



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

June 27, 2018

Sent via e-mail to: [ybrown@co.merced.ca.us](mailto:ybrown@co.merced.ca.us)

Yvonna Brown, MSW, Director  
Behavioral Health and Recovery Services  
P.O. Box 2087  
Merced, CA 95344

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

Dear Director Brown:

Enclosed are the results of Merced County's 2017-18 Substance Abuse (SA) Block Grant (BG)<sup>1</sup>, 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 Merced 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.

Merced County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CPU Analyst by 7/27/2018. 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) 713-8568  
[cassandra.queen@dhcs.ca.gov](mailto:cassandra.queen@dhcs.ca.gov)

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<sup>1</sup> 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**  
Merced County

Distribution:

To: Director Brown

CC: Tracie Walker, Performance & Integrity Branch, Branch Chief  
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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  
Lidia Caza-Burdick, Merced County, BHRS Program Manager

Date: June 27, 2018

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

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**Lead CPU Analyst:**  
Cassandra Queen

**Review Date:** 5/14/18

**Assisting CPU Analyst(s):**  
Jamari Robinson

**Review Period:** 2017-18

**County:** Merced

**County Address:**  
P.O. Box 2087  
Merced, CA 95344

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 DEFICIENCIES (CD)**

<b>Section:</b>	<b>Number of CD's:</b>
<b>1.0 Administration</b>	<b>2</b>
<b>2.0 SABG Monitoring</b>	<b>2</b>
<b>3.0 Perinatal</b>	<b>2</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>1</b>
<b>8.0 Privacy and Information Security</b>	<b>2</b>
<b>9.0 Drug Medi-Cal (DMC)</b>	<b>0</b>

### PREVIOUS CAPs

During the FY 2017-18 review, the following CAP(s) with CD(s) were discussed and are still outstanding.

**2014-15:**

CD # 3: The County is not submitting CalOMS Tx discharge data or annual updates as required.

**2015-16:**

CD # 9: The County is not submitting CalOMS Tx discharge data or annual updates as required.

**2016-17:**

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

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 1.4:**

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.

#### **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 pre-award risk assessment.

#### **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](mailto: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](mailto: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.



### 3.0 PERINATAL

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

#### COMPLIANCE DEFICIENCIES:

##### **CD 3.28:**

###### State-County Contract Exhibit A, Attachment I, Part II, R

*Contractor must comply with the perinatal program requirements as outlines in the Perinatal Services Network Guidelines. The Perinatal Services Network Guidelines are attached to this contract as Document 1G, incorporated by reference. The Contractor must comply with the current version of these guidelines until new Perinatal Services Network Guidelines are established and adopted. The incorporation of any new Perinatal Services network Guidelines into this Contract shall not require a formal amendment.*

*Contractor receiving SABG funds must adhere to the Perinatal Services Network Guidelines regardless of whether the Contractor exchanges perinatal funds for additional discretionary funds*

###### Perinatal Services Network Guidelines FY 2016-17

*A referral occurs when a SUD treatment program has insufficient capacity to provide treatment services to a woman in need of SUD treatment services. Referral services include a brief assessment of a woman's needs in order to determine the appropriate referral to SUD treatment or other services. It is important to consistently refer a woman to the appropriate SUD services while she is still motivated to enter treatment.*

*When a pregnant woman receives a referral for SUD treatment services, and a program is unable to provide these services due to capacity, the SUD treatment program must:*

- a. Provide interim services to a pregnant woman ( intravenous and non-intravenous drug users), including a referral for prenatal care, within 48 hours of the request.*
- b. When assisting the target population who are in need of SUD treatment services for intravenous drug use, SUD treatment programs must:*
  - 1. Admit intravenous drug users within 14 days of the request, or*
  - 2. Admit intravenous drug users within 120 days, and*
    - i. Make interim services available within 48 hours of the request; including referral for prenatal care.*

###### 45 C.F.R § 96.131 (c)

*The State shall in carrying out paragraph (a) of this section require that, in the event that a treatment facility has insufficient capacity to provide treatment services to any such pregnant woman who seeks the services from the facility, the facility refer the woman to the State. This may be accomplished by establishing a capacity management program, utilizing a toll-free number, an automated reporting system and/or other mechanisms to ensure that pregnant women in need of such services are referred as appropriate. The State shall maintain a continually updated system to identify treatment capacity for any such pregnant women and will establish a mechanism for matching the women in need of such services with a treatment facility that has the capacity to treat the woman.*

45 C.F.R § 96 App. A (17)

*Information and Referral Services*

*Information and referral services are those services or activities designed to provide information about services provided by public and private service providers and a brief assessment of client needs (but not diagnosis and evaluation) to facilitate appropriate referral to these community resources.*

**Finding:** The County did not offer referrals to women in need of SUD treatment services when program had insufficient capacity to provide treatment.

