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**MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED  
PROGRAMS**

**State Project/Program:** NC MATERNAL MENTAL HEALTH MATTERS (MAKING  
ACCESS TO TREATMENT, EVALUATION, RESOURCES &  
SCREENING BETTER) PROGRAM

U. S. Department of Health and Human Services

**Federal Authorization:** Public Health Service Act, Title III, Part B, Sec. 317L1, as amended  
by the 21st Century Cures Act (2016)

**State Authorization:** N/A

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

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**Address Confirmation Letters To:**

SFY 2024 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 2023-2024)”. 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”.

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.

**Auditors may request documentation of monitoring visits by the State Agencies.**

This compliance supplement must be used in conjunction with the OMB 2024 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.

## **I. PROGRAM OBJECTIVES**

The North Carolina Maternal Mental Health: Making Access to Treatment, Evaluation, Resources and Screening Better (NC MATTERS) program aims to decrease barriers to screening and treating for maternal mental health and substance use disorders (MMH/SUD) by increasing the capacity of the health care professionals (e.g., obstetricians, pediatricians, family physicians, midwives, home visitors, psychiatrists) who need enhanced training and support to meet the needs of their patients. NC MATTERS will provide access to education and training, including screening and treatment support for health care professionals through 1) a clinical psychiatric access line staffed by perinatal mental health specialists who answer patient-specific treatment questions, 2) referral and resource coordination services, 3) telepsychiatry assessments to perinatal patients at no cost, and 4) training and technical assistance for health care providers to increase their knowledge, skills, and capacity to address MMH/SUD within their scope of practice.

## **II. PROGRAM PROCEDURES**

The NC MATTERS Program is designed to enhance existing efforts being implemented in our state through the North Carolina Psychiatric Access Line (NC PAL). The NC MATTERS Program utilizes NC PAL in conjunction with the Pediatric Mental Health Care Access program. The users of the NC PAL have access to a perinatal psychiatrist and a behavioral health coordinator. NC MATTERS also provide one-time psychiatric assessments at no cost to patients upon request from their perinatal provider in conjunction with prenatal or postpartum patient.

The NC MATTERS program will maintain and implement the following activities:

- We will convene a statewide network of maternal mental health and substance use professionals, including persons with lived experiences, to participate in a Stakeholders' Network. The Stakeholders' Network will replace the Implementation Team developed in the current grant period.
- We will maintain our statewide perinatal psychiatric access line and telepsychiatry consultation & assessment services in collaboration with Duke University's Psychiatry Access Line (NC-PAL), which is also used for the Pediatric Mental Health Care Access (PMHCA) program in NC.
- We will offer an intensive quality improvement project designed for prenatal care clinics in rural and under-resourced counties for the purpose of engaging the entire clinic staff in screening, assessment, treatment and/or referral of pregnant and postpartum people.
- We will develop an intensive mental and behavioral health training program, NC MATTERS Maternal Mental Health Champion (MMHC) Fellowship, which will train up to 30 front-line providers annually.
- We will partner with state level and community-based organizations and programs, like Postpartum Support International (PSI), NC Perinatal Substance Use Project, and NC Division of Mental Health, Developmental Disabilities and Substance Abuse (DMHDDSA), Office of Health Equity to execute NC MATTERS. We will also partner with federally funded projects, the Enhancing Reviews and Surveillance to Eliminate Maternal Mortality (ERASE MM) program, the Maternal Health Innovations initiative, and the National Maternal Mental Health Hotline to ensure that our work is being inclusive and collaborative with other efforts to improve maternal health outcomes at the provider and system level.

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**III. COMPLIANCE REQUIREMENTS**

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2024 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	Y	N	N	Y	N	Y	Y	Y

**A. Activities Allowed or Unallowed**

Grantees are to complete activities as noted in their contract addenda/scope of work. Each scope of work is different based upon the needs of the specific area served. See individual contract scopes of work for more information.

**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.

**F. Equipment and Real Property Management**

Equipment must be accounted for in accordance with the North Carolina Department of State Treasurer Policies Manual, Chapter 20, Fixed Assets Policy.

