



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

January 25, 2017

Sent via e-mail to: dkittrell@buttecounty.net

Dorian Kittrell, Director
Butte County Department of Behavioral Health
3217 Cohasset Rd.
Chico, CA 95973

SUBJECT: Butte County-2016-17 County Monitoring Unit Report

Dear Director Kittrell:

Enclosed are the results of Butte County's 2016-17 Substance Abuse Prevention and Treatment (SAPT) Block Grant (BG)¹, and the State County Contract compliance review. The Department of Health Care Services (DHCS) is responsible for monitoring requirements of the SAPT BG and the terms of the State County Contract operated by Butte County.

The County Monitoring Unit (CMU) within the Performance Management Branch (PMB) of DHCS performed a comprehensive review based on responses to the monitoring instrument, discussion with county staff, supporting documentation and requirements. The enclosed report addresses and/or identifies compliance deficiencies, required corrective actions, advisory recommendations, and referral for technical assistance.

Butte County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CMU Analyst by February 27, 2017. The CAP must follow the guidelines detailed within the attached report. Please reference the enclosed CAP instructions and email the CAP to the CMU Analyst. Supporting CAP documentation may be emailed or mailed to the address listed below. If you have any questions regarding this report or need assistance, please contact the CMU analyst.

Sincerely,

BL Counter

Becky Counter
CMU Analyst
(916) 327-2656
Becky.counter@dhcs.ca.gov

¹ Title 45 Code of Federal Regulations, Part 96, Subpart L – Substance Abuse Prevention and Treatment Block Grant requirements



County Monitoring Unit Report
Butte County

Distribution:

- To: Dorian Kittrell, Director
Butte County Department of Behavioral Health
- CC: Victoria King-Watson, Substance Use Disorder Program, Policy and Fiscal Division, Assistant Division Chief
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Cynthia Hudgins, Drug Medi-Cal Monitoring Unit I, Supervisor
Stephanie Quok, Drug Medi-Cal Monitoring Unit II, Supervisor
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Tiffany Stover, Postservice Postpayment Unit I, Supervisor
Janet Rudnick, Postservice Postpayment Unit II, Supervisor
Trudi Romero, Policy and Prevention Branch, Office Technician
Scott Kennelly, Assistant Director, Clinical Services Butte County

Date: January 25, 2017

Report Prepared by: *Becky Counter, County Monitoring Analyst*
Manager Approval: *Susan Jones, County Monitoring Supervisor*

Lead CMU Analyst: Becky Counter	Review Date: January 9 -11, 2017
Assisting CMU Analyst(s): Eric Painter	Review Period: FY 2016-17
County: Butte County	
County Address: 3217 Cohasset Rd. Chico, CA 95973	

The Department of Health Care Services (DHCS) is required to provide programmatic, administrative, and fiscal oversight of the statewide Substance Abuse Prevention and Treatment Block Grant (SAPT BG), the State County Contract, and Drug Medi-Cal (DMC) Substance Use Disorder (SUD) services through annual compliance reviews.

This report summarizes the findings of the compliance review conducted by the County Monitoring Unit (CMU).

CORRECTIVE ACTION PLAN

Pursuant to the State County Contract, Exhibit A, Attachment I, Part V, Section 4, 7, (a-b) each deficiency 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.

The Corrective Action Plan shall:

1. Address each programmatic deficiency;
2. Provide a specific description of how the deficiency will be corrected;
3. Identify the staff person responsible for correcting the deficiency and ensuring future compliance;
4. Specify the target date for complete implementation of each deficiency; and
5. As deficiencies are corrected, include training documentation, revised policies/procedures, and other materials which demonstrate the correction of a deficiency, if applicable.

The CMU analyst will monitor progress of CAP implementation until complete.

REVIEW SCOPE

- I. Regulations:
 - a. 22 CCR § 51341.1 – Drug Medi-Cal Substance Use Disorder Services
 - b. 9 CCR, Division 4, Chapter 4, Subchapter 1 – 6: Narcotic Treatment Programs
 - c. 45 CFR; Part 96; Subpart L; §96.121 through 96.137: Substance Abuse Prevention and Treatment Block Grant
 - d. 42 USC, Section 300x-21 through 300x-66: Substance Abuse Prevention and Treatment Block
 - e. HSC, Division 10.5, Section 11750 – 11970: State Department of Health Care

- II. Program Requirements:
 - a. State Fiscal Year (SFY) 14/15 - 16/17 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 FY 2016-17*
 - d. National Culturally and Linguistically Appropriate Services (CLAS)
 - e. Alcohol and Drug Program (ADP) Bulletins
 - f. Mental Health and Substance Use Disorders Services (MHSUDS) Information Notices

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:

After review of the program's protocols, policies and procedures, no deficiencies were cited

ADVISORY RECOMMENDATIONS:

AR 1.8:

State County Contract, Exhibit A, Attachment I, Part I, J

Any counselor or registrant providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients, or residents in a DHCS licensed or certified program is required to be certified as defined in Title 9, CCR, Division 4, Chapter 8. (Document 3H).

