



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



GAVIN NEWSOM  
GOVERNOR

September 18, 2020

Sent via e-mail to: [Phebe.Bell@co.nevada.ca.us](mailto:Phebe.Bell@co.nevada.ca.us)

Phebe Bell, Director  
Nevada County Behavioral Health  
500 Crown Point Circle, Ste. 120  
Grass Valley, CA 95945

SUBJECT: Annual County Compliance Unit Report

Dear Director Bell:

The Department of Health Care Services (DHCS) is responsible for monitoring compliance to requirements of the Substance Abuse Block Grant (SABG) and the terms of the Contract operated by Nevada County.

The County Compliance Unit (CCU) within the Audits and Investigations Division (A&I) of DHCS conducted a review of the County's compliance with contract requirements based on responses to the monitoring instrument, discussion with county staff, and supporting documentation provided by the County.

Enclosed are the results of Nevada County's State Fiscal Year 2019-20 SABG compliance review. The report identifies deficiencies, required corrective actions, advisory recommendations, and referrals for technical assistance.

Nevada County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the Community Services Division (CSD), Community Support Branch (CSB), Policy, Monitoring and Financing Section (PMFS) Analyst by 10/19/2020. Please use enclosed CAP plan form when completing the CAP. CAP and supporting documentation to be e-mailed to the PMFS analyst at [SABGcompliance@dhcs.ca.gov](mailto:SABGcompliance@dhcs.ca.gov).

If you have any questions regarding this report, please contact me at [Emanuel.hernandez@dhcs.ca.gov](mailto:Emanuel.hernandez@dhcs.ca.gov).

Sincerely,

Emanuel Hernandez  
(916) 713-8667  
[emanuel.hernandez@dhcs.ca.gov](mailto:emanuel.hernandez@dhcs.ca.gov)

Audits and Investigations Division  
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<b>Lead CCU Analyst:</b> Emanuel Hernandez	<b>Date of Review:</b> July 2020
<b>Assisting CCU Analyst(s):</b> N/A	
<b>County:</b> Nevada	<b>County Address:</b> 500 Crown Point Circle, Ste. 120 Grass Valley, Ca 95945
<b>County Contact Name/Title:</b> Suzanne McMaster/ AOD Program Manager	<b>County Phone Number/Email:</b> (530) 470-2418 Suzanne.mcmaster@co.nevada.ca.us
<b>Report Prepared by:</b> Emanuel Hernandez	<b>Report Approved by:</b> Lanette Castleman

## REVIEW SCOPE

- I. Regulations:
  - a. California Code of Regulations, Title 22, section 51341.1 – Drug Medi-Cal Substance Use Disorder Services
  - b. Code of Federal Regulations; Title 45, Part 96; Subpart L; section 96.121 through 96.137: Substance Abuse Prevention and Treatment Block Grant
  - c. United States Code, Title 42, Section 300x-21 through 300x-66: Block Grants regarding Mental Health and Substance Use
  - d. Health and Safety Code, Division 10.5, Section 11750 – 11970: Alcohol and Drug Programs
  
- II. Program Requirements:
  - a. State Fiscal Year (SFY) 2019-20 State County Contract, herein referred to as State County Contract
  - b. State of California *Youth Treatment Guidelines Revised August 2002*
  - c. DHCS *Perinatal Practice Guidelines FY 2018-19*
  - d. National Culturally and Linguistically Appropriate Services (CLAS)
  - e. Mental Health and Substance Use Disorders Services (MHSUDS) Information Notices

**SUMMARY OF SFY 2019-20 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>1</b>
<b>8.0 Privacy and Information Security</b>	<b>1</b>
<b>9.0 Fiscal</b>	<b>0</b>
<b>10.0 Previous CAP</b>	<b>0</b>

## CORRECTIVE ACTION PLAN

Pursuant to the State County Contract, Exhibit A, Attachment I A2, Part I, Section 3, B, 5-8 each compliance deficiency (CD) 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.

Please provide the following within the completed SFY 2019-20 CAP.

- a) A statement of the CD.
- b) A list of action steps to be taken to correct the CD.
- c) A date of completion for each CD.
- d) The name of the person who will be responsible for corrections and ongoing compliance.

The PMFS analyst will monitor progress of the CAP completion.

## 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 1.6:**

SABG State-County Contract, Exhibit A, Attachment I A2, Part I, Section 1, B, 3, b

3. As a subrecipient, the Contractor shall:

b. Comply with federal statutes, regulations, including 45 CFR Part 75, and terms and conditions of the SABG grant.

#### 45 CFR 75.329(f) (1-4)

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- (1) The item is available only from a single source;
- (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (3) The HHS awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- (4) After solicitation of a number of sources, competition is determined inadequate.

#### 45 CFR 75.333(b) (1)

(b) The non-Federal entity must make available upon request, for the HHS awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

- (1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;

**Findings:** The County did not demonstrate County compliance with procurement by noncompetitive proposal requirements for new service providers.

**CD 1.8:**

SABG State-County Contract Exhibit A, Attachment I A2, Part II, S

S. Byrd Anti-Lobbying Amendment (31 USC 1352)

Contractor certifies that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 USC 1352. Contractor shall also disclose to DHCS any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.

