



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

July 9, 2018

Sent via e-mail to: wford@ph.lacounty.gov

Wesley L. Ford, M.A., M.P.H., Division Director
Los Angeles County Health Agency
1000 South Fremont Avenue
Building A-9 East, 3rd Floor, Box 34
Alhambra, California 91803-4737

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

Dear Director Ford:

Enclosed are the results of Los Angeles County's 2017-18 Substance Abuse (SA) Block Grant (BG)¹ State County Contract compliance review. The Department of Health Care Services (DHCS) is responsible for monitoring requirements of the SABG County Contract operated by Los Angeles 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.

Los Angeles County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CPU Analyst by 8/9/2018. 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,

Emily Bautista
(916) 713-8572
emily-cresciana.bautista@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
County Performance Unit Report
Los Angeles County

Distribution:

To: Director Ford

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
Tianna Hammock, Drug Medi-Cal Monitoring Unit I, 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
Daniel Deniz, Contract Services Division, Chief
Ruth Kantorowicz, SAPC Contracts and Compliance, Staff Analyst

Date: July 9, 2018

Report Prepared by: *Emily Bautista, County Performance Analyst*

Manager Approval: *Susan Jones, County Performance Supervisor*

Lead CPU Analyst:
Emily Bautista

Review Date: 6/27/18 to 6/28/18

Assisting CPU Analyst:
Karen Sanchez

Review Period: 2017-18

County: Los Angeles

County Address:
Los Angeles County Health Agency
1000 South Fremont Avenue
Building A-9 East, 3rd Floor, Box 34
Alhambra, California 91803-4737

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. 45 CFR; Part 96; Subpart L; §96.121 through 96.137: Substance Abuse Prevention and Treatment Block Grant
 - b. 42 USC, Section 300x-21 through 300x-66: Substance Abuse Prevention and Treatment Block
 - c. 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 DEFICIENCIES (CD)

Section:	Number of CD's:
1.0 Administration	2
2.0 SABG Monitoring	2
3.0 Perinatal	0
4.0 Adolescent/Youth Treatment	1
5.0 Primary Prevention	0
6.0 Cultural Competence	0
7.0 CalOMS and DATAR	3
8.0 Privacy and Information Security	2

PREVIOUS CAPs

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

2014-15:

CD # 13: Open Admissions

CD # 14: Open Providers

CD # 15: DATAR

2015-16:

CD # 5: Open Admissions

CD # 6: Open Providers

CD # 7: DATAR

2016-17:

CD # 1.5: Including a provision regarding the non-use of SABG funds for the Distribution of Sterile Needles or Syringes within subcontracts

CD # 10.57.b: Open Providers

CD # 10.57.d: Open Admissions

CD # 10.57.e: DATAR

Please provide the following within the completed 2017-18 CAP.

- a) A list of action steps to be taken to correct the CD.
- b) A date of completion for each CD.
- c) Who will be responsible for correction and ongoing compliance.

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 1.3:

State County Contract Exhibit A, Attachment I, Part II, F

Contractor shall not subcontract with any party listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp. p. 189) and 12689 (3 CFR part 1989., p. 235), "Debarment and Suspension." SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

State County Contract Exhibit A, Attachment I, Part II, Y

Subcontract Provisions

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

Finding: The County did not provide the SABG treatment provider contract that addresses compliance with Debarment and Suspension.

CD 1.4:

State County Contract, Exhibit A, Attachment I, Part II, E

None of the funds made available through this Contract may be used for any activity that promotes the legalization of any drug or other substance included in Schedule I of Section 202 of the Controlled Substances Act (21 USC 812).

State County Contract Exhibit A, Attachment I, Part II, Y

Subcontract Provisions

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

Finding: The County did not provide the SABG treatment provider contract that addresses compliance with the Limitation on Use of Funds for Promotion of Legalization of Controlled Substances.

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 along with updated monitoring tools must be submitted.

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 fiscal 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.

ADVISORY RECOMMENDATIONS:

AR 2.1:

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

Recommendation: The County shall consider including the funding source on all monitoring and audit reports submitted to DHCS' SUDCountyReports@dhcs.ca.gov mailbox.

4.0 ADOLESCENT/YOUTH TREATMENT (AYT)

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

COMPLIANCE DEFICIENCIES:

CD 4.33:

State-County Contract, Exhibit A, Attachment I, Part I, Q
Contractor must comply with the guidelines in Document 1 V, incorporated by this reference, "Youth Treatment Guidelines," in developing and implementing youth treatment programs funded under this Exhibit, until new Youth Treatment Guidelines are established and adopted. No format amendment of this contract is required for new guidelines to be incorporated into this Contract.

Document 1V- Youth Treatment Guidelines Youth Treatment guidelines 2002, Section X Administration, A, Program Rules and Procedures

The program should have written program policies and procedures, client rules and rights, and complaint and/or grievance procedures. All staff should receive training on the program rules, policies, and procedures.

Finding: The County does not provide written program policies and procedures.

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 and its providers did not report any CalOMS Tx data, and did not generate a Provider No Activity (PNA) report.

CD 7.41.b:

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 and providers annual updates or client discharges for beneficiaries in treatment over one year were not submitted.

CD 7.41.c:

State-County Contract, Exhibit A, Attachment I, Part III, E, 1&2

E(1) The Contractor shall be responsible for ensuring that the Contractor-operated treatment services and all treatment providers, with whom Contractor makes a contract or otherwise

pays for these services, submit a monthly DATAR report in an electronic copy format as provided by DHCS.

E(2) The Contractor shall ensure that all DATAR reports are submitted by either Contractor-operated treatment services and by each subcontracted treatment provider to DHCS by the 10th of the month following the report activity month.

Finding: The County and providers do not submit DATAR reports by the 10th of each month.

8.0 PRIVACY AND INFORMATION SECURITY

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

COMPLIANCE DEFICIENCIES:

CD 8.49:

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

All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes, etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

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: The County submitted a draft policy indicating compliance with protecting DHCS PHI or PI, stored on removable media or portable devices, with a FIPS 140-2 certified algorithm which is 128bit or higher.

CD 8.53:

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

All users must be issued a unique username for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours.

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

Finding: The County provided a draft policy ensuring all county and subcontracted employee usernames are promptly disabled, deleted, or the password changed upon the transfer or termination of an employee, within 24 hours.

10.0 TECHNICAL ASSISTANCE

Los Angeles County did not request technical assistance for SFY 2017-18.