Exhibit A, Attachment I, Part I, X

Contractor shall include all of the foregoing provisions in all of its subcontracts.

Recommendation: Butte County should update their BCDBH-273 policy to remove American Academy of Health Care Providers in the Addictive Disorder because it is no longer an accredited certifying agency.

2.0 SAPT BG MONITORING

The following deficiencies in the SAPT BG monitoring requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 2.18

State County Contract Exhibit A, Attachment I, Part IV, Section 3, A, 1, (a-e)

Contractor's performance under this Exhibit A, Attachment I A2, Part IV, shall be monitored by the State during the term of this Contract. Monitoring criteria shall include, but not be limited to:

- (a) Whether the quantity of work or services being performed conforms to Exhibit B A2;*
- (b) Whether the Contractor has established and is monitoring appropriate quality standards;*
- (c) Whether the Contractor is abiding by all the terms and requirements of this Contract;*
- (d) Whether the Contractor is abiding by the terms of the Perinatal Services Network Guidelines (Document 1G); and*
- (e) Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements.*

Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:

sudcountyreports@dhcs.ca.gov; or

*Substance Use Disorder - Prevention, Treatment and Recovery Services
Division, Performance Management Branch, Department of Health Care Services,
PO Box 997413, MS-2627
Sacramento, CA 95899-7413*

Finding: The County did not provide a copy with all the SAPT BG program requirements within the tool. The following criteria is missing:

- DHCS 16/17 Perinatal Services Network Guidelines
- DHCS Youth Treatment Guidelines
- Tuberculosis Services
- Charitable Choice
- Intravenous Drug User Services
- Interim Services
- California Outcomes Measurement System (CalOMS) Treatment (Tx)
- CalOMS Prevention (Pv)
- Drug and Alcohol Treatment Access Report (DATAR)
- Primary Prevention
- Cultural Competence
- National Culturally and Linguistically Appropriate Services (CLAS) Standards
- Americans with Disabilities Act
- Nondiscrimination in Services and Employment

- Trafficking Victims Protection Act of 2000
- Fiscal Requirements

CD 2.20:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)
Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:

SUDCountyReports@dhcs.ca.gov; or

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Division, Performance Management Branch, Department of Health Care Services
PO Box 997413, MS-2627
Sacramento, CA 95899-7413*

Finding: The County did not monitor all County and subcontracted providers for required SAPT BG program requirements.

CD 2.21:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)
Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:

SUDCountyReports@dhcs.ca.gov; or

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PO Box 997413, MS-2627
Sacramento, CA 95899-7413*

Finding: The County did not submit all required SAPT BG monitoring and auditing for SFY 15/16 to DHCS within two weeks of report issuance.

CD 2.22:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)
Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their monitoring and audit reports to DHCS within two weeks of issuance. Reports should be sent by secure, encrypted e-mail to:

SUDCountyReports@dhcs.ca.gov; or

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Division, Performance Management Branch, Department of Health Care Services, PO Box
997413, MS-2627
Sacramento, CA 95899-7413*

Finding: The County did not submit any of their SAPT BG monitoring reports encrypted and secure when submitting reports electronically.

3.0 DRUG MEDICAL (DMC)

The following DMC deficiencies in regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

After review of the program's protocols, policies and procedures, no deficiencies were cited.

4.0 PERINATAL

The following deficiencies in Perinatal Services regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

After review of the program's protocols, policies and procedures, no deficiencies were cited.

5.0 ADOLESCENT/YOUTH TREATMENT (AYT)

The following deficiencies in Adolescent/Youth Treatment regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

After review of the program's protocols, policies and procedures, no deficiencies were cited.

