93.959 BLOCK GRANTS FOR PREVENTION AND TREATMENT OF SUBSTANCE ABUSE

State Project/Program SUBSTANCE ABUSE SERVICES

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


State Authorization: General Statutes 122C-117; 122C-141, 122C-143.2, and NCAC T10.1159

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N. C. DHHS Confirmation Reports:
SFY 2013 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by early September at the following web address: http://www.dhhs.state.nc.us/control/. At this site, page down to “Letters/reports/forms for ALL Agencies” and click on “Audit Confirmation Reports (State Fiscal Year 2012-2013)”. Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from the DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2011-2013)”. 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 objective of the Substance Abuse Prevention and Treatment Block Grant is to provide funds to Area Authorities to support programs for the development and implementation of prevention, treatment and rehabilitation activities and services directed to the diseases of alcoholism and drug abuse as specified in the Public Health Service Act, Title XIX, Part B, Subpart II, as amended, Public Law 102-321; 42 U.S.C. 300X; and 45 CFR, Part 96. Funds are also allocated to facilitate training and professional development of providers in the field.

Pregnant Women and Women with Dependent Children Set Aside Programs

Each LME receives SAPTBG set-aside funds for operating a services/program of treatment for substance abusing pregnant women, women with dependent children and women seeking to regain custody of their child(ren) to ensure families receive holistic care which includes: are treated as a unit, have access to primary and preventive healthcare, receive gender specific substance abuse treatment services, and appropriate referrals for therapeutic services for the children. Additionally, pregnant women are to receive admission preference and priority admission to ensure ready access to services and this must be publicized.

North Carolina Perinatal and Maternal Substance Abuse Initiative

The North Carolina Perinatal and Maternal Substance Abuse Initiative is supported both by State-Treatment Alternatives for Women funds appropriated by the N.C. General Assembly and Substance Abuse Prevention and Treatment Block Grant Funds. The Perinatal and Maternal Substance Abuse Initiative program objective is to provide specialized substance abuse treatment to pregnant women and women with dependent children.

Work First/Child Protective Services Substance Abuse Initiative

The Work First/Child Protective Services Substance Abuse Initiative (WF/CPS SA Initiative) provides early identification of Work First recipients who have some level of substance abuse impairment that would prevent them from securing and maintaining employment. The WF/CPS SA Initiative will also provide services to families with a substantiated child abuse and neglect case or with a need of services finding related to substance abuse and Class H or I Controlled Substance Felons who apply for Work First or food stamps.

NC CASAWORKS for Families Residential Initiative

The treatment model chosen for this initiative is based on the CASAWORKS for Families model, developed by the National Center on Addiction and Substance Abuse (CASA) at Columbia University. The CASAWORKS for Families comprehensive treatment model combines substance abuse treatment and mental health services for women and mental health and developmental services for children, healthcare, case management, parenting support, and job readiness training leading to employment and self-sufficiency for the mother. The purpose of the N. C. CASAWORKS for Families Residential Initiative is to address the multiplicity of needs of this population and assist them in moving toward self-sufficiency.

Outpatient Opioid Treatment Programs

Persons addicted to opioid drugs are more likely to be IV drug injectors, are at much greater risk for HIV/AIDS and other STDs, and have much higher rates of arrests than non opiate addicted individuals. The medication assisted treatment found in North Carolina’s Outpatient Opioid
Treatment Programs (OTPs) are a proven best practice method of decreasing not only opiate use but also decreasing HIV/AIDs, crime, and the other problems associated with opiate addiction. North Carolina uses SAPTBG funds to support LME’s in their provider network with the OTP clinics. These programs use these funds to help cover the costs of treatment and medication for persons not having the ability to pay for these services and who do not have insurance.

**Tuberculosis (TB) Services**

As part of the annual allocation of SAPTBG funds, all entities receiving SAPTBG funds must comply with 45 CFR Part 96, Section 96.127(a), which is also included in the Summary of significant Federal Funding Requirements that is disseminated to all entities and available on the web. The recipients of SAPTBG funds also have an MOA with their local health department and other providers of TB services. The State Health Director and Director of the N. C. DMH/DD/SAS work cooperatively toward this goal of providing TB services to substance abusing clients.

**Education, Referral, Coordination and Confidentiality**

Continuing education is provided to prevention professional, substance abuse counselors, and other education, health, and human service professionals on child and adult alcohol and other drug use, abuse and dependence at various institutes, meetings, conferences and schools. Each LME is required to include in the Performance Contract with the DMH/DD/SAS, assurances that all patients will be matched to the appropriate level of care. The SSA participates in planning and coordinates with other State agencies and local agencies. Each of the 24 LMEs must comply with the requirements of 42 CFR, Chapter 1, Part 2, Confidentiality of Alcohol and Drug Abuse Patient Records.

**HIV Early Intervention**

Through collaboration with the local health departments, Hepatitis B vaccines are made available to substance abuse treatment programs. Funds are provided through the SAPTBG to a “designated State.” A state is considered a “designated State” if their HIV case rate is greater than 10 cases per 100,000. A designated state is required to spend an amount equal to 5% of the SAPTBG allocation to the state each year. North Carolina was qualified a “designated State” in 1994 and has been every year but one since that time, which mean they must provide HIV Early Intervention Services for persons with substance abuse problems with an emphasis on making these services available within existing programs in areas of the State that have the greatest need for such services.

**Training**

Provide training on alcohol and substance abuse addiction and related issues regarding prevention, intervention, treatment, and recovery.

**Juvenile Justice Substance Abuse Mental Health Partnerships (JJSAMHP)**

LMEs collaborate with local Division of Juvenile Justice (DJJ) staff and other key stakeholders to regularly review and reevaluate the needs of individuals involved in the juvenile justice system and their families. In turn, these Partnerships provide a program of service delivery for court-involved youth with substance use and co-occurring mental health disorders that best suits the needs and resources of the communities served.
Treatment Accountability for Safer Communities (TASC)

Treatment Accountability for Safer Communities (TASC) was developed to divert individuals to treatment and other community based services and away from institutional settings by linking treatment and justice goals of reduced drug use and criminal activity through processes that increase treatment access, engagement and retention. TASC assists the judiciary in making decisions about sentencing options, implements court orders for assessment and treatment, and monitors individual progress for judicial and correctional systems. The goal of TASC is to intervene in the crime cycle by:

- Identifying appropriate offenders for treatment and support services;
- Facilitating entry into the recovery process;
- Advocating for the offender’s opportunity to successfully complete TASC, treatment and criminal justice system requirements; and
- Ensuring community safety with partner agencies.

In addition to substance abuse services funded through the LMEs, DMH/DD/SAS contracts with the following non-profit agencies to carry out specific program objectives:

**Alcohol/Drug Council of North Carolina**

The Alcohol and Drug Council of North Carolina (ADCNC) is a provider of advocacy, information and referral services and public education for the State. It has been providing education to individuals and the community about the disease of addiction for the last 30 years. Throughout its history, ADCNC has presented and promoted creative solutions to gaps in understanding of addictions and in the continuum of services for addicts and their families.

The program objectives are the following:

1. To increase and improve access to information aimed at providing awareness and knowledge of substance use, abuse, and addiction and their effects on individuals, families and communities, including those who communicate in Spanish.
2. To improve the Substance Abuse Prevention and Treatment Block Grant-required prevention activity of disseminating information to NC residents by creating an infrastructure for transferring information quickly statewide, including to those who communicate in Spanish. As a result of these activities individuals will be able to make more informed decisions about drug and alcohol issues.
3. To improve the availability and quality of assessments for substance abuse and referral, if needed, to NC National Guard troops who have tested positive on random drug screens by training licensed professionals and providing the service free to the National Guard.
4. To support the initiative providing specialized substance abuse treatment to pregnant women and women with dependent children.

