



JENNIFER KENT  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

June 20, 2019

Sent via e-mail to: [lsalas@sierracounty.ca.gov](mailto:lsalas@sierracounty.ca.gov)

Lea Salas, Interim Director  
Sierra County Health and Human Services  
P.O. Box 7  
Loyalton, CA 96118

SUBJECT: Annual County Performance Unit Report

Dear Director Salas:

The Department of Health Care Services (DHCS) is responsible for monitoring compliance to requirements of the Substance Abuse Block Grant (SABG) and the terms of the State Plan Drug Medi-Cal (DMC) Contract operated by Sierra County.

The County Performance Unit (CPU) within the Substance Use Disorder Program, Policy, and Fiscal Division (SUDPPFD) of DHCS conducted a review of the County's compliance with contract requirements based on responses to the monitoring instrument, discussion with county staff, and supporting documentation provided by the County.

Enclosed are the results of Sierra County's 2018-19 SABG and State Plan DMC Contract compliance review. The report identifies deficiencies, required corrective actions, new requirements, and referrals for technical assistance.

Sierra County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CPU Analyst by 7/22/2019. Please follow the enclosed instructions when completing the CAP. Supporting CAP documentation may be e-mailed to the CPU analyst or mailed to the address listed below.

If you have any questions regarding this report or need assistance, please contact me.

Sincerely,

*Becky Counter*

Becky Counter  
(916) 713-8567  
[becky.counter@dhcs.ca.gov](mailto:becky.counter@dhcs.ca.gov)

Substance Use Disorder  
Program, Policy and Fiscal Division  
County Performance Unit  
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Distribution:

To: Director Salas

CC: Tracie Walker, Performance & Integrity Branch Chief  
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Jessica Fielding, Office of Women, Perinatal and Youth Services Supervisor  
Patricia Gulfam, Prevention Quality Assurance and Support Unit Supervisor  
Kathryn Hill, LMFT, Sierra County Assistant Director

<b>Lead CPU Analyst:</b> Becky Counter	<b>Date of Review:</b> May 2019
<b>Assisting CPU Analyst(s):</b> N/A	
<b>County:</b> Sierra	<b>County Address:</b> P.O Box 7 Loyalton, CA 96118
<b>County Contact Name/Title:</b> Kathryn Hill, LMFT, Assistant Director	<b>County Phone Number/Email:</b> (530) 993-6700 khill@sierracounty.ca.gov
<b>Report Prepared by:</b> Becky Counter	<b>Report Approved by:</b> Susan Jones

## REVIEW SCOPE

- I. Regulations:
  - a. 22 CCR § 51341.1 – Drug Medi-Cal Substance Use Disorder Services
  - b. 45 CFR; Part 96; Subpart L; §96.121 through 96.137: Substance Abuse Prevention and Treatment Block Grant
  - c. 42 USC, Section 300x-21 through 300x-66: Substance Abuse Prevention and Treatment Block
  - d. HSC, Division 10.5, Section 11750 – 11970: State Department of Health Care
  
- II. Program Requirements:
  - a. State Fiscal Year (SFY) 2018-19 State County Contract, herein referred to as State County Contract
  - b. State of California *Youth Treatment Guidelines Revised August 2002*
  - c. DHCS *Perinatal Services Network Guidelines SFY 2016-17*
  - d. National Culturally and Linguistically Appropriate Services (CLAS)
  - e. Mental Health and Substance Use Disorders Services (MHSUDS) Information Notices

## CORRECTIVE ACTION PLAN

Pursuant to the State County Contract, Exhibit A, Attachment I A1, Part I, Section 3, 7, (a-d) each compliance deficiency (CD) and new requirement (NR) identified must be addressed via a Corrective Action Plan (CAP). The CAP is due within thirty (30) calendar days of the date of this monitoring report. Advisory recommendations are not required to be addressed in the CAP.

Please provide the following within the completed 2018-19 CAP.

- a) A statement of the CD/NR.
- b) A list of action steps to be taken to correct the CD/NR.
- c) A date of completion for each CD/NR.
- d) Individual responsible for correction and ongoing compliance.

The CPU analyst will monitor progress of the CAP completion.

