and

populations of high need across North Carolina. Evidence-based prevention programs, policies, and practices will be implemented for youth and young adults from ages 9 to 20. In addition to the required target of underage alcohol use, North Carolina plans to address vaping and marijuana, as North Carolina has rates higher than the national average for both substances (YRBS, 2017), and North Carolina continues to struggle to maintain retail violation rate under 20% for tobacco sales to minors. The NC SPF-PFS has proposed a two-pronged approach, with focused subrecipient grants for ten communities showing great need related to underage alcohol use, as well as substance use prevention capacity building efforts for institutions of higher education. Both focal populations will receive guidance and support in implementing the Strategic Prevention Framework, and in implementing evidence-based programs, policies, and practices for preventing underage drinking, vaping, and marijuana use. Efforts are being undertaken to provide additional tailored support to participating military communities and historically black colleges, the former of which historically have higher rates of alcohol misuse, and the latter of which experience greater consequences due to substance misuse.

The goals and objectives for the SPF-PFS are:

Goals and Objectives:

Goal 1: To prevent the onset and reduce the progression of underage alcohol use, vaping, marijuana use, and their related problems in counties and populations of high need.

Objectives:

- (1.1) NC will implement evidence-based prevention programs, policies, and practices in 10 high need counties, including at least one county with a military base, by 12/2019.
- (1.2) NC will build infrastructure to deploy evidence-based prevention programs, policies and practices for underage alcohol use, vaping and marijuana use among members of the NC Higher Education Coalition, and historically Black colleges and universities, by 12/2019.

Goal 2: Strengthen NC's prevention infrastructure capacity to fully utilize the SPF to facilitate local and state-level change in substance abuse and its consequences.

Objectives:

- (2.1) NC will strengthen the prevention infrastructure at the state and community levels by increasing data availability and training in its use statewide, including availability and use of the NC Prevention Survey and the NC SUPPORT (Substance Use Programs, Policies, Outcomes, Risks, and Trends). data dashboard, by 8/2020.
- (2.2) NC will build upon and extend current established partnerships to facilitate the use of data-based decisions, coordination of services, and implementation of evidence-based prevention programs, policies and practices by 12/2020.

Goal 3: To utilize evaluation results of NC's SPF-PFS project to make prevention efforts more effective.

Objectives:

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- (3.1) NC will evaluate the project, producing quarterly process and annual outcome reports, by 09/2020.
- (3.2) Working with the State Epidemiological Outcomes Workgroup (SEOW), NC will utilize reports to identify challenges and their associated solutions, as well effective strategies to be disseminated statewide, by 12/2020.
- (3.3) Working with the SEOW, NC will utilize quarterly and annual reports to facilitate local evaluation, leveraging of resources, and sustainability of effective evidence-based prevention programs, policies, and practices, by 03/2022.

I. PROGRAM PROCEDURES

Strategic Prevention Framework - Prescription Drug Prevention (SPF Rx)

Prescription Drug Statewide Conference: The event provides an opportunity for medical professionals, prevention and treatment specialists, coalition members, school counselors, administrators and educators, Department of Social Services (DSS), social workers, parents, law enforcement, and the faith-based community to learn key strategies and best practices to prevent prescription drug abuse and misuse at the state and local levels. There is array of topics that meet that needs of all professions that include prevention, treatment, recovery, harm reduction, law enforcement/justice system and many more.

NC Coalition Summit: This event is a smaller version of the Prescription Drug Statewide Conference that focuses more on the prevention side and supporting local coalitions, community members and youth around prescription drug misuse and abuse. The summit provides state/local resources, support, best practices and helps strengthen youth and coalitions as an advocate voice in their communities.

Dispenser Webinar: Dispenser webinars focus on the risks of over prescribing to young adults and how pharmacists can use the Prescription Drug Monitoring Program (PDMP) to prevent and reduce prescription medication misuse. Training content also refers to SAMHSA's Opioid Overdose Prescription Toolkit and CDC's Policy Guidelines for Prescribing Opioids for Chronic Pain. Topics include: Patient Counseling, STOP Act and Role of Pharmacist, Chronic Pain and Addiction, CDC Guidelines, Treatment of Opioid Disorders and Needle Exchange Programs. Pharmacist can earn free credits to go towards their licensures.