**Governor’s Institute on Alcohol and Substance Abuse, Inc.**

The project objective is to increase access to and improve the quality of services provided in the public system by:

- Expanding the use of evidence-based practices through support of the NC Practice Improvement Collaborative, physician and prescriber initiatives to improve prevention, identification, brief treatment, and referral to specialty care; evidence-based practices research and technical assistance for gender specific substance abuse treatment; support of the Governor’s Focus on Returning Combat Veterans and Their Families regarding
substance abuse needs; support of the State’s project to decrease youth access to tobacco and increase smoking cessation services to adults; promoting recovery and recovery-oriented systems of care.

- Expanding the number and enhancing the quality of the workforce and stabilizing substance abuse providers through support of NC Professional Addiction Counselor Training (NC PACT), a program that assists people working toward substance abuse certification/licensure; support of the Substance Use Disorders Higher Education Consortium, a project for people seeking advanced degrees; and providing training and technical assistance to substance abuse providers.

**Oxford House, Inc.**

The objectives of this contract are the following:

- **To open new houses** – Oxford House Inc. will provide technical services and support for the establishment of self-run, self-supported recovery homes throughout the State of North Carolina by the end of the contract period.

- **To maintain the State revolving loan fund** by administering the application, administration, and repayment of start-up loans made to eligible applicants of recovering individuals from the North Carolina Recovery House Revolving Loan Fund.

- **To establish and maintain programs at correctional institutions** to educate individuals on the Oxford House model. The goal of the Criminal Justice Initiative will be to serve re-entering substance users and mentor them in their transition.

The purpose of the contract is to meet the requirements of § 2036 of the Anti-Drug Abuse Act of 1988 (PL 100-690, approved November 18, 1988) which amended Subpart I of Part B of Title XIX of the Public Health Services Act (42 USC 300x) by adding a program entitled “Group Homes for Recovering Substance Abusers.”

This section requires each state, as a contingency of receiving funds under the SAPT Block Grant, to establish a revolving fund of at least $100,000 to provide loans to private, nonprofit entities for setting up housing for recovering individuals as democratically operated drug free recovery programs.

**II. PROGRAM PROCEDURES**

Funds shall be paid to Local Management Entity/Area Authority (LME/AA) based on two methods: (1) a Financial Status Report (FSR) on a reimbursement basis. Unit cost will be determined using a consistently applied methodology approved by the Division. (2) Based on earnings computed through unit cost reimbursement via the Integrated Payment and Reporting System (IPRS). This methodology includes the identification of service cost centers, the allocation of allowable costs, the determination of expected units of service and the calculation of a unit cost reimbursement rate.

For the Substance Abuse Prevention and Treatment Block Grant (SAPTBG), funds are allocated by the Division as part of the annual continuation allocation.

**Pregnant Women and Women with Dependent Children Set Aside Programs**

Each LME receives SAPTBG set-aside funds for operating a program/services of treatment for substance abusing pregnant women, women with dependent children and women seeking to regain custody of their child(ren) shall:
1. Treat the family as a unit, admitting both women and their children into treatment services, as appropriate; and

2. Provide or arrange for the provision of the following services to pregnant women and women with dependent children, including women who are attempting to regain custody of their children:
   a. Primary medical care for women, including referral for prenatal care and, while the women are receiving such services, child care;
   b. Primary pediatric care, including immunization, for their children;
   c. Gender specific substance abuse treatment and other therapeutic interventions for women which may address issues of relationships, sexual and physical abuse and parenting, and child care while the women are receiving these services;
   d. Therapeutic interventions for children in custody of women in treatment which may, among other things, address their developmental needs, their issues of sexual and physical abuse, and neglect; and
   e. Sufficient case management and transportation to ensure that women and their children have access to services provided to them as listed in items a.-d. shown above.

3. Admission Preference: In accordance with Section 1927 of P.L. 102-321, any program receiving SAPTBG funds for substance abuse treatment or prevention shall:
   1. give admission preference to those seeking treatment as follows:
      a. pregnant injecting drug users;
      b. pregnant substance abusers;
      c. injection drug users; and
      d. all others; and
   2. publicize the availability admission preference by the following means:
      a. street outreach programs;
      b. ongoing public service announcements [radio/television];
      c. regular advertisements in local/regional print media;
      d. posters placed in targeted areas; and
      e. frequent notification of availability of such treatment distributed to the network of community based organizations, health care providers, and social service agencies;
   3. in the event that the treatment facility has insufficient capacity to provide treatment services to pregnant woman refer the woman to the State Capacity Management Program.

North Carolina Perinatal and Maternal Substance Abuse Initiative
The following programs are in the Perinatal and Maternal Substance Abuse Initiative statewide. The programs supported by state and/or SAPTBG Treatment Alternatives for Women funds are as follows:
• Sandhills Center for MH/DD/SAS: Daymark-Clean Start Program and Robeson Healthcare Corporation- Crystal Lake (Moore County) and Cambridge Place Perinatal Program (Johnston County)
• Mecklenburg Health, Mental Health, and Community Services: Community Choices, Inc. – CASCADE Program (outpatient and residential services)
• Alliance Behavioral Health: Community Choices, Inc.-Cascade Durham (residential program) and Duke University-Family Care Program
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- Cardinal Innovations Healthcare Solutions: UNC-Chapel Hill-Horizons Program
- Coastal Care System: PORT Human Services – Kelly House and New Visions
- Eastpointe: Robeson Health Care Corporation – Our House, Grace Courts and Professional Counseling Services (Perinatal Services Only)
- Western Highlands Network: ARP Phoenix/RHA-Mary Benson House and Partnership for a Drug Free NC -Perinatal Health Partners (adult and adolescent out-patient services)
- East Coast Behavioral Health: Robeson Health Care Corporation – The Village (residential services)
- Alliance Behavioral Health: Step By Step Program and Southlight, Inc.-Kinton Court
- CenterPoint Human Services: Community Choices, Inc.-Women’s and Infant’s Services for Health

These programs received their original awards through participation in a competitive “Request for Proposals” (RFP) process and were awarded grants based on their approved grant proposals by the Division. The RFP process was opened to any Local Management Entity and public or private non-profit agency interested in applying. Proposals were submitted to the Division and grants awarded based on the RFP criteria. Each program has different levels of care (i.e. case management, intensive out-patient, residential, etc.) relative to the services that were approved as a part of the grant award.

With divestiture of services by the LME, several LME’s have contracted with new providers through an RFP process of their own. All of the requirements from the original RFP must be passed on to the new provider agency.

Funds may be paid to LME based on a Financial Status Report (FSR). Unit cost will be determined using a consistently applied methodology approved by the Division. Also, funds paid may be settled based on earnings computed through unit cost reimbursement (UCR). This methodology includes the identification of service cost centers, the allocation of allowable costs, the determination of expected units of service and the calculation of a unit cost reimbursement rate.

In some cases, funds are on an expenditure basis due to the limitations of the unit cost reimbursement system relative to the unique services offered by a particular program. The amount of these funds would be found in the Division of MH/DD/SAS Final Allocation Letter under Treatment Alternatives for Women fund number 536966-1490 or 1491. All other funds allocated inside the UCR system can be found under Treatment Alternatives for Women fund number 536976-1490 or 1491.

For the Substance Abuse Prevention and Treatment Block Grant, funds are allocated by the Division Director.

**Work First/Child Protective Services Substance Abuse Initiative**

Each LME receives SAPTBG funds to support one or more Qualified Professionals in Substance Abuse to carry out the provisions of this Initiative. The Work First /Child Protective Services Substance Abuse Initiative (WF /CPS SA Initiative) provides early identification of Work First recipients who have some level of substance abuse impairment that would prevent them from securing and maintaining employment. The WF/CPS SA Initiative will also provide services to families with a substantiated child abuse and neglect case or with a need of services.
finding related to substance abuse and Class H or I Controlled Substance Felons who apply for
Work First or Food Stamps.

The Initiative procedures include the following:

1. To identify Work First applicants and recipients through a screening and/or a comprehensive
assessment, by a Qualified Professional in Substance Abuse (QP in SA), who have a
substance abuse or dependency disorder and are in need of substance abuse treatment in order
to secure and maintain employment. The QP in SA will assess family members in
substantiated child abuse and neglect cases or with a need of services finding who have
been identified as having risk factors of substance abuse or dependency disorder who have
been referred by the local DSS CPS staff. The QP in SA will provide a comprehensive
assessment of Class H or I Controlled Substance Felons who apply for Work First or food
stamps have been referred by the local DSS staff to determine substance abuse treatment
needs.

2. To determine the level of care the Work First applicant/recipient, CPS involved individual or
Class H or I Felon requires and make the appropriate referral to substance abuse services
when applicable.

3. To screen (voluntary on the part of the recipient) and provide referral for mental health
problems for Work First participants when applicable.

4. To coordinate and monitor services received by the Work First recipient, CPS involved
individual or Class H or I Felon.

5. To track the Work First, CPS involved or Class H or I recipient throughout their substance
abuse treatment episode, mental health treatment episode, provide care coordination services,
and maintain ongoing coordination of care with the local department of social services.

6. The QP in SA also provides training and consultation to the local DSS staff and follow-up
with treatment providers and local DSS staff re: consumer progress in treatment.

Each LME must also maintain a Memorandum of Agreement with each local Department of
Social services in their catchment area to be reviewed annually. Each LME shall also complete
and submit a Work First/CPS Substance Abuse Initiative Quarterly Report to the Division per
the Performance Agreement.

**NC CASAWORKS for Families Residential Initiative**

This initiative supports eight apartment-based substance abuse residential programs across the
State that serve a minimum of eight families concurrently, meeting the requirements of the
specified target populations, for up to 12 months (extensions must be approved in writing from
the Division) to be followed with 6 months of outpatient aftercare. Each program has a multi-
disciplinary staff hired by the Local Management Entity (LME) or their contract affiliate
including a job readiness specialist to assist women with pre-employment preparation, job
development and job retention. The 8 programs are with the following LMEs: Cardinal
Innovations, Sandhills Center for MH/DD/SAS (Johnston and Moore counties), East Carolina
Behavioral Health, Mecklenburg MH/DD/SAS, Coastal Care System, and Alliance Behavioral
Health.

**Outpatient Opioid Treatment Programs**

There are 12 LMEs in North Carolina that receive SAPTBG funds for the injecting drug users
OTP’s and 10 LMEs for HIV each follow these SAPTBG requirements.
• When a program reaches 90% capacity the program will notify the State within 7 days and participate in a capacity management program.
• Admit persons requesting treatment for IV drug use no later than 14 days unless at capacity then admit within 120 days and make interim services available within 48 hours.
• Participate in a waiting list management program including establishing a unique identifier for those receiving interim services and establishing a means of maintaining contact with persons on the waiting list.
• Carry our activities designed to encourage person in need of treatment to seek treatment using scientifically sound outreach models. This should include:
  o Selecting, training and supervising outreach workers
  o Contacting, communicating and following up with high risk substance abusers and their associates as allowed under federal confidentiality laws.
  o Promoting awareness about the link between injection drug use and communicable diseases.
  o Encouraging entry into treatment.

The State Opioid Authority regulates and monitors these programs for compliance with federal and State opioid regulations as well as for compliance with SAPTBG requirements. This oversight occurs in the following manner:
• Random as well as for cause unannounced on-site reviews from the State Opioid Authority, the Division of Health Service Regulation, the NC Drug Regulatory Team, the Drug Enforcement Agency, the accrediting organizations, and the Local Management Entities.
• Review of patient records
• Quarterly meetings of program directors with the State Opioid Authority
• Review of take home dose exception requests
• Telephonic consultation and technical assistance to individual programs
• Review of the NCTOPPS outcomes measurement data
• Review of special categorical funding reports
• Communication with other federal and state regulatory and accrediting organizations

**Tuberculosis (TB) Services**

All patients admitted to the Local Management Entities and their contract providers for substance abuse treatment are screened for TB using a universal screening tool from the Division. Clients whose screenings indicate high risk are referred to the local health departments for additional screenings/testing and treatment if necessary. All clients admitted to state sponsored inpatient treatment facilities (ADATCs) are tested for TB and treatment/Prophylaxis as necessary.

**Education, Referral, Coordination and Confidentiality**

Continuing education is provided at the following venues:

1. NC Winter School for Alcohol and Drug Studies, Montreat Conference Center, Asheville
2. NC Summer School for Alcohol and Drug Studies, University of NC in Wilmington,
3. Annual Addiction: Focus on Women Conference
4. Confidentiality Workshops
5. Substance Abuse Juvenile Justice Conference
6. Child and Adolescent Forums on Substance Abuse
7. Bi-Annual Learning Communities for SPF-SIG
8. Addiction Professionals of North Carolina Fall Conference
9. Addiction Professionals of North Carolina Spring Conference
The SSA adopted the use of the ASAM Patient Placement Criteria as the “Best Practice Standard” to use. The LMEs report this information semi-annually in the Local Management Entity (LME) Semi-Annual Substance Abuse Prevention and Treatment Block Grant (SAPTBG) Compliance Report.

As the lead agency for the coordination and planning of all alcohol and other drug initiatives in the state, the SSA participates in planning with justice agencies, particularly the Division of Community Corrections, the Administrative Office of the Courts, Department of Juvenile Justice and Delinquency Prevention. Furthermore collaboration occurs with the NC Prevention Partnership, the Prevention and Early Intervention Team continues working with Alcohol Law Enforcement, Governor’s Crime Commission, Office of Youth Advocacy and Department of Public Instruction and other coalitions and organizations throughout the State.

Technical assistance is provided on Confidentiality and HIPAA to the LMEs and contract agencies as requested and as needed.

**HIV Early Intervention**

HIV/STD/TB early intervention services are provided to 10 LMEs in North Carolina in programs with emphasis on underserved and at-risk populations. An example is the Outpatient Opioid Treatment Programs that provide services to substance abuse populations. Pre and post test counseling for HIV continues at the program sites or other appropriate public/private facilities. HIV education continues to be an integral portion of the psycho-educational activities at all three of the State operated Alcohol and Drug Addiction Treatment Centers (ADATCs). The specialized HIV outreach programs continue to refer clients to the LME.

Program initiatives sponsored through an MOA between the DMH/DD/SAS and the DPH’s HIV Prevention and Care Branch provided funds to Risk Reduction Projects and Aid to Counties for HIV early intervention services.

**Training**

Provide training for prevention and treatment of addiction to LME staff, providers’ staff, advocates, and consumers by means of workshops, seminars, conferences, seminars, colleges, NC Summer and Winter Schools for Alcohol and Drug Studies.