SABG State-County Contract Exhibit A, Attachment I A2, Part II, Y

Y. Subcontract Provisions

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

**Findings:** The County did not demonstrate all of the foregoing SABG State-County Contract Exhibit A, Attachment I A2, Part II general provisions are included in all executed subcontracts, including the Byrd Anti-Lobbying Amendment.



## 2.0 SABG MONITORING

The following deficiencies in the SABG monitoring requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 2.9:**

SABG State-County Contract Exhibit A, Attachment I A2, Part II, X, 1

X. Information Access for Individuals with Limited English Proficiency

1. Contractor shall comply with all applicable provisions of the Dymally-Alatorre Bilingual Services Act (Government Code sections 7290-7299.8) regarding access to materials that explain services available to the public as well as providing language interpretation services.

SABG State-County Contract Exhibit A, Attachment I A2, Part II, Y

Y. Subcontract Provisions

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

**Findings:** The County did not demonstrate all of the foregoing SABG State-County Contract Exhibit A, Attachment I A2, Part II general provisions are included in all executed subcontracts, including the Dymally-Alatorre Bilingual Services Act.

#### **CD 2.11:**

SABG State-County Contract Exhibit A, Attachment I A2, Part I, Section 1, B, 3, c-d

3. As a subrecipient, the Contractor shall:

- c. Evaluate and monitor its activities and the activities of all subcontractors for compliance with applicable statutes, regulations, and terms and conditions of the subaward.
- d. Address any instances of noncompliance promptly, including noncompliance identified in audit findings.

SABG State-County Contract Exhibit A, Attachment I A2, Part I, Section 1, C, 5

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.

**Findings:** The County did not have all SABG program requirements within their monitoring tool. The following criteria are missing:

- Charitable Choice.
- Interim Services.

**CD 2.12:**

SABG State-County Contract Exhibit A, Attachment I A2, Part I, Section 3, A, 1, e

1. Contractor's performance under this Exhibit A, Attachment I, Part I, shall be monitored by DHCS during the term of this Contract.
  - 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 shall 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

**Findings:** The County did not monitor all county and subcontracted providers for compliance with SABG programmatic and fiscal requirements. Specifically:

- For SFY 2018-2019 the County monitored one (1) of eight (8) County and subcontracted providers for SABG programmatic and fiscal requirements, and submitted reports of these monitoring reviews to DHCS.
- The County submitted zero (0) of one (1) SABG programmatic and fiscal monitoring reports secure and encrypted.

**7.0 CALIFORNIA OUTCOMES MEASUREMENT SYSTEM TREATMENT (CalOMS-Tx)  
AND DRUG AND ALCOHOL TREATMENT ACCESS REPORT (DATAR)**

The following deficiency in CalOMS-TX and DATAR regulations, standards, or protocol requirements was identified:

COMPLIANCE DEFICIENCY:

**CD 7.34.b:**

State-County Contract, Exhibit A, Attachment I A2, Part III, B, 3-6

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.
4. Contractor shall comply with data collection and reporting requirements established by the DHCS CalOMS-Tx Data Collection Guide (Document 3J) and all former Department of Alcohol and Drug Programs Bulletins and DHCS Information Notices relevant to CalOMS-Tx data collection.
5. Contractor shall submit CalOMS-Tx admission, 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.
6. Contractor shall comply with the CalOMS-Tx 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.

State-County Contract, Exhibit A, Attachment I A2, Part III, E, 3

3. 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 10<sup>th</sup> of the month following the report activity month.

**Findings:** The County’s Open Admission report is not current.

## 8.0 PRIVACY AND INFORMATION SECURITY

The following deficiency in Privacy and Information Security regulations, standards, or protocol requirements was identified:

### COMPLIANCE DEFICIENCY:

#### **CD 8.36:**

##### SABG State-County Contract Exhibit A, Attachment I A2, Part II, H

##### H. Health Insurance Portability and Accountability Act (HIPAA) of 1996

All work performed under this Contract is subject to HIPAA. Contractor shall perform the work in compliance with all applicable provisions of HIPAA. As identified in Exhibit F, DHCS and County shall cooperate to assure mutual agreement as to those transactions between them, to which this provision applies. Refer to Exhibit F for additional information.

##### State-County Contract Exhibit F A1, Exhibit F-1, 3, D, 4

##### 4. Security Officer.

Contractor shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with the Department.

##### State-County Contract Exhibit F A1, Exhibit F-2, 3, B, 10

##### 10. Designation of Individual Responsible for Security.

Contractor shall designate an individual, (e.g., Security Officer), to oversee its data security program who shall be responsible for carrying out the requirements of this Exhibit F-2 and for communicating on security matters with the Department.

##### State-County Contract Exhibit F A1, Attachment I, I, A

##### I. Personnel Controls.

- A. Employee Training. All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.

**Findings:** The County did not provide evidence of compliance with the regulations for information privacy and security training.

**TECHNICAL ASSISTANCE**

Nevada County did not request technical assistance for 2019/20.