Three Regional "Safer Prescribing" Trainings: The safer prescriber trainings provide a primer in basic knowledge and skills related to chronic pain management for prescribing clinicians, academic medicine clinicians and/or those otherwise new to chronic pain management. The training content includes information and guidelines from the SAMHSA's Opioid Overdose Prescription Toolkit and CDC's Policy Guidelines for Prescribing Opioids for Chronic Pain. Training material has been updated to include North Carolina's STOP Act, which has been done with the partnership of the local Area Health Education Centers (AHEC). Participants are eligible to receive CME and/or CEU to help renewal of licensures.

Lock Your Med Campaign

The "Lock Your Meds" campaign is a national, multi-media prescription medication misuse campaign that has been customized for North Carolina. The campaign brings

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awareness to the issue of youth prescription medication misuse, and how family and friends are often suppliers of misused prescriptions. The campaign emphasizes the importance of securely storing currently used medications and properly disposing of no longer needed medications. The distribution of the LYM campaign will go through the entirety of the grant. The SPF-Rx project has expanded the reach of the campaign from the thirteen Partnership for Success (PFS) communities to the entire state, with a higher intensity implementation in the five SPF-Rx communities.

College Symposium: To work with college campuses in North Carolina to examine the rising problem of prescription stimulants on college campuses. Campuses across the country begin to initiate new programs, policies and rules about diagnosis, prescribing practices, and surrounding therapeutic supports for ADHD when prescriptions of amphetamines are used. The symposium will convene student health services, collegiate wellness programs, university administration, law enforcement, and behavioral health professionals to provide recommendations for university rules for prescribing ADHD and initiate programs to provide therapeutic support for these students.

SPF-Rx Training & Technical Assistance: The state provides on-going coordinated training and technical assistance to the five targeted areas by enhancing their ability to implement activities focused on evidence-based policies, practices, and programs.

Strategic Prevention Framework- Partnerships for Success (SPF-PFS)

NC has awarded ten high need counties sub-recipient awards through a competitive request for proposal. All counties applying for the high need sub-recipient grants will commit to completing all steps of the Strategic Prevention Framework, including the implementation of evidence-based prevention programs, policies, and practices. All communities will be required to address underage alcohol use but may elect to also address vaping OR marijuana use depending upon the needs of their community. NC will monitor sub-recipient progress to ensure that on-going capacity building efforts are responsive to community need, readiness and resources and adapt if indicated. NC will ensure all sub-recipient communities align evidence-based programs, policies, and practices with the health disparities impact statement, and that sustainability is considered in decision-making and supported through training and technical assistance efforts.

NC Higher Education Coalition and Collegiate Recovery Community:

At the college level, NC will leverage the resources of the member campuses of the NC Higher Education Coalition and the Collegiate Recovery Community to better address underage drinking, vaping, and marijuana use among transition age youth and young adults. Together, NC, The NC Higher Education Coalition and the campus recovery community will partner to support a college drinking, vaping, and marijuana use prevention summit in year one, and then to develop a strategic plan for the prevention of underage drinking, vaping, and marijuana use among college students in year two, and to support the implementation of evidence-based prevention programs, policies, and practices for institutions of higher education in subsequent years. NC will ensure that the menu of options selected will include creating and modifying university policy and systems to address priority substance issues. The NC Higher Education Coalition, and the recovery community will include the NC's twelve historically black colleges in this partnership to ensure that the strategies selected for inclusion into the plan include those that are culturally appropriate and effective for this sub-population who experience a disproportionate share of the consequences from substance abuse. NC will draw upon

college partnerships identified above and build upon on the momentum they have started to develop a statewide strategic plan for the NC institutions of higher education. They will support and promote the work on individual campuses to ensure best practice in university policy change and that strategies for addressing their high priority issues are implemented.

NC's Prevention Survey:

The first statewide survey to collect data on both substance use and its precursors was piloted Spring 2017, via phone and on-line, with one to two hundred 12-18 year olds for each of the seven Local Management Entities/Managed Care Organizations. Due to the nature of the timeline and mode, questions on tobacco and marijuana use were limited. We will extend that survey to a biennial survey that provides county level estimates for 12-20 year olds across the state, and also to more fully capture tobacco, including vaping, and marijuana use. The survey will utilize addressed based-sampling to select participants, and use a tiered, multi-mode process to collect the data, thereby maximizing the number of surveys and response rate in the most cost-efficient manner possible. We will also explore having multiple survey forms to expand the array of questions we ask without increasing the length of the survey.