**CD 3.29:**

State-County Contract Exhibit A, Attachment I, Part II, R

*Contractor must comply with the perinatal program requirements as outlines in the Perinatal Services Network Guidelines. The Perinatal Services Network Guidelines are attached to this contract as Document 1G, incorporated by reference. The Contractor must comply with the current version of these guidelines until new Perinatal Services Network Guidelines are established and adopted. The incorporation of any new Perinatal Services network Guidelines into this Contract shall not require a formal amendment.*

*Contractor receiving SABG funds must adhere to the Perinatal Services Network Guidelines regardless of whether the Contractor exchanges perinatal funds for additional discretionary funds*

Perinatal Services Network Guidelines FY 2016-17

*SUD treatment programs must submit all waiting list information to DATAR. The waiting list must include a unique patient identifier for each injection substance user seeking treatment and include those receiving interim services while awaiting admission into treatment.*

*The waiting list, DATAR, is a tool used to track the number of women awaiting admission to SUD treatment. SUD treatment programs serving the target population must create and maintain a waiting list once a program's capacity has been reached.*

*As space becomes available, clients are matched with appropriate treatment services. SUD treatment programs must do the following:*

- a. *For the purposes of treating women using injection drugs, establish a waiting list to ensure women in this sub-population are placed in comprehensive treatment within 14 days.*
- b. *If any individual cannot be placed in comprehensive treatment within 14 days, the SUD treatment program must enroll the individual in interim services while awaiting admission into treatment.*
- c. *When a SUD treatment program has a woman actively on a waiting list, the SUD treatment program must address the woman as follows:*
  - (1) *The program must admit the woman to the program and provide SUD treatment within 120 days.*
  - (2) *If a woman cannot be located or refuses treatment, the woman may be removed from the waiting list and not provided treatment within the 120 days.*
    - i. *If a woman was previously on a waiting list and did not receive SUD treatment services(e.g. refused treatment services or was not able to be contacted), and requests treatment at a later date, and space is not available, SUD treatment must:*
      - (a) *Provide interim services;*
      - (b) *Add the woman to the waiting list (including DATAR); and*

- (c) Admit the woman to a SUD treatment program within 120 days from the most recent request.*
- d. When SUD treatment programs provide interim services, as outlined in section B(12), SUD treatment programs must:*
  - (1) Develop a tool to maintain contact with the woman awaiting admission; and*
  - (2) Consult DATAR to ensure women on the waiting list are admitted to treatment as early as possible.*

45 C.F.R§ 96.126 (c)

*In carrying out subsection (b), the State shall establish a waiting list management program which provides systematic reporting of treatment demand. The State shall require that any program receiving funding from the grant, for the purposes of treating injecting drug abusers, establish a waiting list that includes a unique patient identifier for each injecting drug abuser seeking treatment including those receiving interim services, while awaiting admission to such treatment. For individuals who cannot be placed in comprehensive treatment within 14 days, the State shall ensure that the program provide such individuals interim services as defined in § 96.121 and ensure that the programs develop a mechanism for maintaining contact with the individuals awaiting admission. The States shall also ensure that the programs consult the capacity management system as provided in paragraph (a) of this section so that patients on waiting lists are admitted at the earliest possible time to a program providing such treatment within reasonable geographic area.*

**Finding:** The County does not maintain a waitlist when a perinatal program is at capacity.

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

## 8.0 PRIVACY AND INFORMATION SECURITY

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

### COMPLIANCE DEFICIENCIES:

#### **CD 8.53:**

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

*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 did not provide a current 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.

#### **CD 8.54:**

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

*User IDs and Password Controls. All users must be issued a unique user name for accessing Department 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. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed at least every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:*

- 1) Upper case letters (A-Z)
- 2) Lower case letters (a-z)
- 3) Arabic numerals (0-9)
- 4) Non-alphanumeric characters (punctuation symbols)

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 did not provide a current policy ensuring all county and subcontracted employee passwords are protected and secure.

## 10.0 TECHNICAL ASSISTANCE

The County did not request technical assistance.