Title to equipment costing more than \$2,500.00 acquired by the Contractor with funds from this contract shall vest in the contractor, subject to the following conditions:

1. The Contractor shall use the equipment in the project or program for which it was acquired as long as needed. When equipment is no longer needed for the original project or program or if operations are discontinued, the Contractor shall contact the Department of Health and Human Services, Division of Public Health, for written instructions regarding disposition of equipment.
2. When acquiring replacement equipment, the Contractor may use the equipment to be replaced as trade-in against replacement equipment or may sell said equipment and use the proceeds to offset the costs of replacement equipment subject to written

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approval of the Division of Public Health.

3. For equipment costing in excess of \$2,500.00, equipment controls and procedures shall include at a minimum the following:
  - a) Detailed equipment records shall be maintained which accurately include the:
    - i. Description and location of the equipment, serial number, acquisition date/cost, useful life and depreciation rate;
    - ii. Source/percentage of funding for purchase and restrictions as to use or disposition.
    - iii. Disposition data, which includes date of disposal and sales price, or method used to determine fair market value.
  - b) Equipment shall be assigned a control number in the accounting records and shall be tagged individually with a permanent identification number.
  - c) Biennially, a physical inventory of equipment shall be taken, and results compared to accounting and fixed asset records. Any discrepancy shall immediately be brought to the attention of management and the governing board.
  - d) A control system shall be in place to ensure adequate safeguards to prevent loss, damage, or theft of equipment and shall provide full documentation and investigation of any loss or theft.
  - e) Adequate maintenance procedures shall be implemented to ensure that equipment is maintained in good condition.
  - f) Procedures shall be implemented which ensure that adequate insurance coverage is maintained on all equipment. A review of coverage amounts shall be conducted on a periodic basis, preferably at least annually.
4. The Contractor shall ensure all subcontractors are notified of their responsibility to comply with the equipment conditions specified in this section.

Prior written approval from the Department must be obtained before purchasing equipment valued over \$2,500.00. Institutions of higher education, hospitals and other non-profit organizations shall use procurement procedures that conform to applicable federal law and regulations and standards identified in Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200. All non-federal entities shall follow federal laws and implement regulations applicable to procurements, as noted in Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200.

I. Procurement and Suspension and Debarment

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](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 Agency Purchasing Manual accessible on the Internet at <http://www.pandc.nc.gov/documents/Procurement Manual 5 8 2013 interactive.pdf>.

*Nongovernmental subrecipients shall maintain written Procurement policies that are*

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*followed in procuring the goods and services required to administer the program. This applies to the subrecipients of this supplement.*

Entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred.

### L. Reporting

#### Financial Reporting

Monthly expenditure reports (DHHS 2481) are required to be completed for payment. The Contractor shall submit to the Division a monthly reimbursement request and, upon approval by the Division, receive payment within 30 days. The original expenditure report, DHHS 2481, shall be submitted to the Division Contract Administrator. The Contractor shall have up to thirty (30) days from last day of contract for close out, completion and submission of the final monthly expenditure report related to this contract period. If this contract is terminated, the Contractor is required to complete a final accounting report and to return any unearned funds to the Division within 60 days of the contract termination date.

#### Performance Reporting

Contractors submit program level data, such as, the number of providers trained, the number of consultations provided, the number of depression screening tools completed during pregnancy, the number of depression screening tools completed during postpartum. All entities who receive NC MATTERS funds are required to submit mid-year and annual program reports and to participate in monthly calls with the Division of Public Health Project Director and Health Resources and Services Administration Project Officer.

### M. Subrecipient Monitoring

Organizations may contract with other agencies to provide allowable services. Unless services are obtained on other than fee for service contracts, the auditor does not need to audit for this requirement. (Reference Section C (1) (c and d) of the Consolidated Agreement between the local health department and the Division of Public Health)

### N. Special Tests and Provisions

#### **Conflict 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 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 sub grantee accountable for the legal and appropriate expenditure of those State grant funds.

**Audit Objective** – Determine whether the grantee has adopted and has on file a conflict-of-interest policy, before receiving and disbursing State funds.

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**Suggested Audit Procedures:**

1. Ascertain that the grantee has a conflict-of-interest policy.
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds.