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COMPREHENSIVE COMMUNITY MENTAL HEALTH SERVICES FOR CHILDREN WITH SERIOUS EMOTIONAL DISTURBANCES

State Project/Program: SYSTEM OF CARE EXPANSION IMPLEMENTATION

U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES


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

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N. C. DHHS Confirmation Reports:
SFY 2017 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by mid-October at the following web address: http://www.ncdhhs.gov/control/auditconfirmation.htm. At this site, click on the link entitled “Audit Confirmation Reports (State Fiscal Year 2016-2017).” Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except select “Non-Governmental Audit Confirmation Reports (State Fiscal Years 2016-2017).”

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

To carry out the State’s Plan for providing comprehensive community mental health services and supports to children with a serious emotional disturbance by funding community-based services through five pilot sites under three LME-MCOs. Since the program objective is to provide comprehensive community mental health services and supports, Local Management Entities/Managed Care Organizations (LME/MCOs) may use these funds for any of the allowable services that are within the covered services.

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In addition to mental health services funded through the LME-MCO and the DMH/DD/SAS, the SAMHSA System of Care Implementation Grant states the following:

Goal 1. To expand, enhance, and strengthen the infrastructure of System of Care for Children and Youth with SED and their families at the state and regional levels.

Goal 2. To ensure a comprehensive continuum of services that is characteristic of a good and modern system for mental health and substance abuse services (SAMHSA, 2012) that extends from prevention to acute intensive care, that includes healthcare, employment, housing, education, trauma screening and treatment and trauma-informed care, is evidence-based, and addresses disparities in access, service use, and outcomes.

Goal 3. To assess the readiness of non-grantee communities to implement system change for SOC expansion that includes the full participation of family and youth at all stages of the process.

Goal 4. To continue to develop and implement a sustainable plan for expanding and enhancing the ability of the workforce to implement SOC infrastructure and services with fidelity in every county.

Goal 5. To continue to develop and implement a culturally and linguistically competent social marketing and strategic communications plan that will complement the project’s strategic plan and will be designed to positively affect social inclusion of children and youth with SED and their families.

Goal 6. To evaluate the project using the performance measures specified in the RFA.

II. PROGRAM PROCEDURES

The funds are allocated to three Local Management Entities/Managed Care Organizations (LME/MCOs) - Cardinal, Eastpointe, and Vaya Health - on a continuing basis based on the approved grant award. Funds must be expended or earned in accordance with the Performance Contract, including amendments via individual allocation letters. NCTracks replaced the Integrated Payment and Reporting System (IPRS) [as of July 1, 2013] is used to ensure that eligible children with serious emotional disturbance are the recipients of services supported by System of Care Grant funds and MHBG. The State also contracts with a small number of non-profit organizations in order to carry out activities, including evaluating programs and services carried out under the plan, and planning, administration and education activities related to providing services under the MHBG State Plan.

III. COMPLIANCE REQUIREMENTS

Crosscutting Requirements

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

A. ACTIVITIES ALLOWED OR UNALLOWED

Compliance Requirement

ALLOWABLE ACTIVITIES:
MENTAL HEALTH SERVICES

1. Services provided with MHBG funds shall be used to provide access to mental health services to target populations such as children and youth with co-occurring disorders, and adolescents transitioning into adulthood, particularly those experiencing first episode psychosis (FEP). [Note: Citations, see CFR, SAMHSA for FEP, 10A NCAC 27A.0209(b)(c), State MH Plan, and Division policies.]

2. Services are provided to children with Severe Emotional Disturbance (SED) regardless of ability to pay.

3. Implementation of evidence-based treatment services through the provision of provider training and monitoring.

4. Activities to prevent inappropriate disclosure of individual records.

5. Mental health consumer, youth and family involved in the development and implementation of the community mental health system of care.

6. Activities to increase diversity among the participating youth and families with lived experience in the public mental health system in the local SOC Community collaborative.

7. Processes for verifying the accuracy of semi-annual reports submitted to the State SOC Coordinator on the number of CFTs monitored/supported, number of care reviews conducted, number interagency contacts, and number of collaborative meetings supported.

