

APRIL 2024

93.495

**COMMUNITY HEALTH WORKERS FOR PUBLIC HEALTH
RESPONSE AND RESILIENT**

State Project/Program: NC COMMUNITY HEALTH WORKER PROGRAM

US DEPARTMENT OF HEALTH AND HUMAN SERVICES

Federal Authorization: Coronavirus Aid, Relief, and Economic Security Act ("CARES Act")
Public Law 116-236 Public Health Service Act 42 U.S.C. 301 (a)

**Department of Health and Human Services
Central Administration/ Office of Rural Health**

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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

To increase access to Community Health Workers in areas affected by COVID-19 by developing trusting relationships in the community that will enable the community health worker to serve as a link between health/social services and the community to facilitate access to services and improve service delivery.

II. PROGRAM PROCEDURES

The Community Health Worker Program is administered by the N. C. Department of Health and Human Services, Office of Rural Health (ORH), 2009 Mail Service Center, Raleigh, North Carolina 27699-2009, (919) 527-6440.

The Community Health Worker Program provides grant funds to governmental, community-based organizations, and non-profit organizations to address the current public health crisis, COVID-19 from worsening existing health disparities. Community health workers (CHWs) are frontline public health workers who are trusted members of the community they serve. CHWs are well-positioned to reach communities hit hardest by COVID-19, stop the spread of COVID-19, and make progress toward health equity. The ORH, based upon requests submitted by local agencies and approved by ORH, provides grants. Representatives from the Community Health Worker committee, including representatives from ORH and external partners, recommend funding levels based on the focus of a particular project and the needs of the community. The Director of the ORH makes final decisions. Once an application is approved, a formal contract is prepared by the ORH which includes the contract details, contractor obligations, the funding schedule, reporting requirements, and audit requirements. The formal contract serves as the grant award notification.

During the contract period, the community health worker committee, including ORH staff and external partners, provide on-going technical assistance to the contractors. Technical assistance includes virtual trainings, on-site visitation, workshops, advisory boards, and other contacts with the contractors during which program goals are reviewed and evaluation of contractors are undertaken. The primary goal of the assistance is to assure the most cost effective and high-quality care is provided.

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	Y	Y	N	N	N	Y	N	Y	Y	Y

A. Activities Allowed or Unallowed

Funds may be allowed to focus on improving and expanding existing community health worker efforts (CHWs) by the following

- Training (CHWs) with the knowledge, roles, and skills to support the COVID-19 public health response to manage outbreaks and prevent community spread.
- Deploying CHWs to support the COVID-19 public health response to manage outbreaks and prevent the spread of COVID-19 among priority populations in communities.
- Engaging CHWs to help build and strengthen community resilience to mitigate the impact of COVID-19 by improving the overall health of priority populations in communities.

B. Allowable Costs/Cost Principles

Services provided by and costs allowable under an NC Community Health Worker Program grant through the ORH are limited to those activities which were budgeted by the contractor and approved by the ORH.

Compliance Requirement – No line-item may be increased by more than fifteen (15) percent without the written approval of the ORH. This requirement relates to the contractor's expenditures as of the date of the balance sheet compared to the budget approved by the ORH.

Suggested Audit Procedure – Review the contractor's budget as approved by the ORH, including any subsequent amendments. Determine that any revisions exceeding fifteen (15) percent of the budget line-item have been approved in writing.

C. Cash Management

Funds are paid on a contractual basis. Generally, payments are made monthly to reimburse for expenses included in the contract's approved budget. Contractors submit monthly expenditure reports after the close of each month. However, some contracts have payments in advance based on a signed DHHS Certification of Cash Needs.

E. Eligibility

- Applicant eligibility
- Any public or nonprofit private entity. Priority will be given to applications submitted by community-based organizations, and historically underutilized businesses, which are representative of the target populations served including historically marginalized populations. Profit-making organizations are ineligible.

I. Procurement and Suspension and Debarment

Contractor cannot be suspended or debarred, nor can it make subawards under covered transactions to parties that are suspended or debarred. This rule applies any time the non-Federal entity procures goods or services with funds that have been approved in the budget. Suspension and debarment apply to both procurements and

L. Reporting

Grantees are responsible for managing and monitoring each project, program, sub-award, function or activity supported by the award. Therefore, contractors are required to submit a year-end report to the ORH. These reports are specified in the contract agreement. Report formats are provided by the ORH and are designed to gather consistent data across all contractors. Reports are due within 45 days following the end of the contract period.

M. Subrecipient Monitoring

Grantees that pass funding through to other entities must perform monitoring activities on each subrecipient to include reviewing reports submitted by the subrecipient, performing site visits to the subrecipient to review financial and programmatic records and observe operations, reviewing eligibility determinations for enrollees, and reviewing each subrecipient's single audit or program-specific audit results to ensure the subrecipient is in compliance.

Suggested Audit Procedure - Obtain a list of all subrecipients with which the grantee has agreements. Select a sample and verify that all monitoring activities are documented.

N. Special Tests and Provisions

Conflict of Interest and Certification Regarding No Overdue Tax Debt

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 Uniform Guidance Appendix XI to Part 200. These requirements include the submission of a Conflict of Interest Policy and a written statement (if applicable) that the entity does not have any overdue tax debts as defined at the federal, State, or local level. 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 – Before receiving and disbursing State funds, determine whether the grantee (1) has adopted a conflict-of-interest policy and has it on file and (2) whether the grantee has any overdue tax debts at the federal, State or local level.

Suggested Audit Procedures -

1. Ascertain that the grantee has a conflict-of-interest policy as described above
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds
3. Verify as to whether or not the grantee has any overdue tax debts at the federal, State or local level by reviewing tax reports filed with the appropriate government agencies and confirming via an inspection of the accounting records that all taxes were paid.