NC SUPPORT:

Spring 2017 NC also launched a data dashboard, NC SUPPORT (Substance Use Programs, Policies, Outcomes, Risks, and Trends). NC SUPPORT is NC's epidemiological profile. It currently makes available administrative data, such as data on retail alcohol sales, alcohol outlets, alcohol-related law enforcement charges, and alcohol-related deaths. It organizes data both by county and by risk indicator, including trend lines and maps graphically representing the data. An important role for the SEOW will be to vet new sources of data for inclusion in NC SUPPORT. Currently there is only one tobacco measure and no marijuana measures. The SEOW will work to minimize data gaps, both by expanding risk indicators from administrative data, as well adding data from the Prevention Survey. Adding Prevention Survey data to NC SUPPORT will greatly increase the ability of counties to obtain consumption, consequence, and intervening variable data, the latter of which has been extremely limited in NC. We will then explore methods for using NC SUPPORT for evaluation of North Carolina's state and local prevention efforts.

Military Bases:

In addition to college campuses, NC has also selected communities that house military bases as a population of focus due to the large number of these communities in the state, and also due to the increased risk factors associated with active military service. North Carolina is home to the nation's third largest military population and seven military bases. They have unique needs related to substance use prevention, which have not been addressed in NC within recent history. NC will work with various military and veterans groups to develop specific strategies for these important communities, and disseminate them through training and infrastructure development efforts.

Training and Technical Assistance

A quality improvement approach will be used across the duration of this grant to monitor progress on performance goals, as well as identify areas for process improvement. The project team will work with partners across the state to ensure that the planning and design of educational materials, training events, and summits/conferences are conducted in a fashion that ensures that cultural and linguistic needs of participants are met for the target populations.

II. COMPLIANCE REQUIREMENTS

The Type of Compliance Requirements can be found in Section B in the link: [2020 Agency Matrix for Federal Programs](#). This matrix incorporates the OMB Compliance Supplement “Part 2 - Matrix of Compliance Requirement.” A State Agency may have added a compliance requirement that the OMB matrix in Part 2 has a “N” (Not Applicable).

Crosscutting Requirements

The DHHS/Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMHDDSAS) mandates that all the testing included within the crosscutting section be performed by the local auditors. Please refer to that section, which is identified as “DMH-0” for those mandated requirements.

A. ACTIVITIES ALLOWED OR UNALLOWED

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

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. (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 DMHDDSAS 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;

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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 UCR or non-UCR funds, without the prior written approval of the DMH/DD/SAS Assistant Director of Budget and Finance and the Chief of Community Wellness, Prevention and Health Integration;
7. The funds provided shall be fully utilized, monitored, and settled in compliance with the conditions of the current Contract Agreement between the LME-MCO and DMH/DD/SAS, with the full adherence of the LME-MCO and its sub-recipient contractors to all applicable State and federal laws, rules, regulations, policies, guidelines, standards, agreements, protocols, plans, and communications.
8. Funds shall be used in accordance with SAMHSA's standard funding restrictions:
 - Funds shall not be used for substance use or other treatment services covered by Medicaid reimbursement.
 - 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.
9. Funds shall be used in accordance with cost principles describing allowable and unallowable expenditures for nonprofit organizations in accordance with OMB Circular A-122;
10. SPF-Rx and SPF-PFS funds are prohibited to be used to make, or to allow to be made, any cash payments to any recipients or intended recipients of health or behavioral health services;
11. Agencies or organizations receiving federal funds are required to receive prior written approval from the Community Wellness, Prevention, and Health Integration Section Chief regarding the use of evidence-based program incentives, including the specification of the type(s) and equivalent dollar value(s) of any such nominal incentives offered, and the manner of utilization of any such approved incentives for clients, recipients, students, or other persons. The provision of cash is strictly prohibited, as is the provision of gift cards, which are considered to be cash equivalents. Programs are strictly prohibited from utilizing any incentive items that could potentially be converted to cash, or that could be used for the purchase of any age-restricted product, such as tobacco, alcohol, drugs, weapons, or lottery tickets or any sexually oriented materials or contraceptives.
12. SPF-Rx and SPF-PFS funds are prohibited to be used for the purchase or improvement of land, purchase, construction or permanent improvement (other than minor remodeling) of any building or other facility, or purchase of major equipment, including medical equipment;
13. SPF-Rx and SPF-PFS funds are prohibited to be used to satisfy any requirement for the expenditure of non-Federal funds as a condition of receipt of Federal funds. (i.e. Federal funds may not be used to satisfy any condition for any state, local or other funding match requirement);