**Juvenile Justice Substance Abuse Mental Health Partnerships (JJSAMHP)**

The following LMEs receive funding for JJSAMHPs:

1. Alliance Behavioral Healthcare
2. CenterPoint Human Services
3. CoastalCare  
4. Cumberland County Mental Health Center  
5. East Carolina Behavioral Health  
6. Eastpointe  
7. Guilford Center for Behavioral Health and Disability Services  
8. Partners Behavioral Health Management  
9. PBH-Cardinal Innovations Healthcare Solutions  
10. Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services  
11. Western Highlands Network

The amount of these funds may be found in the DMHDDSAS Final Allocation Letter under MAJORS Account Numbers 536969 and 536970 in Funds 1491/1490.

**Treatment Accountability for Safer Communities (TASC)**

Funds shall be paid to LMEs on a reimbursement basis and will be requested on a Fund Request Form, and will be settled on an expenditure basis. Funds are allocated by the Division as part of the annual continuation allocation. The amount of these funds may be found in the Division of MH/DD/SAS Final Allocation Letter under TASC Account Numbers 536990 in Funds 1490/1491.

Four TASC regions were established, along with the four TASC Regional Coordinating Entities (RCEs), during a “Request for Applications” process in 2001 to expand TASC services statewide. The regions reflect the State’s judicial divisions and facilitate communication and coordination with the courts and corrections. The two sponsoring LMEs are:

- Regions 1 and 2 – East Carolina Behavioral Health  
- Regions 3 and 4 – Western Highlands Network

The two sponsoring LMEs and their contractors are responsible for the operation of the established TASC RCEs. Each TASC RCE is responsible for ensuring the availability of TASC services throughout their respective region; providing monitoring, technical assistance, proactive management and problem-solving to respond to the needs of consumers and the treatment and justice systems; and serving as the management services link to the Division.

**Alcohol/Drug Council of North Carolina**

*Improving access to information, services/supports – Information & referral (phone system)*

Maintain the expanded Information and Referral Line (I & R Help Line) and navigation system by increasing resources for answering phones.

Last year the I&R Helpline was expanded to allow staff to help callers navigate the systems of services and supports they might need. The goal is making sure that callers are actually connected to what they need through three-way calling and follow up. Providing callers with information and education about addictions can be considered prevention activities or treatment or supports depending on the nature of the call and the needs of the caller. Most definitely, the activities provide awareness and knowledge of the nature and extent of substance abuse.

In the meantime, calls have increased from a projected 1,200 to a projected 9,000-10,000. Existing resources will be re-allocated to meet the need. The Contractor will continue to collaborate with other I&R organizations to maintain an up-to-date system with knowledge of referral sources.

*Improving access to information, services/supports – Information & referral (web system)*
Maintain the expanded web presence and provider database by increasing resources for maintenance and interactivity with users.

Last year, the existing provider database was linked with the ADCNC web site, so that individuals who need to find a treatment service are able to either call the I&R Helpline or access the substance abuse information on their own on the web page. Updated information related to stigma, prevention, treatment and supports is also routinely sent to people around the state through e-mail flash alerts to the database on time sensitive issues. A Spanish-only section of the website will be developed, including sending out flash alerts in Spanish.

**National Guard assessments**

Maintain and expand the statewide system for free substance abuse assessments for National Guard members who test positive on random drug screens by further training of licensed substance abuse professionals and continuing to pay for the assessments.

Last year the system was put in place by developing relationships with National Guard representatives, training licensed substance abuse professionals in the use of a standardized assessment, assessing and referring members of the Guard, setting up a voucher system to pay for the assessments and setting up a database to track demographics and trends. There is a continuing need to maintain relationships with Guard commanders and to increase the number of trained professionals so that Guard members have assessments available to them no matter where they live.

**Promoting recovery**

Support and expand the RecoveryNC campaign and other efforts to promote recovery concepts and awareness by subcontracting for RecoveryNC management and providing Spanish materials and outreach to the campaign and the wider recovery promotion initiatives.

The Contractor will work collaboratively as a member of the Division-lead Promoting Recovery Steering Committee to promote the concepts of recovery and recovery-oriented systems of care statewide, including communication in Spanish.

**Governor’s Institute on Alcohol and Substance Abuse, Inc.**

*Promoting Recovery and Recovery-Oriented Systems of Care as Evidence-Based Practices*

In a white paper for the Substance Abuse and Mental Health Services Administration in August 2009, Cori Kautz Sheedy, M.A., “examines the research that supports the principles of recovery and systems of care elements as defined by the National Summit on Recovery. The author identified findings in more than 375 studies that supported the framework, principles, elements, and implementation of recovery-oriented services and systems.”

The Contractor will work collaboratively as a member of the Division-lead Promoting Recovery Steering Committee to promote the concepts of recovery and recovery-oriented systems of care statewide.

**Inputs:**

- Sub-contract within state guidelines for coordination of RecoveryNC campaign and Recovery Month

**Outputs:**

- Sub-contract for 845 hours in the project year to accomplish:
  - Training at least 15 recovering individuals to provide presentations in their communities
  - Implementation of year-long Recovery Month (Sept.) promotion

**Performance Measures:**

Quarterly reports document:

- # and type of Recovery Month activities.
- # of recovery stories collected.
- # sign ups
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promotion. through at least 25 recovery activities and 1000 sign ups.
- Collection of at least 35 recovery stories & pictures with written approval to use.
- Regular communication with people signing up to support recovery.
- Continued collection of names on the Recovery NC web site

Oxford House, Inc.
The successful Oxford House experience is quantified by both internal and external measurement. The North Carolina field staff submits to the Division a Monthly Housing Activity Report that includes data from each house regarding the number of applications, number of beds available, number of admissions, and number of residents leaving the houses and the reasons for leaving: relapse, voluntary or other causes such as disruptive behavior. This data gives the State valuable information on the provision of care and functioning in each individual home.

Another report that provides valuable information on evaluating Oxford House is the Annual Resident Profile Survey. This is a yearly survey completed by all residents residing in North Carolina Oxford Houses. This data is compiled by the State Coordinator and used to generate a profile of NC residents. Resident race and ethnicity, disability status, prior homelessness, prior incarceration (individuals just released as a part of the Criminal Justice Initiative as well as individuals incarcerated in the past), average lengths of sobriety and average monthly earnings are contained on the survey.

To evaluate the Criminal Justice Initiative component of the Oxford House project, the State Coordinator maintains a database to track individuals entering Oxford House from the correctional system. The information is gathered using a modified version of the Treatment Alternatives to Safe Communities Criminal Justice Management (TASC CJM) Intake, Six-Month Update and Discharge forms provided by N. C. DMH/DD/SAS and is provided to the Division on a quarterly basis.

Reimbursement
Reimbursement will be monthly. Financial Status Reports will be submitted by the 10th of the month following the month in which the services were carried out. Reimbursement will be contingent upon accepted reports.

Efficiency Measure
Total contract amount is $350,000. Total contract dollars per unit/bed will be less than $330 per unit/bed.

III. COMPLIANCE REQUIREMENTS

Crosscutting Requirement

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. 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 AND UNALLOWED

Compliance Requirement

Admission Preference

In accordance with Section 1927 of P.L. 102-321, any program receiving SAPTBG funds for substance abuse treatment or prevention shall:

1. give admission preference to those seeking treatment as follows:
   a. pregnant injecting drug users;
   b. pregnant substance abusers;
   c. injection drug users; and
   d. all others; and

2. publicize the availability of admission preference by the following means:
   a. street outreach programs;
   b. ongoing public service announcements [radio/television];
   c. regular advertisements in local/regional print media;
   d. posters placed in targeted areas; and
   e. frequent notification of availability of such treatment distributed to the network of community based organizations, health care providers, and social service agencies;

3. in the event that the treatment facility has insufficient capacity to provide treatment services to pregnant woman refer the woman to the State Capacity Management Program.

