State of California—Health and Human Services Agency
Department of Health Care Services

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

DATE: March 18, 2014

MHSUDS INFORMATION NOTICE NO.: 14-009

TO: MHSUDS COUNTY DIRECTORS
COUNTY ALCOHOL AND DRUG PROGRAM ADMINISTRATORS

SUBJECT: Use of Incentives with Substance Abuse Prevention and Treatment Block Grant (SAPT BG) Funds

In late 2013, the Department of Health Care Services (DHCS) received inquiries from counties regarding the use of SAPT BG funds for SWAG (Stuff We All Get) and incentives. DHCS requested guidance from the Substance Abuse and Mental Health Services Administration's (SAMHSA's) Center for Substance Abuse Prevention (CSAP). Based on the guidance received from CSAP, in November 2013, a letter was sent to all County Alcohol and Drug Program Administrators notifying them of the restrictions on SWAG and incentives.

Additional questions and concerns were raised by counties regarding the use SAPT BG funds for incentives, specifically the use of incentives in evidence-based programs that are listed on the National Registry of Evidence-Based Programs and Policies. After further guidance from SAMHSA, DHCS shall continue to follow its current practice of allowing the purchase of incentives with SAPT BG funds as part of an evidence-based program. However, the use of *cash* payments to intended recipients of health services is not allowed per Title 45 Code of Federal Regulations (CFR) Part 96 – Block Grants, Subpart L – Substance Abuse Prevention and Treatment Block Grant, § 96.135.

For further information, contact Laura Colson, Chief, Policy and Prevention Branch, at Laura.Colson@dhcs.ca.gov or (916) 324-4398.

Sincerely,

/s/

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services

Mental Health & Substance Use Disorder Services
1501 Capitol Avenue, MS 4000, P.O. Box 997413
Sacramento, CA 95899-7413
Phone: (916) 440-7800 Fax: (916) 440-7570
Internet Address: www.dhcs.ca.gov