June 21, 2018

SAMHSA (MHBG) Letter No.: 18-01

TO: COUNTY MENTAL HEALTH DIRECTORS
COUNTY MENTAL HEALTH PROGRAM CHIEFS
COUNTY MENTAL HEALTH FISCAL OFFICERS

SUBJECT: STATE FISCAL YEAR 2018-19 PLANNING ESTIMATE AND RENEWAL APPLICATION INSTRUCTIONS

REFERENCE: CATALOG OF FEDERAL DOMESTIC ASSISTANCE 93.958 – BLOCK GRANTS FOR COMMUNITY MENTAL HEALTH SERVICES (COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT)
CODE OF FEDERAL REGULATIONS, TITLE 2, APPENDIX A

EXPIRES: SEPTEMBER 30, 2019

This letter transmits the State Fiscal Year (SFY) 2018-19 Planning Estimate Worksheet (Enclosure 1), the Substance Abuse and Mental Health Services Administration (SAMHSA), Community Mental Health Services Block Grant (MHBG) Renewal Application Instructions (Enclosure 2), and Guidelines, Agreements, Certifications, Definitions, and forms (Enclosures 3 - 9) required to complete the MHBG application. Please refer to the bolded areas as there have been changes to the MHBG Renewal Application.

Counties that receive MHBG funding are required to provide their Data Universal Number System (DUNS) to the Department of Health Care Services (DHCS) in accordance with Title 2, Appendix A of the Code of Federal Regulations. Provide your DUNS number under the county name on your county’s Planning Estimate Worksheet. The DUNS number must be registered under the County’s name and active in the System for Award Management (SAM) website. MHBG Renewal Applications will not be approved unless a County’s DUNS number is active and registered on the SAM website. To remain active, SAM information must be updated every 12 months. More DUNS registration information is available on the SAM website at: https://www.sam.gov/portal/SAM/#1.
DHCS allocates MHBG funding to counties to establish or expand community-based systems of care for providing mental health services to adults with serious mental illness (SMI) and children with serious emotional disturbance (SED). In order for DHCS to allocate the MHBG funds for these purposes, all counties receiving funds must abide by specific conditions of Title XIX, Part B of the Public Health Services Act, as well as those conditions established by other federal and state laws, regulations, policies, and guidelines.

Counties must continue to utilize the FEP funding implementing models which have demonstrated efficacy, including the range of services and principles identified by National Institute of Mental Health (NIMH) via its Recovery After an Initial Schizophrenia Episode (RAISE) Initiative. Recovery After an Initial Schizophrenia Episode (RAISE) will provide counties with additional information on core components of care, staffing needs, training and supervision requirements, quality assurance, and financing information as it relates to your county’s FEP programs. Please remember that MHBG funding cannot be used for primary prevention or preventive intervention programs.

APPLICATION CHANGES FOR CURRENT YEAR

The Federal Salary Rate Cap has increased to $189,600 per full time equivalent, not including benefits.

SAMHSA requires states to collect and report on data that demonstrates the impact of FEP services. The data must identify the number of adults with SMI and children with SED that received Coordinated Specialty Care (CSC) evidence-based FEP services and/or services in an existing early intervention program consistent with the CSC model or within an integrated service delivery program (e.g. Full Service Partnership). Enclosure 9, MHBG FEP Program Data Sheet has been revised to reflect these data elements. Counties that have elected to accept the set-aside must complete Enclosure 9 with SFY 2016-17 FEP data and submit the completed sheet by or before August 22, 2018.

For FFY 2018, counties receiving the FEP set aside must continue to use the funding to support evidence-based programs that address the needs of individuals with early serious mental illness (ESMI), including psychotic disorders, regardless of the age of the individual at onset. Please refer to Enclosure 8, Definitions of SMI and SED for SAMHSA’s working definition of ESMI.

---

1 The following resources are few examples of FEP Evidence Based Programs and information that counties may find pertinent to service design, implementation and monitoring:

PRE-AWARD RISK ASSESSMENTS

Per 2 CFR Part 200 (Uniform Guidance), all federal agencies, pass-through entities (e.g. the State of California), and first-tier recipients (e.g. counties) must perform a pre-award risk assessment prior to passing-through any grant funds. As such, counties that subcontract for MHBG services must perform pre-award risk assessments of potential providers prior to disbursing MHBG funds. For more information, please see DHCS Mental Health and Substance Use Disorder Services Division’s Information Notice #16-036: [United States Office of Management and Budget Uniform Guidance Revision: Subrecipient Pre-Award Risk Assessment](https://example.com).