Unallowed Activities for all programs and services supported through the SAPTBG include the following:

- Provide inpatient hospital services except under the following conditions.

In order to comply with the Federal restriction that SAPTBG funds not be used for inpatient services except for medical necessity, the Division will not reimburse LME/AA for earnings through the provision of substance abuse inpatient services except as follows. If an LME/AA wishes to earn SAPTBG funds through the provision of substance abuse inpatient services, the LME/AA must contact the Division to confirm this arrangement prior to implementation and comply with the following Federal requirements:

a. the primary diagnosis of the individual is substance abuse and the physician certifies this fact;

b. the individual cannot be safely treated in a community-based non-hospital, residential treatment program;

c. the service can reasonably be expected to improve an individual’s condition or level of functioning;

d. the hospital-based substance abuse program follows national standards of substance abuse professional practice;

e. the daily rate of payment provided to the hospital for providing the services to the individual will not exceed the comparable daily rate provided for community-based, non-hospital, residential programs of treatment for substance abuse; and
f. funds may be expended for such services only to the extent that it is medically necessary, i.e., only for those days that the patient cannot be safely treated in a residential, community-based program.

(42 USC 300x-31(a) and (b); 45 CFR sections 96.135(a)(1) and (c))

- Make cash payments to intended recipients of health services.

(42 USC 300x-31(a); 45 CFR section 96.135(a)(2))

- Purchase or improve land, purchase, construct or permanently improve any building or other facility, or purchase major medical equipment—unless the State has obtained a waiver from the Secretary of Health and Human Services.

(42 USC 300x-31(a); 45 CFR sections 96.135(a)(3) and (d))

- Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

(42 USC 300x-31(a); 45 CFR section 96.135(a)(4))

- Expend grant funds to provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs

(42 USC 300ee-5; 45 CFR section 96.135(a)(6) and Pub. L. 106-113, section 505)

- Provide funds directly from SAMHSA or DMH/DD/SAS or other state agency or local government (LME) to organizations participating in applicable programs which are expended for inherently religious activities, such as worship, religious instruction, or proselytization

(42 USC 300x-65 and 42 USC 290kk; 42 CFR section 54.4)

- Provide financial assistance to any entity other than a public or nonprofit entity.

- Support any individual salary in excess of $125,000.00.

- All programs funded in whole or in part with SAPTBG funds shall certify they have not and will not use Federal funds to pay for lobbying activities.

- All programs funded in whole or in part with SAPTBG funds shall use such funds as a “payment of last resort” for services but, per North Carolina General Statute 122C-146, no individual may be refused services because of an inability to pay.

If expenditures are made for these purposes, funds in excess of federal block grant funds must be available.

NOTE: For the Substance Abuse Prevention and Treatment Block Grant, compliance with the above may be verified by reviewing the Performance Agreement, the LME/AA Budgeting and Procedures Manual ASPM 75-1, and expenditure and related records.

**Pregnant Women and Women with Dependent Children Set Aside Programs**

Activities allowed are those so indicated on the IPRS Covered Services Chart for eligible recipients of Substance Abuse Women’s funds. In addition and in accordance with Section 1924 of P.L. 102-321, any program receiving SAPTBG set-aside funds for operating a program of treatment for substance abusing pregnant women, women with dependent children and women seeking to regain custody of their child(ren) shall:
1. Treat the family as a unit, admitting both women and their children into treatment services, as appropriate; and

2. Provide or arrange for the provision of the following services to pregnant women and women with dependent children, including women who are attempting to regain custody of their children:
   a. Primary medical care for women, including referral for prenatal care and, while the women are receiving such services, child care;
   b. Primary pediatric care, including immunization, for their children;
   c. Gender specific substance abuse treatment and other therapeutic interventions for women which may address issues of relationships, sexual and physical abuse and parenting, and child care while the women are receiving these services;
   d. Therapeutic interventions for children in custody of women in treatment which may, among other things, address their developmental needs, their issues of sexual and physical abuse, and neglect; and
   e. Sufficient case management and transportation to ensure that women and their children have access to services provided to them as listed in items a.-d. above.

3. Admission Preference: In accordance with Section 1927 of P.L. 102-321, any program receiving SAPTBG funds for substance abuse treatment or prevention shall:
   1. give admission preference to those seeking treatment as follows:
      a. pregnant injecting drug users;
      b. pregnant substance abusers;
      c. injection drug users; and
      d. all others; and
   2. publicize the availability admission preference by the following means:
      a. street outreach programs;
      b. ongoing public service announcements [radio/television];
      c. regular advertisements in local/regional print media;
      d. posters placed in targeted areas; and
      e. frequent notification of availability of such treatment distributed to the network of community based organizations, health care providers, and social service agencies;
   3. in the event that the treatment facility has insufficient capacity to provide treatment services to pregnant woman refer the woman to the State Capacity Management Program.

**North Carolina Perinatal and Maternal Substance Abuse Initiative**

**Allowable Activities:**

The allowable activities for the Initiative are consistent with the above stated allowable activities for Pregnant Women and Women with Dependent Children Set Aside Programs.

Additional allowable activities would also include:

a. Residential services for women and their children
b. Services listed in Section I. of Allowable Activities for pregnant and parenting adolescents and women or women seeking to regain custody of their children when the approved grant proposal is for this population
   c. Incentive programming i.e. a voucher for a meal for attending group.
   d. Purchase of supplies for children i.e. diapers, bottles, formula, etc.
e. Funds may be used to pay rent or lease payments for facility
f. Transportation vouchers for consumers to attend treatment (i.e. tokens, cab fare, etc.) and
gas and maintenance for program vehicles

g. Childcare expenses for consumers to participate in treatment
h. Program evaluation
i. Staff training and education
j. All services approved on the IPRS Covered Services Chart for this purpose.

Unallowed Activities:

Unallowed activities are consistent with the activities outlined in Section A. above for all
programs and services supported through the SAPTBG.

Work First/Child Protective Services Substance Abuse Initiative

Allowed Activities:

1. Employ or contract with a Substance Abuse Treatment provider for the services of a
Qualified Substance Abuse Professional(s) to provide the following services for Work
First applicants, Work First recipients, Class H or I Controlled Substance Felons and CPS
involved families who meet eligibility criteria: initial screening, assessment,
determination of level of care, referral, care coordination, community support services (if
applicable), follow-up, tracking of client through the treatment system, case consultation
with appropriate agencies, liaison to the department of social services, psycho
educational programming, training of DSS staff, and data collection.

2. Support of the Qualified Substance Abuse Professional(s) position including travel,
training, supervision, etc.

3. Purchase of the SUDDS-IV or other a standardized assessment tool, approved by the
Division of MH/DD/SAS.

Unallowed Activities:

• Any services to individuals who are not Work First applicants or recipients, Class H or I
controlled substance felons applying for Work First or food stamps or families with
substantiated child abuse and neglect cases or with a in need of services finding by DSS.

NC CASAWORKS for Families Residential Initiative

Allowed Activities (for each program site):

Hiring of thirteen positions, specifically designated in the RFA, to provide residential
services, job readiness, childcare, transportation, parenting, and other service and
administrative functions for Work First clients (participants) and their children who meet
eligibility criteria.

1. Support of the personnel positions including travel, training, supervision, support staff,
and other related costs.

2. Rent, utilities, furniture, supplies and other necessary purchases to operate 8 apartments
for clients, one apartment for a family center and office space needed for staff.
Limitations on the amount of office space are provided for in the application budgets.