8. Monthly Sustainability meeting by the High Fidelity Wraparound teams in the five pilot sites.

9. Family Partner Coordinator support of the HFW team by actively participating in wraparound consultation meetings, providing outreach/education to HFW families and other families who live in the same community, and by educating local collaboratives and local stakeholder groups about HFW pilot sites.

10. Activities that support consumer and/or family involvement in treatment planning.

11. Completion of NC-TOPPS within the required timeframes when appropriate.

12. Facilitating the signing of release of information that is time-limited (no more than 12 months) with clear reference to the specific information to be released and that prohibits re-disclosure.

13. Completion of a Strength, Needs and Culture Discovery assessment completed with the child/family.

14. Documentation of the delivery of a behavioral health service and support to the child/family from the HFW team.

15. Documentation that HFW child/youth and families who reached the transition planning phase have assumed more responsibility for or took the lead in identifying and obtaining resources needed to implement the wraparound plan.

16. Documentation of the PCP planning process to show that the worker in collaboration with the child/youth/family identified informal/natural support person(s) to invite to participate in the PCP planning process.

17. Referral for a trauma assessment or treatment for those children/youth and families where there is an indication of trauma history or exposure.

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. (Note: Pending the change in reference from OMB Circular A-87 to 2 CFR, Part 200 Subpart E – Cost Principles.)

Restrictions on LME, Provider, and Contractor Use of BG Funds

SOC Implementation funds are prohibited from being used towards the annual salary of any LME, provider, or contractor employee, consultant, or other individual that is in excess of Level

Assurances on LME, Provider, and Contractor Use of BG Funds

1. Funds are used to provide services to children with Severe Emotional Disturbance (SED).
2. Funds are used to provide for a system of integrated services appropriate for the multiple needs of children without expending the grant for any services other than comprehensive community mental health services. Examples of integrated services include:
   - Social services;
   - Educational services, including services provided under the Individuals with Disabilities Education Act;
   - Juvenile Justice services;
   - Substance Use services; and
   - Health and mental health services.
3. Funds are used to provide access to services to children and youth with co-occurring disorders, as well as adolescents transitioning into adulthood in underserved mental health populations including homeless persons and those in rural populations.

C. CASH MANAGEMENT

Compliance Requirement

These funds are reimbursed / earned based on the following:

1. Funds are earned through the NCTracks based on allowable activities provided by the entity receiving the funds, and/or
2. Funds are reimbursed based on actual expenditures incurred and certified by the Local Management Entity/Managed Care Organization (LME/MCO), or
3. Funds are reimbursed based on actual expenditures incurred and certified by the contractor.

The N. C. DHHS Controller’s Office is responsible for submitting “Financial Status Report 269” to the Federal Grants Management Officer, for documentation of federal funds expended according to the N. C. DHHS Cash Management Policy.

E. ELIGIBILITY

Compliance Requirement

LME-MCO’s Support Team, or individual(s) approved by LME-MCO Support Team, will identify eligible youth for NC Wraparound. Current eligibility for the NC Wraparound pilot would be youth who are:

a) 3-20 years old with serious emotional disturbance (SED) and/or a co-occurring substance use disorder and/or co-occurring intellectual/developmental disability
   AND
b) Medicaid recipients covered by a participating LME-MCO
   AND
c) Currently reside in a:
   I. NC Psychiatric Residential Treatment Facility (PRTF) during the time of referral.
   OR
II. Psychiatric Residential Treatment Facility (PRTF) within forty (40) mile radius of the North Carolina border during the time of referral or NC State Run Center (i.e. The Whitaker School). OR

III. Residential Treatment Level III: Licensed under 122-C or NC State Run Center (i.e. Wright School) OR

IV. Level II Therapeutic Foster Care (at a minimum of 180 days) or Residential Treatment Level II: Program Type OR

V. DSS custody and are identified as at risk of disrupting current placement or have had multiple disruptions in placements AND are staffed and agreed upon together by the Wraparound Coach, DSS staff, and LME-MCO OR

VI. A youth that has had three (3) inpatient hospitalizations within six (6) months or two (2) inpatient hospitalizations within thirty (30) days.
   a. Referrals for these youth should be made within thirty (30) days of the last qualifying hospitalization.
   OR

VII. A Youth Development Center (YDC) or Prison/Jail (minimum of thirty-30 day stay) AND
d) All potential youth should be currently residing (for those in a Level II placement) or transitioning back into a designated LME-MCO wraparound catchment area or within a 30 mile radius of the local wraparound office (still within the LME-MCO geographic jurisdiction).