APPLICATION DEADLINE

Counties are required to prepare and submit an MHBG Renewal Application in accordance with the enclosures and attachments accompanying this letter.

Each County’s MHBG Renewal Application must be submitted electronically, in Word and Excel format, to [MHBG@dhcs.ca.gov](mailto:MHBG@dhcs.ca.gov) no later than close of business on August 22, 2018.

All documents requiring original signatures, including the Planning Estimate, Funding Agreements, and Certifications, must be postmarked no later than August 22, 2018.

SUBMISSION INSTRUCTIONS

The MHBG Renewal Application must be submitted by close of business on August 22, 2018, narrative in Word and budgets in Excel format. Late submissions may delay funding. The electronic application must contain the following:

1. Enclosure 1 – Signed Planning Estimate Worksheet, DHCS 1750
2. Enclosure 4 – Signed Agreements
3. Enclosure 5 – Signed Certifications
4. Enclosure 6 – Completed MHBG Program Data Sheet, DHCS 1751, one per program and must include any transformational services provided;
5. Enclosure 7 – Federal Grant Detailed Program Budget, DHCS 1779, one per program. **If your county has more than one MHBG funded program, submit budgets in one excel workbook**; and
6. Program Narrative is required for each program funded with the base allocation, dual diagnosis set-aside, first episode psychosis set-aside, Children System of Care (CSOC) set-aside in Humboldt, Los Angeles, Merced, Monterey, Placer, San Luis Obispo and Stanislaus counties and the Integrated Services Agency (ISA) programs funded in Los Angeles and Stanislaus counties.
Multiple programs and/or subcontractor expenses including dual diagnosis set-aside, first episode psychosis set-aside and ISA programs must be detailed on separate forms: Federal Grant Detailed Program Budget, DHCS 1779.

7. Enclosure 9 – MHBG FEP Program Data Sheet

In addition to the electronic submission, the county must mail the following documents containing original signatures:

1. Enclosure 1 – Planning Estimate Worksheet, DHCS 1750
2. Enclosure 4 – Agreements
3. Enclosure 5 – Certifications

Mail the package to:

California Department of Health Care Services
Mental Health Services Division
Grants Management Unit
1500 Capitol Avenue, MS 2704
Sacramento, CA 95814

Upon approval of your MHBG Renewal Application, DHCS will send an approval letter to the county with each of the approved Federal Grant Detailed Program Budgets.

SPECIAL CONSIDERATIONS

MHBG funds cannot be used for the following:

1. To provide inpatient services,
2. To make cash payments to intended recipients of health services,
3. To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment,
4. To satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or
5. To provide financial assistance to any entity other than a public or nonprofit entity.

REPORTING AND FISCAL REQUIREMENTS

Counties receiving MHBG funding are obligated to adhere to the fiscal requirements outlined in the Accounting Guidelines (Enclosure 3). The Grant Financial Status Report Quarterly (DHCS 1784 QTR), and Grant Cash Transaction Report Quarterly (DHCS 1785 QTR), are due to DHCS 20 days after the end of the quarter: October 20th, January 20th, April 20th, and July 20th. The quarterly reports may be submitted by e-mail to: MHBG@dhcs.ca.gov.
Counties must fully expend their SFY 2018-19 MHBG allocations by September 30, 2019 and will have until October 20, 2019 to submit an additional expenditure report. The Grant Financial Status Report Quarterly (DHCS 1784 QTR) and the Grant Cash Transaction Report Quarterly (DHCS 1785 QTR) reflect the additional reporting period. Any SFY 2018-19 expenditure reports submitted after October 20, 2019, will not be reimbursed.

MHBG Year End Cost Reports for SFY 2018-19 are due to DHCS December 31, 2019. The Federal Grant Expenditure Report (DHCS 1767), the Federal Grant Expenditure Report Summary (DHCS 1767-S), the Grant Financial Status Report (DHCS 1784YE), and the Grant Cash Transaction Report (DHCS 1767YE) are forms required to complete the Year-End (YE) Cost Report. If your county has more than one program funded by the MHBG, in addition to submitting the form DHCS 1767, submit a form DHCS 1767-S summarizing expenditures from each program. The forms DHCS 1784YE and DHCS 1785YE are to reflect total expenditures. Year End Cost Reports must be mailed, as originals with signatures are required.

Should you have any questions please contact your MHBG analyst at MHBG@dhcs.ca.gov.

Sincerely,

Original signed by

Charles Anders, Chief
Mental Health Management Performance Outcomes Branch
Mental Health Services Division

Enclosures