3. Substance abuse treatment and support services that are not covered by Medicaid
reimbursement.
Unallowed Activities:
Substance abuse or other treatment services covered by Medicaid reimbursement or other third party payors.
1. No purchase above $5000 for any one item.
2. Funds shall not be used for facility purchase, construction or renovation.
3. Any services to individuals who are not receiving Work First Cash Assistance, Work First eligible or former recipients only as specified within limited eligibility criteria unless a waiver is approved by the Division of MH/DD/SAS

Outpatient Opioid Treatment Programs

Allowed Activities:
1. Pre-assessment for admission of new patients including physical examination by physician
2. Physician ordered appropriate dosing of methadone or buprenorphine to effectively treat the opiate addiction
3. Counseling by qualified substance abuse staff, must have sufficient education, training, and experience, or any combination with 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 by their profession. Requirement a minimum of one certified drug abuse counselor or certified substance abuse counselor to each 50 patients.
4. 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; as well as referrals to supportive services including Alcoholics Anonymous, Narcotics Anonymous, and Methadone Anonymous
5. Counseling on preventing exposure to and the transmission of HIV disease
6. Provide take home doses per regulations
7. Random drug testing, at least twelve with two out of each three-month period of continuous treatment episode, at least one will be observed by staff
8. Communication with other area OTPs to prevent dual enrollment

Unallowed Activities:
1. Substance abuse or other treatment services covered by Medicaid reimbursement
2. No purchase above $5,000 for any one item
3. Funds shall not be used for facility purchase, construction or renovation

Tuberculosis (TB) Services
In accordance with Section 1924 of P.L. 102-321, any program receiving SAPTBG funds for operating a program of treatment for substance abuse shall:

a. directly or through arrangements with other public or nonprofit entities, routinely make available tuberculosis (TB) services, as defined in Section 121 of 45 CFR Part 96, to each individual receiving treatment for substance abuse which include;
1. counseling the individual with respect to tuberculosis; and
2. testing to determine whether the individual has been infected with mycobacteria tuberculosis to determine the appropriate form of treatment for the individual; and
3. providing for or referring the individuals infected by mycobacteria tuberculosis for appropriate medical evaluation and treatment; and

b. if at treatment capacity, refer to another provider of TB services;
c. implement infection control procedures to be established by the State; and
d. conduct case management activities to ensure that individuals receive tuberculosis services.

**Education, Referral, Coordination and Confidentiality**

In accordance with Section 1928 of P.L. 102-321, any program receiving SAPTBG funds for substance abuse treatment or prevention shall:

a. make continuing education in such services available to employees who provide the services or activities;
b. make every effort to improve the referral process for individuals to treatment facilities that can provide to the individuals the treatment most appropriate for the individuals and, when the Division establishes Statewide placement criteria, implement such criteria;
c. make every effort to coordinate prevention and treatment activities with the provision of other appropriate services (including health, social, correctional and criminal justice, educational, vocational rehabilitation and employment services); and
d. establish and maintain a system to protect patient records from inappropriate disclosure that is in compliance with 42 CFR Part 2.

**Communicable Disease Risk**

Activities allowed are those so indicated on the IPRS Covered Services Chart for eligible recipients of Intravenous (IV) Drug funds. In addition and with respect to funding for services from Communicable Disease Risk Categorical Funds, shall comply with the following Federal requirements:

a. upon reaching 90 percent capacity, notify the State (Substance Abuse Section) within 7 days and participate in a Capacity Management Program (to be developed by the State); and
b. admit those who request and are in need of treatment for IV drug abuse not later than 14 days after making such request. If at capacity, admit within 120 days and begin to provide interim services as defined in Section 121 of 45 CFR Part 96 (*) within 48 hours of seeking admission; and

(*) interim services or interim substance abuse services means services that are provided until an individual is admitted to a substance abuse treatment program. The purposes of the services are to reduce the adverse health effects of such abuse, promote the health of the individual, and reduce the risk of transmission of disease. At a minimum, interim services include counseling and education about HIV and TB, about the risks of needle-sharing, the risks of transmission to sexual partners and infants, and about steps that can be taken to ensure that HIV and TB transmission does not occur, as well as referral for HIV and TB treatment services if necessary. For pregnant women, interim services also include counseling on the effects of alcohol and drug use on the fetus, as well as referral for prenatal care.
c. Participate in a waiting list for the purpose of treating injecting drug abusers that includes a unique patient identifier including those receiving interim services; and management program established by the State and;
d. establish a mechanism for maintaining contact with individuals awaiting admission; and
e. carry out activities to encourage individuals in need of treatment to undergo such treatment by use of a scientifically sound outreach model to include:
   1. selecting, training and supervising outreach workers;
   2. contacting, communicating and following-up with high risk substance abusers, their associates, and neighborhood residents, within the constraints of Federal and State confidentiality requirements, including 42 CFR Part 2;
   3. promoting awareness among injection drug abusers about the relationship between injecting drug abuse and communicable diseases such as HIV;
   4. recommend steps that can be taken to ensure that HIV transmission does not occur; and
   5. encouraging entry into treatment.

Unallowed Activities:
1) Denying admission preference to those seeking treatment for substance abuse in the order prescribed above (a-d) in Allowable Activities (a1);
2) Failing to publicize the availability of admission preference by at least one of the prescribed methods (a-e) listed above in Allowable Activities (a2); and
3) In the event that the treatment facility has insufficient capacity to provide treatment services to pregnant woman, failing to refer the woman to the State Capacity Management Program.

HIV Early Intervention
Activities allowed are those so indicated on the IPRS Covered Services Chart for eligible recipients of Intravenous (IV) Drug funds. In addition programs receiving HIV Early Intervention Set-Aside funds are required to provide appropriate services as described in P.L. 102-321, and 45 CFR Part 96.135, including the following services:
The term “early intervention services” with respect to HIV disease, means:
1. appropriate pretest counseling;
2. testing individuals with respect to such disease, including tests to confirm the presence of the disease, tests to diagnose the extent of the deficiency in the immune system, and tests to provide information on appropriate therapeutic measures for preventing and treating the deterioration of the immune system and for preventing and treating conditions arising from the disease;
3. appropriate post-test counseling;
4. providing the therapeutic measures described above; and
5. funds awarded under HIV Early Intervention Services grants are to be used for such services as “payer of last resort”.

Training
These funds are allocated to the LME/AAs to support substance abuse specific training to enhance staff development. These funds can support registration and costs to attend substance abuse training workshops or conferences, to contract for trainers for specific substance abuse training, and other related substance abuse professional development activities.
Juvenile Justice Substance Abuse Mental Health Partnerships (JJSAMHP)

Allowed activities include:
- Screening
- Assessment
- Substance abuse and co-occurring mental health disorders services
- Child and Family Team activities
- Coordination with DJJDP and juvenile court
- Transition services from Residential Care and Youth Development Centers

Treatment Accountability for Safer Communities (TASC)

Allowed Activities:
1. Operate TASC as per Section .4000 of the Rules for Mental Health, Developmental Disabilities and Substance Abuse Facilities and Services, 10A North Carolina Administrative Code 27G
2. Employ staff and/or contract with licensed substance abuse treatment facilities to employ staff to provide TASC services to TASC-eligible individuals. TASC services include eligibility screening; assessing for treatment and support needs; making service determinations; coordinating authorizations for treatment with LMEs; care planning, care coordination and care management; referring clients to community-based resources for treatment and support services; integrating service needs and criminal justice system supervision requirements; and monitoring client progress and reporting to the criminal justice system.
4. Operate TASC in accordance with the TASC Standard Operating Procedures, the Department of Health and Human Services-Department of Correction-Administrative Office of the Courts Memorandum of Agreement.
5. Administer NC-TOPPS: TASC Criminal Justice Management forms at intake and discharge for each individual admitted to TASC to track performance measures, including process and client outcome measures.
6. Participate in required TASC, treatment and justice-related meetings and training events.

