



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



EDMUND G. BROWN JR.
GOVERNOR

DATE: November 29, 2018

MHSUDS INFORMATION NOTICE NO.: 18-057

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES
CALIFORNIA OPIOID MAINTENANCE PROVIDERS
CALIFORNIA STATE ASSOCIATION OF COUNTIES

SUBJECT: SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT (SABG) - NEW REPORTING AND PAYMENT PROCESSES EFFECTIVE JANUARY 1, 2019

PURPOSE

The purpose of this information notice is to provide an overview of upcoming changes to SABG reporting and payment processes effective January 1, 2019.

DISCUSSION

In December 2015, the Substance Abuse and Mental Health Services Administration (SAMHSA) performed a core technical review of the Department of Health Care Services' administration of SABG. Upon completion of this requirement, SAMHSA stated that grant payments are to be made to counties after services have been rendered. To address this finding and comply with federal funding requirements, DHCS has developed new reporting and payment processes.

For the first half of Fiscal Year (FY) 2018-19 (quarters 1 and 2), counties will submit the Quarterly Federal Financial Management Report (QFFMR) as currently required and will report cumulative expenses for each grant award. SABG payments for these quarters will continue to be paid in advance until January 1, 2019.

Beginning with the third quarter of FY 2018-19, the QFFMR will change from being reported as cumulative for each annual award to individual quarter expenses only. The amount reported will become the quarterly SABG payment for the county. Due dates for the QFFMR will remain the same at 60 days after the end of each quarter: March 1, June 1, September 1, and December 1.

In addition to the QFFMR, there are two new reporting requirements. First, supporting detail will now be required on the quarterly SABG Ledger Report. This report summarizes QFFMR expenses by provider and will use the same fields that are currently used in the Drug Medi-Cal Cost Report. Next, on an annual basis counties will be required to submit a budget plan for each year using the SABG Budget Plan Report. This will ensure each county is prepared to properly expend these grant funds. The SABG Budget Plan will be due May 15 of every year.

All SABG reporting forms are available online at:

http://www.dhcs.ca.gov/provgovpart/Pages/SUD_Forms.aspx.

To submit both quarterly and annual reports, counties will submit electronic files to:

SABGreporting@dhcs.ca.gov.

SABG CONTRACT REVISIONS

SABG county contracts are being revised to incorporate the new reporting requirements and payment process. Specifically, revisions will be reflected in:

- Exhibit A: Attachment I A1 Program Specifications – Part III Reporting Requirements. In addition to the QFFMR report, the SABG Ledger and Budget Plans were added.
- Exhibit B: A1 – Part II – Reimbursements, Section 2 – Substance Abuse Prevention and Treatment Block Grant (SABG). Amendments state the QFFMRs will serve as expenditure reports and the basis for quarterly payments.

PROVIDER CONTRACTS

Counties are encouraged to review their provider contracts to ensure they conform to State and Federal requirements for SABG allowable expenses. Payment and invoicing provisions should also be reviewed to assure that proper documentation is maintained and sufficient for future audit purposes. Contract amendments may be necessary and

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counties may also need to amend their FY 2018-19 county budgets to reflect changes with SABG reimbursement.

QUESTIONS

Please submit all questions to SABGreporting@dhcs.ca.gov.

Sincerely,

Original signed by

Brenda Grealish, Acting Deputy Director
Mental Health & Substance Use Disorder Services