Exception Criteria:
Any youth that does not meet the above criteria but the referral source and the Wraparound Coach feels that the youth would be a good fit for High Fidelity Wraparound could make a referral under the “exception criteria”.
   a. The local Wraparound Coach, MCO representative, if possible the referral source, and one of the Implementation Specialists should review the request and determine if the youth would be an appropriate referral due to clinical need, risk of placement, and consideration of alternative services.
   b. Documentation of such a review is to be provided with any authorization requests and maintained in the youth’s records.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment Management
This requirement refers to tangible property that has a useful life of more than one year and costs of $5,000 or more. Such equipment may only be purchased per the conditions of the approved contract or grant agreement. Should the contract be terminated, any equipment purchased under this program shall be returned to the Division.

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

G. MATCHING, LEVEL OF EFFORT, EARMARKING

Compliance Requirement
MENTAL HEALTH SERVICES

Matching
Not applicable at the local level. No testing is required.

Level of Effort
Level of Effort must be maintained since regulations require that MHBG funds 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 MHBG funds are reduced, the Local Management Entity/Managed Care Organization may reduce its participation in a proportionate manner. Maintenance of Effort is determined at the State level.

Earmarking
Not applicable at the local level. No testing is required.

II. PERIOD OF PERFORMANCE
This requirement does not apply at the local level.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Compliance Requirement

Procurement
All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform to federal agency codifications of the grants management common rule accessible on the Internet at http://www.whitehouse.gov/omb/.

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 at http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf.

Nongovernmental sub-recipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

Suspension and Debarment
All grantees awarded contracts utilizing Federal dollars must be in compliance with the provisions of Executive Order 12549, 45 CFR Part 76 and Executive Order 12689.

J. PROGRAM INCOME
This requirement does not apply at the local level.

L. REPORTING

Compliance Requirement

1. For funds allocated through UCR, Local Management Entities/Managed Care Organizations (LME/MCO) report services delivered to eligible adult and child mental health clients through Unit Cost Reimbursement (UCR) will report via NCTracks.

2. For funds allocated as non-UCR funds, any applicable reporting requirements will be set forth in specific allocation letters to Local Management Entities/Managed Care Organizations (LME/MCOs).
For Contract Reporting:
Financial Status Reports (FSR) will be submitted by the 10th of the month. Quarterly reports on the deliverables in the contract are also required.

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 N. C. 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 2 CFR Part 200.331. Accordingly, the agency is responsible for monitoring programmatic and fiscal compliance of subcontractors based on the guidance provided in this compliance supplement and the audit procedures outlined in the DMH-0 Crosscutting Supplement.

N. SPECIAL TESTS & PROVISIONS

Compliance Requirement
All grantees are required to comply with the N. C. 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 N. C. Department of Health and Human Services and the N. C. 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 N. C. 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.

There shall be evidence of LME support for the promotion, provider training, implementation and monitoring of evidence-based treatment services for Children and Adolescents.

The LME-MCO and providers have in effect systems to protect from inappropriate disclosure patient records maintained by the LME-MCO and the provider in connection with an activity funded under the program involved or by any entity, which is receiving amounts from the grant and for SA under 42 CFR Part 2.

Audit Objectives
MENTAL HEALTH SERVICES

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 Mental Health 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 Mental Health 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.

Conflicts 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. 143C-6-23(c)).

G. S. 143C-6-23(b) stipulates that every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee’s policy addressing conflicts of interest that may arise involving the grantee’s management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee’s employees or members of its board or other governing body, from the grantee’s disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and other reporting requirements of the Local Government Commission) must hold the sub-grantee accountable for the legal and appropriate expenditure of those State grant funds.