



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

March 12, 2018

Sent via e-mail to: thobson@co.sutter.ca.us

Tony Hobson, Assistant Director  
Sutter-Yuba Mental Health Services  
1965 Live Oak Road  
Yuba City, CA 95991-1520

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

Dear Director Hobson:

Enclosed are the results of Sutter-Yuba 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 Sutter-Yuba 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.

Sutter-Yuba County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CPU Analyst by 4/12/2018. 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  
Sutter-Yuba County

Distribution:

To: Director Hobson

CC: Tracie Walker, Performance & Integrity Branch, Branch Chief  
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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  
Allison Murphy, Quality Assurance, Sutter -Yuba County  
Kristine Hughes, Quality Assurance, Sutter- Yuba County

Date: March 12, 2018

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

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**Lead CPU Analyst:**  
Angela Duhart

**Review Date:**  
January 2018

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

**Review Period:** 2017-18

**County:** Sutter-Yuba

**County Address:**  
1965 Live Oak Road  
Yuba City, CA 95991-1520

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)

| <b>Section:</b>                             | <b>Number of CD's:</b> |
|---|------------------------|
| <b>1.0 Administration</b>                   | <b>2</b>               |
| <b>2.0 SABG Monitoring</b>                  | <b>3</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>0</b>               |
| <b>8.0 Privacy and Information Security</b> | <b>5</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.

#### **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 1.14:**

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. The 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 are missing:

- Charitable Choice
- Fiscal Requirements

#### **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 programmatic and 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](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.



## 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 sub-contractors do not have transmission encryption safeguards in place for DHCS PHI or PI sent outside of secure internal networks.

#### **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 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.

**CD 8.56:**

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

*Background Check. Before a member of the workforce may access Department PHI or PI, a background screening of that worker must be conducted. The screening should be commensurate with the risk and magnitude of harm the employee could cause, with more thorough screening being done for those employees who are authorized to bypass significant technical and operational security controls. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years.*

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 policy currently in place to determine employee eligibility to access PHI or PI.

**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 of system log reviews is active to deter unauthorized access to systems and networks containing PHI or PI.

## 10.0 TECHNICAL ASSISTANCE

The County did not request any technical assistance during this fiscal review.