Unallowed Activities:
Any services to individuals who are not involved in the adult criminal justice system.

Oxford House, Inc.

The purpose of the fund is to make loans to the costs of establishing programs for the provision of housing in which individuals recovering from alcohol and drug abuse may reside in groups of not less than six individuals.

Allowed Activities: (The State shall establish and provide for the ongoing operation of a revolving fund as follows):
1. Not less than $100,000 will be available for the revolving fund;
2. Loans made from the revolving fund do not exceed $4,000 and that each such loan is repaid to the revolving fund not later than 2 years after the date on which the loan is made;
3. Each such loan is repaid by such residents through monthly installments by the date specified in the loan agreement involved;

4. Such loans are made only to nonprofit private entities agreeing that in the operation of the program established pursuant to the loan;

5. Identify and clearly define legitimate purposes for which the funds will be spent;

6. In managing the revolving fund and the financial entity managing the fund for the State shall abide by all Federal, State and local laws and regulations;

7. If indirectly managing the fund using a private nonprofit entity as the fund management group, reasonable criteria shall be established for selecting the group such as qualifications expertise experience and capabilities of the group and the State shall require that these entities abide by all Federal, State and local laws and regulations;

8. May seek assistance to approve or deny applications from entities that meet State-established criteria;

9. Shall set reasonable criteria in determining the eligibility of prospective borrowers such as qualifications, expertise capabilities the acceptability of a proposed plan to use the funds and operate the house and an assessment of the potential borrower’s ability to pay back the funds;

10. Shall establish a procedure and process for applying for a loan under the program which may include completion of the application evidence to support eligibility requirements as well as establish a written procedure for repayment which will set forth reasonable penalties for late or missed payments and liability and recourse for default;

11. Shall provide clearly defined written instructions to applicants which lays out timeliness milestones required documentation notification of reasonable penalties for late or missed payment and recourse for default notification of legitimate purposes for which the loan may be sent and other procedures required by the State; and

12. Shall keep a written record of the number of loans and of borrowers and the repayment history of each borrower and retain for three years

Unallowed Activities: (The State shall not expend the Block Grant on the following)

1. To provide inpatient hospital services except as provided in paragraph (c) of this section

2. To make cash payments to intended recipients of health services

3. To purchase of improve land purchase construct or permanently improve (other than mirror remodeling) any building or other facility or purchase major medical equipment

4. To satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds

5. To provide financial assistance to any entity other than a public or nonprofit private entity or

6. To provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs unless the Surgeon General of the Public Health Service determines that a demonstration needle exchange program would be effective in reducing drug abuse and the risk that the public will become infected with the etiologic agent for AIDS

Expenditures will be limited on the following:

1. Will not expend more than 5 percent of the grant to pay the costs of administering the grant and

2. Will not in expending the grant for the purpose of providing treatment services in penal or correctional institutions of the State expend more than an amount prescribed by section 1931(a)(3) of the PHS Act
B. ALLOWABLE COSTS / COST PRINCIPLES

Compliance Requirement

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 (which adopts OMB Circular A-87, A-21 or A-122 as applicable).

- OMB Circular A-87: “Cost Principles for State, Local, and Indian Tribal Governments”
- OMB Circular A-122: “Cost Principles for Non-Profit Organizations”
- OMB Circular A-21: “Cost Principles for Educational Institutions”

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.)

The Substance Abuse Prevention and Treatment Block Grant, the following apply except as indicated:

Funds must be expended or earned in accordance with the Performance Agreement between the Division of MH/DD/SAS and the Area Authority, 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).

Guidelines can be found under the DMHDDSAS Crosscutting Requirements Supplement (DMH-0).

C. CASH MANAGEMENT

Compliance Requirement

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

Compliance Requirement

Admission Preference

Each individual seeking treatment for substance abuse in programs funded in whole or in part by SAPTBG funds must be admitted in the following order:
1) Pregnant IV Drug User
2) Pregnant Substance Abuser
3) IV Drug User
4) All Others

Pregnant Women and Women with Dependent Children Set Aside Programs & NC Perinatal and Maternal Substance Abuse Initiative

The eligible populations receiving these funds or in these programs are as follows:
a. Pregnant women with a substance-related disorder
b. Women with dependent children with a substance-related disorder
c. Women with a substance-related disorder who are seeking custody of their child(ren)
d. Admission preference also applies.

**Work First/Child Protective Services Substance Abuse Initiative**

The eligible populations in this program are the following:

1. Work First applicants
2. Current Work First recipients
3. Class H or I Controlled Substance Felons applying for Work First and/or Food Stamps who meet eligibility under the NC G.S. 108A-25.2
4. Family members who have a substantiated case of child abuse and neglect or in need of services finding related to substance abuse

**NC CASAWORKS for Families Residential Initiative**

All individuals provided services by the initiative will be current recipients of Work First Cash Assistance with a substance abuse or dependency diagnosis and have at least one child under the age of 12 in their custody. Waivers for Work First participation or the children’s age requirements must be in writing from the Division.

A client who during their residential stay finds employment and no longer receives cash assistance may continue to participate in the residential program as long as they continue to be an open Work First case. County DSS choose in their local Work First plans whether to provide services to eligible families whose income is at or below 200% of poverty (or a lower level defined by the county). Therefore, based on the county DSS’s plan, families may continue to be eligible for services after they lose eligibility for Work First cash payment.

All award recipients will be required to maintain appropriate documentation of verification of conditions of current Work First eligibility in the case record, if applicable.

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.

**Outpatient Opioid Treatment Programs**

Adult Substance Abuse Injecting Drug User/Communicable Disease (ASCDR) are the Injecting Drug Users, those with communicable Disease and/or those enrolled in Opioid Treatment Programs, are those adults who are ages 18 and over, who are in need of treatment for a primary alcohol or drug abuse disorder, and:

1. Who are currently (or within the past 30 days) injecting a drug under the skin, into a muscle, or into a vein for non-medically sanctioned reasons and who meet ICD-9 criteria for a substance-related disorder; OR
2. Who are infected with HIV, tuberculosis, or hepatitis B, C or D and who meet ICD-9 criteria for a substance-related disorder; OR
3. Who meet ICD-9 criteria for dependence to an opioid drug, are addicted at least one year before admission, are 18 years of age or older, and who are enrolled in an opioid treatment program.
Tuberculosis Services Programs
Each individual receiving treatment for substance abuse in programs funded in whole or in part by SAPTBG funds.

Education, Referral, Coordination, and Confidentiality
NA

Communicable Disease Risk Programs
a. Those individuals who request and are in need of treatment for intravenous drug abuse and who are:
   1. are currently using a needle to inject a non-prescribed drug under the skin, into a muscle, or into a vein for non-medical reasons, or
   2. have any history of such injection drug use in the past 10 years; or
b. Those individuals who have:
   1. had sex with someone who was not their spouse or primary partner, or
   2. knowingly had sex with someone who injected drugs, or
   3. traded, gave, or received sex for drugs, money, or gifts.

HIV Early Intervention
a. Those individuals who are in need of treatment for intravenous drug abuse and who:
   1. are currently using a needle to inject a non-prescribed drug under the skin, into a muscle, or into a vein for non-medical reasons, or
   2. have any history of such injection drug use; or
b. Those individuals who have:
   1. had sex with someone who was not their spouse or primary partner, or
   2. knowingly had sex with someone who injected drugs, or
   3. traded, gave, or received sex for drugs, money, or gifts.

