



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

April 27, 2018

Sent via e-mail to: todd.metcalf2@lakecountyca.gov

Todd Metcalf, Administrator
Lake County Behavioral Health
6302 Thirteenth Avenue
Lucerne, CA 95458

SUBJECT: Fiscal Year (FY) 2017-18 – County Performance Unit Report

Dear Administrator Metcalf:

Enclosed are the results of Lake County's 2017-18 Substance Abuse (SA) Block Grant (BG)¹, and the State Plan Drug Medi-Cal (DMC) Contract compliance review. The Department of Health Care Services (DHCS) is responsible for monitoring requirements of the SABG and the terms of the State Plan DMC Contract operated by Lake County.

The County Performance Unit (CPU) within the Performance & Integrity Branch (PIB) 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.

Lake County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CPU Analyst by 5/27/2018. The CAP must follow the guidelines detailed within the attached report. Please reference the enclosed CAP instructions and e-mail the CAP to the CPU Analyst. Supporting CAP documentation may be e-mailed or mailed to the address listed below. If you have any questions regarding this report or need assistance, please contact the CPU analyst.

Sincerely,

Cassandra Queen
(916) 327-2617
cassandra.queen@dhcs.ca.gov

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



Substance Abuse Block Grant and Drug Medi-Cal
County Performance Unit Report
Lake County

Distribution:

To: Administrator Metcalf

CC: Tracie Walker, Performance & Integrity Branch, Branch Chief
Denise Galvez, Policy and Prevention Branch, Section Chief
Janet Rudnick, Utilization Review Section, Section Chief
Cynthia Hudgins, Quality Monitoring Section, Section Chief
Susan Jones, County Performance Unit, Unit Supervisor
Stephanie Quok, Drug Medi-Cal Monitoring Unit II, Unit Supervisor
Tiffany Stover, Postservice Postpayment Unit I, Unit Supervisor
Eric Painter, Postservice Postpayment Unit II, Unit Supervisor
Danielle Stumpf, Office of Women, Perinatal and Youth Services Unit, Unit Supervisor
Vanessa Machado, Policy and Prevention Branch, Office Technician
Kelli Page, Lake County Behavioral Health, Staff Services Analyst, Senior

Date: April 30, 2018

Report Prepared by: *Cassandra Queen, County Performance Analyst*
Manager Approval: *Susan Jones, County Performance Supervisor*

Lead CPU Analyst:
Cassandra Queen

Review Date: 4/4/18 to 4/5/18

Assisting CPU Analyst(s):
Becky Counter

Review Period: 2017-18

County: Lake

County Address:
6302 Thirteenth Avenue
Lucerne, CA 95458

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 (SABG), 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 Performance Unit (CPU).

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) 2017-18 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

CORRECTIVE ACTION PLAN

Pursuant to the State County Contract, Exhibit A, Attachment I, 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.

The CAP shall include:

- a) A statement of the compliance deficiency (CD) and new requirement (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) Who will be 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 SABG contract finalization, findings related to the 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 2017-18 COMPLIANCE DEFFICIENCIES (CD)

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

PREVIOUS CAPs

During the FY 2017-18 review, the following CAPs with CDs were discussed and are still outstanding.

2015-16:

CD 2: The County did not demonstrate that programmatic and fiscal monitoring occurred for FY 2014-15.

CD 3: The County did not submit SAPT BG reports to DHCS Performance Management Branch electronically and securely or via mail.

CD 4: The County did not conduct an annual DMC monitoring reviews

2016-17:

CD 2.20: The County did not monitor all County and subcontracted providers for required SAPT BG program requirements.

CD 2.21: The County did not submit all required SAPT BG monitoring and auditing reports for SFY 15/16 to DHCS within two weeks of report issuance.

CD 10.57.d: The County and its provider's annual updates or client discharges, for beneficiaries in treatment over one year, were not submitted.

10.57.e: Provider #171722, Redwood Community Services, Inc., does not submit DATAR reports by the 10th of each month.

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 1.8:

State County Contract, Exhibit A, Attachment I, Part I, Section 3, C
Contractor shall comply with the sub-recipient pre-award risk assessment requirements contained in 2 CFR Part 200 Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards. Contractor, grant second-tier sub-recipient (subcontractors) annually prior to making an award. Contractor subcontractor and retain documentation for audit purposes.

Finding: The County did not conduct the 2017-18 annual risk assessment for each subcontractor prior to making an award.

CD 1.9:

State County Contract, Exhibit A, Attachment I, Part I, Section 3, C
Contractor shall comply with the sub-recipient pre-award risk assessment requirements contained in 2 CFR Part 200 Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards. Contractor, grant second-tier sub-recipient (subcontractors) annually prior to making an award. Contractor subcontractor and retain documentation for audit purposes.

Finding: The County did not provide a copy of a risk assessment.

