



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

February 15, 2018

Sent via e-mail to: mhale@ochca.com

Mary Hale, MS Deputy Agency Director  
Orange County Health Care Agency  
405 West 5<sup>th</sup> Street, Suite 726  
Santa Ana, CA 92701

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

Dear Deputy Director Hale:

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

Orange County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CPU Analyst by 3/15/2018. 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,

Becky Counter  
(916) 327-2656  
becky.counter@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**  
County Performance Unit Report  
Orange County

Distribution:

To: Deputy Director Hale

CC: Tracie Walker, Performance & Integrity Branch, Branch Chief  
Denise Galvez, Policy and Prevention Branch, Section Chief  
Janet Rudnick, Utilization Review Section, Section Chief  
Susan Jones, County Performance, Unit Supervisor  
Cynthia Hudgins, Drug Medi-Cal Monitoring Unit I, Unit Supervisor  
Stephanie Quok, Drug Medi-Cal Monitoring Unit II, Unit Supervisor  
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Eric Painter, Postservice Postpayment Unit II, Unit Supervisor  
Danielle Stumpf, Office of Women, Perinatal and Youth Services, Unit Supervisor  
Vanessa Machado, Policy and Prevention Branch, Office Technician  
Azahar Lopez, PsyD, CHC, SUD Support Manager, Orange County

Date: February 15, 2018

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

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**Lead CPU Analyst:**  
Becky Counter

**Review Date:**  
January 2018

**Assisting CPU Analyst(s):**  
N/A

**Review Period:** 2017-18

**County:** Orange

**County Address:**  
405 West 5<sup>th</sup> Street, Suite 726  
Santa Ana, CA 92701

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:
<b>1.0 Administration</b>	<b>1</b>
<b>2.0 SABG Monitoring</b>	<b>1</b>
<b>3.0 Perinatal</b>	<b>0</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>0</b>

## 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.

#### **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. Minimum Quality Treatment Standards will need to be incorporated into the County's monitoring tool.

## 2.0 SABG MONITORING

The following deficiencies in the SABG monitoring requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 2.18**

State-County Contract Exhibit A, Attachment I, Part I, Section 3, A, 1, a-e  
*Monitoring*

*Contractor's performance under this Exhibit A, Attachment I, Part I, shall be monitored by DHCS during the terms of this Contract. Monitoring criteria shall include, but not 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) 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 e-mail 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 have all the SABG program requirements within their monitoring tool. The following criteria is missing:

- Fiscal Requirements

## 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 provider's annual updates or client discharges for beneficiaries in treatment over one year were not submitted. Provider 308048 belongs to Orange County because the admission date of 4/4/2015 predates the date the provider PES-ebs Inc. became a direct provider on 10/14/15.



## 10.0 TECHNICAL ASSISTANCE

Orange County did not request Technical Assistance during FY 2017-18.