### **NEW REQUIREMENTS (NR)**

*Due to a delay in the DMC contract finalization, findings related to Section 9 standards and requirements will not be identified as a compliance deficiency; however, a plan to fulfil the new requirements must be submitted.*

**SUMMARY OF FY 2018-19 COMPLIANCE DEFICIENCIES / NEW REQUIREMENTS**

<b>Section:</b>	<b>Number of CD's/NR's:</b>
<b>1.0 Administration</b>	<b>1</b>
<b>2.0 SABG Monitoring</b>	<b>2</b>
<b>3.0 Perinatal</b>	<b>0</b>
<b>4.0 Adolescent/Youth Treatment</b>	<b>0</b>
<b>5.0 Primary Prevention</b>	<b>0</b>
<b>6.0 Cultural Competence</b>	<b>0</b>
<b>7.0 CalOMS and DATAR</b>	<b>0</b>
<b>8.0 Privacy and Information Security</b>	<b>0</b>
<b>9.0 Drug Medi-Cal (DMC)</b>	<b>14</b>

## 1.0 ADMINISTRATION

A review of the County's Organizational Chart, subcontracted contracts, and policies and procedures was conducted to ensure compliance with applicable regulations and standards. The following deficiencies in regulations, standards, or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 1.6:**

SABG State-County Contract, Exhibit A, Attachment I AI, Part III, F  
*Contractor shall document the total number of referrals necessitated by religious objection to other alternative SUD providers. The Contractor shall annually submit this information to DHCS' Program Support and Grants Management Branch by e-mail at [CharitableChoice@dhcs.ca.gov](mailto:CharitableChoice@dhcs.ca.gov) by October 1...*

**Finding:** The County did not submit the total number of referrals necessitated by religious objection to DHCS Program Support and Grants Management Branch by October 1, 2018.

## 2.0 SABG MONITORING

The following deficiencies in the SABG monitoring requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 2.9:**

SABG State-County Contract Exhibit A, Attachment I A1, Part I, Section 3, A, 1, (e)  
*Contractor's performance under this Exhibit A, Attachment I, Part I, shall be monitored by DHCS during the term of this Contract. Monitoring criteria shall include, but not be limited to:*

e) *Whether the Contractor conducted annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of its monitoring and audit reports to DHCS within two weeks of issuance. Reports shall be sent by secure, encrypted email to:*  
*SUDCountyReports@dhcs.ca.gov or Substance Use Disorder-Program, Policy, and Fiscal Division*  
*Performance Management Branch*  
*Department of Health Care Services*  
*PO Box 997413, MS-2627*  
*Sacramento, CA 95899-7413*

**Finding:** The County did not monitor two of two County providers for all SABG program and fiscal requirements.

#### **CD 2.11**

SABG State-County Contract Exhibit A, Attachment 1 A1, Part 1, Section 1, C, 1  
*Performance under the terms of this Exhibit A, Attachment I, Part I, is subject to all applicable federal and state laws, regulations, and standards. In accepting DHCS drug and alcohol SABG allocation pursuant to HSC Sections 11814(a) and (b), Contractor shall:*

(i) *establish, and shall require its subcontractors to establish, written policies and procedures consistent with the control requirements set forth below;*

(ii) *monitor for compliance with the written procedures; and (iii) be accountable for audit exceptions taken by DHCS against the Contractor and its subcontractors for any failure to comply with these requirements:*

a. *HSC, Division 10.5, Part 2 commencing with Section 11760.*

b. *Title 9, California Code of Regulations (CCR) (herein referred to as Title 9), Division 4, commencing with Section 9000.*

c. *Government Code, Title 2, Division 4, Part 2, Chapter 2, Article 1.7.*

d. *Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130.*

e. *Title 42 United State Code (USC), Sections 300x-21 through 300x-31, 300x-34, 300x-53, 300x-57, and 330x-64 through 66.*

f. *Title 2, CFR 200 -The Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards.*



- g. Title 45, Code of Federal Regulations (CFR), Sections 96.30 through 96.33 and Sections 96.120 through 96.137.*
- h. Title 42, CFR, Sections 8.1 through 8.6.*
- i. Confidentiality of Alcohol and Drug Abuse Patient Records (42 CFR Part 2, Subparts A – E).*
- j. Title 21, CFR, Sections 1301.01 through 1301.93, Department of Justice, Controlled Substances.*
- k. State Administrative Manual (SAM), Chapter 7200 (General Outline of Procedures). Contractor shall be familiar with the above laws, regulations, and guidelines and shall assure that its subcontractors are also familiar with such requirements.*

**Finding:** The County did not provide evidence of written policies and procedures that outline the steps taken to monitor County-run SABG Tx programs.

## 9.0 DRUG MEDI-CAL

The following new requirements for DMC regulations, standards, and protocol requirements were identified:

### NEW REQUIREMENTS:

#### **NR 9.42:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part II, C

*Contractor agrees that information produced through these funds, and which pertains to drugs and alcohol - related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC Section 11999-11999.3). By signing this Contract, Contractor agrees that it will enforce, and will require its subcontractors to enforce, these requirements.*

Exhibit A, Attachment I A1, Part II, P

*Subcontract Provisions*

*Contractor shall include the foregoing Part II general provisions in all of its subcontracts.*

**Finding:** The County must develop a clearly written statement notifying sub-contracted DMC providers of the No Unlawful Use or Unlawful Use of Messages Regarding Drugs.