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14. SPF-Rx and SPF-PFS funds are prohibited to be used to provide financial assistance to any entity other than a public or nonprofit private entity;
15. SPF-Rx and SPF-PFS funds are prohibited to be used to provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs;
16. SPF-Rx and SPF-PFS 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.);
17. SPF-Rx and SPF-PFS 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 in excess of Level I of the most current US Office of Personnel Management Federal Executive Salary Schedule.
18. SPF-Rx and SPF-PFS funds shall not be utilized for law enforcement activities;
19. No part of any SPF-Rx or SPF-PFS 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; No part of any SPF-Rx funding shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress or any state legislature. Funds shall be used in accordance with HHS Grant Policy Statements.
20. LME-MCOs are prohibited from withholding or deducting any portion of allocated federal funds for the support of any LME-MCO activity or function. All allocated funds are required to be fully contracted by the LME-MCO for approved expenditure by eligible non-profit sub-recipient organizations.

E. ELIGIBILITY

These are capacity-building grants. Eligibility is monitored by the Division through data submitted by subrecipients to determine that outreach is being made to the target population for each grant. It is not necessary for the auditors to test eligibility at the local level.

Prescription Drug Prevention Programs

Youth from ages 12-17 and adults age 18 and over, parents, families and community members are eligible for participation in this program. The five counties of Columbus, Dare, Mitchell, Nash and Stokes have been targeted based on data indicators of a high rate of prescription drug use and misuse in these counties.

Partnerships for Success

Youth and young adults between the ages of 9 to 20 will be targeted to prevent the onset and reduce the progression of underage alcohol use with community-wide vaping and marijuana use and their related consequences strategies in 10 counties of high need across NC to be selected based on eligibility criteria.

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.

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 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 Agency Purchasing Manual accessible on the Internet at http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf.

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.

I. REPORTING

Financial Reports:

Federal funds are allocated outside of Unit Cost Reimbursement (UCR), and approved expenditures shall be reported by the Local Management Entity- Managed Care Organization (LME-MCO) through the routine submission of monthly Financial Status Reports (FSRs). Any exceptions to the required timely reporting of federal funds

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expended, shall be approved in writing by the DMH/DD/SAS Assistant Director of Budget and Finance and the Chief of Community Wellness, Prevention and Health Integration.

Program Reports:

Prescription Drug Prevention Programs

The LME-MCO is required to ensure funded agencies: 1) submit quarterly monitoring information in accordance with the SAMHSA-CSAP SPF-Rx Evaluation Requirements and 2) enter program level reporting information into the DHHS data reporting systems as directed. Reports shall be submitted to Jessica.Dicken@dhhs.nc.gov

Partnerships for Success

The LME-MCO is required to ensure funded agencies: 1) submit the Community-Level Instrument (CLI-R) report and community outcomes data to the Program Evaluation for Prevention Contract (PEP-C) quarterly and biannually to DMH/DD/SAS and 2) submit monthly program level reports to Jessica.Dicken@dhhs.nc.gov

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. 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

The counties designated for implementation of these two grants were targeted because of high need to address the priority problem of nonmedical use of prescription drugs in order to reduce the consequences of the nonmedical use of prescription drugs focusing on individuals in the targeted age groups. To strengthen the evaluation of prevalence and consequence data to prevent and reduce nonmedical use of prescription drugs and to reduce community risk factors and strengthen protective factors associated with nonmedical use of prescription drugs by employing the following strategies:

- ***Deployment of evidence-based community-wide prevention programs.*** These include: Lead & Seed (environmental strategies for population level impact), PACT 360 and PACT 360Rx (engage parents of teens to impact their families and neighborhoods).
- ***Work with schools to provide prevention programming for middle school, high school and college age students.*** Schools are collaborating with the project and agree to help evaluate impact for young people.
- ***Educate parents, teachers, faith leaders and other adult leaders*** to ensure their ability to engage in productive conversations about prescription drug misuse during teachable moments while working with youth.

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- **Media campaign and community awareness** via print, radio, TV and social media to increase awareness about the existence of and dangers associated with prescription drug misuse and abuse and the steps taken in the community to deal with those dangers.
- **Increase proper disposal of medication by installing** permanent prescription drug drop boxes, education on proper disposal, and work to expand disposal opportunities.

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. Financial records shall be maintained in accordance with established federal and state guidelines.

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.
- 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
- c. Verify if the requirements were met.
- d. 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 N. C. 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.