NR 1.10

State County Contract, Exhibit A, Attachment I, 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 DHCSUDCharitableChoice@dhcs.ca.gov by October. The annual submission shall contain all substantive information required by DHCS and be formatted in a manner prescribed by DHCS.

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, 2017. Please note: The email address provided within the contract is incorrect, it should be CharitableChoice@dhcs.ca.gov.

NR 1.14:

State County Contract Exhibit A, Attachment I, Part I, Section 1, C, 5
Contractor and all its subcontractors shall comply with the Minimum Quality Drug treatment Standards for SABG for all Substance Use Disorder (SUD) treatment programs either partially or fully funded by SABG. The Minimum Quality Drug Treatment Standards for SABG are

attached to this Contract as Document 2F (b), incorporated by reference. The incorporation of any new Minimum Quality Drug Treatment Standards into this Contract shall not require a formal amendment.

Finding: According to the 2017-2020 State County Contract, programs are required to abide by the Minimum Quality Drug Treatment Standards, a component of the contract. Due to a delay in contract finalization, findings related to the standards will not be identified as a deficiency; however, a plan to fulfill the new requirements must be submitted. Also, the County will need to ensure monitoring is completed meeting these standards, and is included in the monitoring tool.

2.0 SABG MONITORING

The following deficiencies in the SABG monitoring requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 2.20:

State-County Contract Exhibit A, Attachment I, Part I, Section 3, A, 1, 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 should 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 all County and subcontracted providers for required SABG program requirements.

CD 2.21:

State-County Contract Exhibit A, Attachment I, Part I, Section 3, A, 1, 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 should 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 submit all required SABG monitoring and auditing reports for FY 16-17 to DHCS within two weeks of report issuance.

7.0 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 7.41.a:

State-County Contract, Exhibit A, Attachment I, Part III, B, 3, 5, 6 and D, 3

B(3) Electronic submission of CalOMS-Tx data shall be submitted by Contractor within 45 days from the end of the last day of the report month.

B(5) Contractor shall submit CalOMS-Tx admissions, discharge, annual update, resubmissions of records containing errors or in need of correction, and "provider No activity" report records in an electronic format approved by DHCS.

B(6) Contractor shall comply with the CalOMsTx Data Compliance Standards established by DHCS identified in Document 3S for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines, and reporting method.

D(3) Contractor shall comply with the treatment and prevention data quality standards established by DHCS. Failure to meet these standards on an ongoing basis may result in withholding SABG funds.

Finding: The County did not report any CalOMS Tx data, and did not generate a Provider No Activity (PNA) report.

8.0 PRIVACY AND INFORMATION SECURITY

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

COMPLIANCE DEFICIENCIES:

CD 8.50:

State-County Contract, Exhibit F, Attachment I, II, M

All Data Transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E-mail.

Exhibit F, F-2, 3, B, 2

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 of 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.

Finding: County and subcontractors do not have transmission encryption safeguards in place for DHCS PHI or PI sent outside of secure internal networks.

CD 8.59:

State-County Contract, Exhibit F, Attachment I, III, B

Log Reviews. All systems processing and/or storing Department PHI or PI must have a routine procedure in place to review system logs for unauthorized access.

Finding: The County did not demonstrate a routine procedure to review system logs to deter unauthorized access to systems and networks containing PHI or PI.

9.0 DRUG MEDI-CAL

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

COMPLIANCE DEFICIENCIES:

CD 9.65:

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

Contractor shall conduct, at least annually, an audit of DMC providers to assure covered services are being appropriately rendered. The annual audit must include an on-site visit of the service provider.

Reports of the annual review shall be provided to DHCS's Performance Management Branch at: Substance Use Disorders Program, Policy and Fiscal Division, Performance Management Branch

Department of Health Care Services

PO Box 997413, MS-2621

Sacramento, CA 95899-7413:

Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov

Review reports shall be provided to DHCS within 2 weeks of completion by the Contractor.

Finding: The County did not meet the annual onsite review requirement for all DMC providers.

CD 9.66:

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

Contractor shall conduct, at least annually, an audit of DMC providers to assure covered services are being appropriately rendered. The annual audit must include an on-site visit of the service provider.

Reports of the annual review shall be provided to DHCS's Performance Management Branch at: Substance Use Disorders Program, Policy and Fiscal Division, Performance Management Branch

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Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov

Review reports shall be provided to DHCS within 2 weeks of completion by the Contractor.

Finding: The County did not submit DMC monitoring reports securely to DHCS within two weeks of completion.

10.0 TECHNICAL ASSISTANCE

DHCS's County Performance Analyst will make referrals for the training and/or technical assistance identified below.

Primary Prevention: The County requested TA for Building Prevention Program Capacity; Core Competencies for Pv Professionals; Evidence-based Practices; Motivational Interviewing for Community Involvement; and Call to Action. DHCS's County Prevention Analyst has been contacted and a referral has been made.

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

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.

CalOMS and DATAR: The County requested TA for CalOMS and/or DATAR. DHCS's Analyst has been contacted and a referral has been made.