#### **NR 9.43:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 4, 5 a

*Contractor shall include instructions on record retention in any subcontract with providers and mandate all providers to keep and maintain records for each service rendered, to whom it was rendered, and the date of service, pursuant to W&I Code, Section 14124.1 and 42 CFR Section 433.32, and 22 CCR Section 51341.1.*

W&I Code, Section 14124.1

*... Records required to be kept and maintained under this section shall be retained by the provider for a period of 10 years from the final date of the contract period between the plan and the provider, from the date of completion of any audit, or from the date the service was rendered, whichever is later, in accordance with Section 438.3(u) of Title 42 of the Code of Federal Regulations.*

**Finding:** The County must retain records for ten years for each service rendered.

#### **NR 9.45:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 2, A, 1, a-e

*Contractor shall establish assessment and referral procedures and shall arrange, provide, or subcontract for covered services in the Contractor's service area. Covered services include:*

- a) Outpatient drug-free treatment*
- b) Narcotic replacement therapy*

- c) *Naltrexone treatment*
- d) *Intensive Outpatient Treatment*
- e) *Perinatal Residential Substance Abuse Services (excluding room and board)*

**Finding:** The County must develop assessment and referral procedures for all of the above required DMC covered services.

**NR 9.46:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 1, B

*It is further agreed this Contract is controlled by applicable provisions of: (a) the W&I Code, Chapter 7, Sections 14000, et seq., in particular, but not limited to, Sections 14100.2, 14021, 14021.5, 14021.6, 14043, et seq., (b) Title 22, including but not limited to Sections 51490.1, 51341.1 and 51516.1; and (c) Division 4 of Title 9 of the California Code of Regulations (hereinafter referred to as Title 9).*

§ 51341.1 (d) (5) (A-D)

*Naltrexone treatment services shall only be provided to a beneficiary who meets all of the following conditions:*

- (A) Has a confirmed, documented history of opiate addiction.*
- (B) Is at least (18) years of age.*
- (C) Is opiate free.*
- (D) Is not pregnant.*

**Finding:** The County must comply with the following requirements for Naltrexone treatment:

- Has a confirmed, documented history of opiate addiction
- Is at least (18) years of age
- Is opiate free
- Is not pregnant

**NR 9.47:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 4, B, 1, a

*Program Integrity: Contractor is responsible for ensuring program integrity of its services and its subcontracted providers through a system of oversight, which shall include at least the following:*

- a .Compliance with state and federal law and regulations, including, but not limited to, , 42 CFR 433.51, 42 CFR 431.800 et. seq., 42 CFR 440.230, 42 CFR 440.260, 42 CFR 455 et. seq., 42 CFR 456 et. seq., 42 CFR 456.23, 22 CCR 51490, 22 CCR 51490.1, , 22 CCR 51159, WIC 14124.1, WIC 14124.2, 42 CFR 438.320, 42 CFR 438.416, 42 CFR 438.10, and 42 CFR 438.206.*

**Finding:** The County must develop a monitoring process for DMC program requirements

**NR 9.48:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 3, A, 4, c

*Contractor shall require all the subcontracted providers of services to be licensed, registered, DMC certified and/or approved in accordance with applicable laws and regulations. The*

*Contractor's subcontracts shall require that providers comply with the following regulations and guidelines:*

*Minimum Quality Treatment Standards, Document 2F(a)*

**Finding:** The County must comply with the Minimum Quality Drug Treatment Standards for DMC.

**NR 9.53:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 4, B, 1, a

*Program Integrity: Contractor is responsible for ensuring program integrity of its services and its subcontracted providers through a system of oversight, which shall include at least the following:*

- a. *Compliance with state and federal law and regulations, including, but not limited to, , 42 CFR 433.51, 42 CFR 431.800 et. seq., 42 CFR 440.230, 42 CFR 440.260, 42 CFR 455 et. seq., 42 CFR 456 et. seq., 42 CFR 456.23, 22 CCR 51490, 22 CCR 51490.1, , 22 CCR 51159, WIC 14124.1, WIC 14124.2, 42 CFR 438.320, 42 CFR 438.416, 42 CFR 438.10, and 42 CFR 438.206.*

**Finding:** The County must ensure that staff are qualified to monitor to State-County contract requirements.

**NR 9.58:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 4, B, 1, e

*Contractor shall certify the DMC claims submitted to DHCS represent expenditures eligible for FFP and attest that the submitted claims have been subject to review and verification process for accuracy and legitimacy (42 CFR 430.30, 433.32, and 433.51). Contractor shall not knowingly submit claims for services rendered to any beneficiary after the beneficiary's date of death, or from uncertified or decertified providers.*

**Finding:** The County must review and verify that claims submitted were accurate and legitimate.

**NR 9.59:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 4, B, 3, b

*During the monthly status check, the Contractor shall monitor for a triggering recertification event (change in ownership, change in scope of services, remodeling of facility, or change in location) and report any triggering events to DHCS' Statewide Planning Unit, Master Provider File Team at DHCSMPF@dhcs.ca.gov within two business days of notification or discovery.*

**Finding:** The County must develop a process to notify the Master Provider File Team within two business days of notification or discovery of subcontractors' contract termination.