6.0 FISCAL AUDITING

The following deficiencies in Fiscal Auditing regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 6.48:

State County Contract, Exhibit B, A3, Part 3, Section 3, F

Providers of DMC services shall, upon request, make available to the State their fiscal and other records to assure that such provider have adequate recordkeeping capability and to assure that reimbursement for covered DMC services are made in accordance with Title 22, CCR, Section 51516.1. These records include, but are not limited to, matters pertaining to:

- 1) Provider ownership, organization, and operation;*
- 2) Fiscal, medical, and other recordkeeping systems;*
- 3) Federal income tax status;*
- 4) Asset acquisition, lease, sale, or other action;*
- 5) Franchise or management arrangements;*
- 6) Patient service charge schedules;*
- 7) Costs of operation;*
- 8) Cost allocation methodology;*
- 9) Amounts of income received by source and purpose; and,*
- 10) Flow of funds and working capital.*

Finding: The documentation the County provided does not adequately demonstrate DMC services are reimbursed.

7.0 PRIMARY PREVENTION

The following deficiencies in Primary Prevention regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

After review of the program's protocols, policies and procedures, no deficiencies were cited.

8.0 CULTURAL COMPETENCE

The following deficiencies in Cultural Competence regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

After review of the program's protocols, policies and procedures, no deficiencies were cited.

9.0 ELECTRONIC HEALTH RECORDS (EHR)

The following deficiencies in Electronic Health Records regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

After review of the program's protocols, policies and procedures, no deficiencies were cited.

**10.0 CALIFORNIA OUTCOMES MEASUREMENT SYSTEM TREATMENT (CalOMS Tx)
AND DRUG AND ALCOHOL TREATMENT ACCESS REPORT (DATAR)**

The following deficiencies in CalOMS and DATAR regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 10.57.d:

State County Contract, Exhibit A, Attachment I, Part III, F, (3)

Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non-DMC funds.

Finding: The County and its provider's annual updates or client discharges for beneficiaries in treatment over one year were not submitted.

11.0 PRIVACY AND INFORMATION SECURITY

The following deficiencies in Privacy and Information Security regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 11.69:

State County Contract, Exhibit G-3, Attachment A, 3, A.

System Security Review. Contractor must ensure audit control mechanisms that record and examine system activity are in place. All systems processing and/or storing Department PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

Finding: The County does not conduct an annual system risk assessment/security review.

CD 11.71:

State County Contract, Exhibit G-3, Attachment A, 4, A.

Emergency Mode Operation Plan. Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of Department PHI or PI held in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

Finding: The County did not provide a copy of the Emergency Mode Operation Plan or similar document.

CD 11.74:

State County Contract, Exhibit G-1, 3, D, 2-3

2) **Compliance with the HIPAA Security Rule.** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section 164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.

- 3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
- a. Complying with all of the data system security precautions listed in Attachment A, Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement; and
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

Finding: The County did not provide a copy of the requested document that addresses PHI privacy and security.

CD 11.76.c:

State County Contract, Exhibit G-2, 3, B, 2-3.

2) **Safeguards.** To implement appropriate and reasonable administrative, technical, and physical safeguards to protect the security, confidentiality and integrity of Department PI and PII, to protect against anticipated threats or hazards to the security or integrity of Department PI and PII, and to prevent use or disclosure of Department PI or PII other than as provided for by this Agreement. Contractor shall develop and maintain a written information privacy and security program that include administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, which incorporate the requirements of section 3, Security, below. Contractor will provide DHCS with its current policies upon request.

3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:

- a. Complying with all of the data system security precautions listed in Attachment A, Business Associate Data Security Requirements;
- b. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
- c. If the data obtained by Contractor from DHCS includes PII, Contractor shall also comply with the substantive privacy and security requirements in the Computer Matching and Privacy Protection Act Agreement between the SSA and the California Health and Human Services Agency (CHHS) and in the Agreement between the SSA and DHCS, known as the Information Exchange Agreement, which are attached as Attachment I and incorporated into this Agreement. The specific sections of the IEA with substantive privacy and security requirements to be complied with are sections E, F, and G, and in Attachment 4 to the IEA, Electronic Information Exchange Security Requirements, Guidelines and Procedures for Federal, State and Local Agencies Exchanging Electronic Information with the SSA. Contractor also agrees to ensure that any agents,

including a subcontractor to whom it provides DHCS PII, agree to the same requirements for privacy and security safeguards for confidential data that apply to Contractor with respect to such information.

Finding: The County did not provide a copy of the requested policies and procedures, which address PI.

12.0 TECHNICAL ASSISTANCE

DHCS's County Monitoring Analyst submitted referrals on 1/12/17 for the training and/or technical assistance identified below.

Adolescent Youth Treatment: The County requested TA for Adolescent Youth Treatment Services. DHCS's Adolescent Youth Treatment Services Analyst has been contacted and a referral has been made.

Co-occurring Disorders (COD): The County requested TA for COD. DHCS's COD Analyst has been contacted and a referral has been made.