Training
NA

Juvenile Justice Substance Abuse Mental Health Partnerships (JJSAMHP)
In addition to the guidelines and regulations for the Substance Abuse Prevention and Treatment Block Grant funds (refer to the Division’s SAPTBG Supplement # 93.959-CL), individuals receiving JJSAMHP Services supported by these funds must be involved in the juvenile justice system, including those youth returning to the community from Youth Development Centers or residential treatment programs.

Treatment Accountability for Safer Communities (TASC)
In addition to the guidelines and regulations for the Substance Abuse Prevention and Treatment Block Grant funds, the following conditions apply for individuals receiving TASC services supported by these funds:
- involvement in the adult criminal justice system; and
- voluntary consent to participate; and
• evidence of a history or potential substance abuse and/or mental health issue, including drug-related charges.

**Alcohol/Drug Council of North Carolina**

Target population:
- Consumers, addiction professionals and the general public (English and Spanish).
- Those in recovery, substance abuse providers, Spanish speaking individuals and NC citizens.

**Governor’s Institute on Alcohol and Substance Abuse, Inc.**

People trained/assisted through this project (clinicians and managers, physicians and other primary care providers, people serving veterans and their families, prevention professionals, educators and MH/DD/SA service provider agencies).

**Oxford House, Inc.**

The contractor will assure that special populations such as Latinos, persons with hearing disabilities, and physically handicapped individuals will have culturally competent access to the existing Oxford Houses and the houses opened during this contract period. In addition, Oxford House staff will notify the Local Management Entity (LME) as they plan to locate an Oxford House in the counties served by the LME. In addition to the above, Oxford House, Incorporated agrees to maintain active communication with and notification to the Division contract administrator on any sensitive community concerns or issues related to the establishment of an Oxford House.

**F. EQUIPMENT AND REAL PROPERTY MANAGEMENT**

**Compliance Requirement**

**Equipment Management**

LME/AA should follow the State’s guidelines for Equipment Management when allocated one-time funds outside Unit Cost Reimbursement (UCR). Guidelines can be found under the DMHDDSAS Crosscutting Requirements Supplement (DMH-0).

**Real Property Management**

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

**G. MATCHING, LEVEL OF EFFORT, EARMARKING**

**Compliance Requirement**

**Matching:** There is no match required for these funds.

**Level of Effort:** Block grant funds allocated shall be used to supplement and increase the level of State, local and other non-federal funds and shall, in no event, supplant such State, local and other non-federal funds. If block grant funds are reduced, the LME/AA may reduce its participation in a proportionate manner.

**Earmarking:** Each LME/AA shall designate and expend no less than 20% (twenty percent) of the LME/AA’s total SAPTBG funding* for the provision of substance abuse primary prevention services, and shall maintain adequate fiscal and programmatic records of such expenditures for SAPTBG reporting purposes. (*this amount excludes any SAPTBG Cross Area Service Program funds designated for special populations)
H. PERIOD OF AVAILABILITY OF FEDERAL FUNDS

This requirement does not apply at the local level.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Compliance Requirement

Procurement

All grantee 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 http://www.whitehouse.gov/omb/grants/chart.html.

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.doa.state.nc.us/PandC/appurman.htm#P6_65.

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. REPORTING

Compliance Requirement

Each LME/AA is required to annually submit to the Division the “Area Program Fund Expenditure Report of SAPTBG 20% Set-Aside Funds for Substance Abuse Primary Prevention Programs” to provide an accounting of the expenditure of funds for Substance Abuse Primary Prevention Programs in an amount equal to or greater than 20% of the total SAPTBG funds allocated to the LME/AA.

LMEs are required to submit units of service and meet funding requirements which include targeting of dollars to clients or services at a level of specificity per the IPRS covered services chart. LMEs that receive these funds are required to submit additional reports to meet the special requirements as stated in the Special Reporting Requirements section of an allocation letter.

Work First/Child Protective Services Substance Abuse Initiative

1. Reporting shall follow guidelines set forth in the annual Performance Contract between the LME/AA and DMHDDSAS and allocation letters from DMHDDSAS to LME/AA.

2. LMEs shall submit to the DMHDDSAS Work First/CPS Substance Abuse Initiative quarterly reports in compliance with Division Performance Contract. (Due 1/20, 4/20, 7/20, and 10/20).

3. LMEs shall maintain a Memorandum of Agreement with each local department of social services (DSS) in their catchment area and review at least annually.

4. QPs in SA shall maintain documentation of tracking the progress of consumers designated to receive these services if a Mutual Responsibility Agreement with the consumer and the local DSS requires substance abuse services.
NC CASAWORKS for Families Residential Initiative
1. Submission of NC-TOPPS for all admissions including subsequent updates.
2. Weekly report of bed availability for capacity management requirement of SAPTBG
3. Other reports requested by DMH Program Administrator

Juvenile Justice Substance Abuse Mental Health Partnerhips (JJSAMHP)
1. Reporting shall follow guidelines set forth in the annual Performance Contract between the LME and DMHDDSAS and allocation letters from DMHDDSAS to LME.
2. Submit North Carolina Treatment Outcomes and Program Performance (NC-TOPPS) Initial, Update and Discharge Interviews on all JJSAMHP clients as required by DMH/DD/SAS.
3. Programs shall quarterly submit to DMHDDSAS the JJSAMHP Monthly Report of LME Compliance with Division Performance Contract. (Due 1/20, 4/20, 7/20, and 10/20)

Treatment Accountability for Safer Communities (TASC)
Submit data, information and reports that document program activities, budgets and performance measures. The information includes, but is not limited to:
   a. TASC Regional Quarterly Reports;
   b. NC-TOPPS: TASC Criminal Justice Management (CJM) performance measures;
   c. TASC SOP, DHHS-DOC-AOC MOA and OMM compliance;
   d. Sentencing and Policy Advisory Commission requests for data;
   e. Legislative requests for information; and
   f. Any other Division-specified information or data.

Contract Reporting
Alcohol/Drug Council of North Carolina
Financial Status Reports will be submitted by the 10th of the month. Satisfactory documentation in quarterly reports will also be required in order to process FSRs.

Governor’s Institute on Alcohol and Substance Abuse, Inc.
The Contractor shall submit a monthly Financial Status Report (FSR) Form of expenditures to the Division Contract Administrator by the 10th of the following month for services provided. The quarterly reports, due by the 10th of the month following the 3rd month of each quarter, will be delivered with the FSR for the previous month.

Oxford House, Inc.
The primary outcome measure for this contract is for Oxford House to implement operations for new Oxford Houses by June 30, 2013. The national Oxford House staff managing this loan fund and providing the State with the following reports:
1. Monthly Financial Status Report due by the 10th day following the end of the month
2. Monthly Housing Activity Report due by the 15th day following the end of the month
3. Quarterly Activities and Accomplishments Report due by the 15th day following the end of the quarter
4. Quarterly Oxford House Criminal Justice Housing Report due by the 15th day following the end of the quarter
5. Annual Financial Audit due six months following the end of their audit fiscal year.

M. SUBRECIPIENT MONITORING

Compliance Requirement

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 OMB Circular A-133. 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 Cross-cutting Supplement.

N. SPECIAL TESTS AND PROVISIONS

Compliance Requirement

Guidelines can be found under the DMHDDSAS Crosscutting Requirements Supplement (DMH-0).

All grantees are required to comply with the Department of Health and Human Services and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services records retention schedules and policies. 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.
c. To ensure that Substance Abuse Prevention and Treatment Block Grant funds were not awarded to private for-profit entities.

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.

Conflict of Interest and Certification of 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 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. 143-6-23(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 sub-grantee accountable for the legal and appropriate expenditure of those State grant funds.