**NR 9.60:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 1, B

*It is further agreed this Contract is controlled by applicable provisions of: (a) the W&I Code, Chapter 7, Sections 14000, et seq., in particular, but not limited to, Sections 14100.2, 14021, 14021.5, 14021.6, 14043, et seq., (b) Title 22, including but not limited to Sections 51490.1, 51341.1 and 51516.1; and (c) Division 4 of Title 9 of the California Code of Regulations (hereinafter referred to as Title 9).*

22 CCR 51341.1(h)(7)

*Drug Medi-Cal Substance Use Disorder Services.*

*Except where share of cost, as defined in Section 50090, is applicable, providers shall accept proof of eligibility for Drug Medi-Cal as payment in full for treatment services rendered.*

*Providers shall not charge fees to a beneficiary for access to Drug Medi-Cal substance use disorder services or for admission to a Drug Medi-Cal Treatment slot.*

§ 50090.

*Share of Cost.*

*Share of cost means a person's or family's net income in excess of their maintenance need that must be paid or obligated toward the cost of health care services before the person or family may be certified and receive Medi-Cal cards.*

**Finding:** The County must ensure subcontracted providers are accepting proof of DMC eligibility as payment in full for drug treatment services.

**NR 9.61:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 2, B, 2

*Covered services, whether provided directly by the Contractor or through subcontractors with DMC certified and enrolled programs, shall be provided to beneficiaries without regard to the beneficiaries' county of residence.*

**Finding:** The County must provide services to beneficiaries who reside out of county.

**NR 9.64:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 2, B, 1, b

*Contractor shall authorize residential services in accordance with the medical necessity criteria specified in Title 22, Section 51303 and the coverage provisions of the approved state Medi-Cal Plan. Room and board are not reimbursable DMC services. If services are denied, the provider shall inform the beneficiary in accordance with Title 22, Section 51341.1 (p).*

**Finding:** The County must ensure subcontractors are in compliance with the following requirements before authorizing residential services:

- Must be documented in beneficiary record
- Physician shall determine whether SUD services are medically necessary based on Title 22, Section 51303
- Initially – Required within 30 days of admission Continually – Within 15 days of signature by the therapist or counselor on updated treatment plan(s)
- No sooner than 5 months and no later than 6 months from admission or the date of completion of the most recent continuing services justification

**NR 9.65:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 1, B

*It is further agreed this Contract is controlled by applicable provisions of: (a) the W&I Code, Chapter 7, Sections 14000, et seq., in particular, but not limited to, Sections 14100.2, 14021, 14021.5, 14021.6, 14043, et seq., (b) Title 22, including but not limited to Sections 51490.1, 51341.1 and 51516.1; and (c) Division 4 of Title 9 of the California Code of Regulations (hereinafter referred to as Title 9).*

§ 51341.1 (b) (28) (i) (f) (ii)

*... The substance use disorder medical director's responsibilities shall at a minimum include all of the following:*

- (a) Ensure that medical care provided by physicians, registered nurse practitioners, and physician assistants meets the applicable standard of care.*
- (b) Ensure that physicians do not delegate their duties to non-physician personnel.*
- (c) Develop and implement medical policies and standards for the provider.*
- (d) Ensure that physicians, registered nurse practitioners, and physician assistants follow the provider's medical policies and standards...*

**Finding:** The County must ensure that all DMC programs have medical policies and standards developed and approved by the program medical director.

**NR 9.66:**

State Plan DMC Contract, Exhibit A, Attachment I A1, Part I, Section 1, B

*It is further agreed this Contract is controlled by applicable provisions of:*

- (a) the W&I Code, Chapter 7, Sections 14000, et seq., in particular, but not limited to, Sections 14100.2, 14021, 14021.5, 14021.6, 14043, et seq.,*
- (b) Title 22, including but not limited to Sections 51490.1, 51341.1 and 51516.1; and*
- (c) Division 4 of Title 9 of the California Code of Regulations (hereinafter referred to as Title 9).*

§ 51341.1 (b) (28) (i) (f) (iii)

*... A substance use disorder medical director shall receive a minimum of five (5) hours of continuing medical education in addiction medicine each year...*

**Finding:** The County must ensure subcontractor medical director receive five hours annually of continuing education units in addiction medicine.

**10.0 TECHNICAL ASSISTANCE**

Sierra County did not request Technical Assistance during this fiscal year.