



**DMC-ODS Contingency Management Pilot Program**  
Frequently Asked Questions: Start-Up Funding  
March 2022

*Below, find DHCS' responses to frequently asked questions regarding start-up funding to help providers prepare to offer contingency management (CM) services. Find additional information about the pilot program design [here](#).*

**1. What are allowable uses of the provider start-up costs?**

DHCS recognizes that providers will incur significant start-up costs due to the need to hire, orient, and train the CM coordinator before that coordinator can begin seeing clients and billing for services. Allowable costs include:

- Staff recruitment and hiring costs
- Personnel costs (e.g., the salary of the CM coordinator before patient care begins)
- Changes to provider information and billing systems
- Technology costs: hardware or software
- Other supplies needed to carry out CM services, such as urine drug test (UDT) cups

**2. How much funding is available to support provider start-up costs?**

DHCS has reserved up to \$5.64M to distribute to participating CM pilot counties for start-up costs. DHCS has allocated \$3.64M from Behavioral Health Quality Improvement Program (BHQIP) funding for start-up activities. DHCS has also allocated an additional \$2M in SAMHSA block grant funding.

**3. Will all providers seeking to offer contingency management receive start-up funding?**

DHCS will distribute start-up funding to counties, proportioned based on historical DMC-ODS spending. Counties may retain a maximum of 15% for administrative costs; the remainder must be distributed to providers to cover start-up funding.



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**4. What is the timeline for DHCS' award and disbursement of start-up funding for providers?**

DHCS will distribute \$5.64M in BHQIP and SAMHSA funding to counties to pass through to their providers no later than June 30, 2022.

**5. Are there any restrictions on the uses of start-up funding?**

SAMHSA funds used for this project will be SABG. SABG funding cannot be used:

- To provide inpatient hospital services
- To make cash payments to intended recipients of health services
- To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment
- To satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds
- To provide financial assistance to any entity other than a public or nonprofit private entity
- 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
- To pay the salary of an individual through a grant or other extramural mechanism at a rate in excess of Level I of the Executive Salary Schedule for the award year
- To purchase treatment services in penal or correctional institutions.

**6. What pre-implementation requirements will providers receiving start-up funding need to meet?**

In advance of offering CM services, providers participating in Phase 1 counties must meet the following pre-implementation requirements by June 30, 2022 and by a date preceding implementation in Phase 2 counties (TBD Fall 2022). Requirements include:

- Having a signed contract or contract amendment with a DMC-ODS county to offer CM services (other than Indian Health Care Providers, which are exempt from the contract requirement)



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- Attending all required pre-implementation trainings
- Completing readiness review

**7. What post-implementation requirements will providers receiving start-up funding need to meet?**

Post-implementation requirements must be met within the first year of offering CM services. Requirements include:

- Meeting required reporting requirements
- Attending required technical assistance sessions
- Passing preliminary fidelity review
- Achieving utilization targets