



MICHELLE BAASS  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

November 5, 2021

Sent via e-mail to: <connie.moreno-peraza@maderacounty.com>

Connie Moreno-Peraza, Behavioral Health Services Director  
Madera County Behavioral Health Services  
209 E. 7<sup>th</sup> Street  
Madera, CA 93639

SUBJECT: Annual SABG County Compliance Unit Findings Report

Dear Director Moreno-Peraza:

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 Madera 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 Madera County's Fiscal Year 2020-21 SABG compliance review. The report identifies deficiencies, required corrective actions, advisory recommendations, and referrals for technical assistance.

Madera 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 1/5/2022. Please use enclosed CAP form and submit the completed CAP and supporting documentation by email to the PMFS analyst at [SABGcompliance@dhcs.ca.gov](mailto:SABGcompliance@dhcs.ca.gov).

If you have any questions, please contact me at [katrina.beedy@dhcs.ca.gov](mailto:katrina.beedy@dhcs.ca.gov).

Sincerely,

Katrina Beedy  
(916) 713-8811  
[katrina.beedy@dhcs.ca.gov](mailto:katrina.beedy@dhcs.ca.gov)

Audits and Investigations Division  
Medical Review Branch  
Behavioral Health Compliance Section  
County Compliance Unit  
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Distribution:

To: Director Connie Moreno-Peraza,

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Eric Rosen, Division Manager, Behavioral Health Services Division, Madera County

## COUNTY REVIEW INFORMATION

**County:**

Madera

**County Contact Name/Title:**

Connie Moreno-Peraza, Behavioral Health Services Director

**County Address:**

209 E. 7th St., Madera, CA 93639

**County Phone Number/Email:**

(559) 673-3508

Connie.moreno-peraza@maderacounty.com

**Date of Review:**

10/13/2021

**Lead CCU Analyst:**

Katrina Beedy

**Assisting CCU Analyst:**

N/A

**Report Prepared by:**

Katrina Beedy

**Report Approved by:**

Ayesha Smith

## 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. Fiscal Year (FY) 2020-21 Substance Abuse Block Grant (SABG) Application, herein referred to as the SABG Application
  - 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
  - f. Behavioral Health Information Notices (BHIN)

## ENTRANCE AND EXIT CONFERENCE SUMMARIES

### **Entrance Conference:**

An Entrance Conference was conducted via WebEx on 10/13/2021. The following individuals were present:

- Representing DHCS:  
Katrina Beedy, Associate Governmental Program Analyst (AGPA)
- Representing Madera County:  
Connie Moreno-Peraza, Behavioral Health Director  
Julie Morgan, Assistant Behavioral Health Director  
Eric Rosen, Behavioral Health Services Division Manager  
Carlton Holmes, Behavioral Health Services Fiscal Manager  
Eva Weikel, Supervising Administrative Analyst  
Maria Torres, Supervising MH Clinician  
Say Yang, Administrative Analyst I  
Alyssa Morris, Administrative Analyst I  
Sylvia Romero, Health Education Coordinator

During the Entrance Conference, the following topics were discussed:

- Introductions
- Overview of the monitoring process

### **Exit Conference:**

An Exit Conference was conducted via WebEx on 10/13/2021. The following individuals were present:

- Representing DHCS:  
Katrina Beedy, AGPA  
Joanne Cunanan, APGA  
Jamie Saunders, Staff Services Manager I (SSM I)
- Representing Madera County:  
Connie Moreno-Peraza, Behavioral Health Director  
Julie Morgan, Assistant Behavioral Health Director  
Eric Rosen, Behavioral Health Services Division Manager  
Carlton Holmes, Behavioral Health Services Fiscal Manager  
Eva Weikel, Supervising Administrative Analyst  
Maria Torres, Supervising MH Clinician  
Say Yang, Administrative Analyst I  
Alyssa Morris, Administrative Analyst I  
Sylvia Romero, Health Education Coordinator

During the Exit Conference, the following topics were discussed:

- Submitting follow-up evidence
- Due date for evidence submission

## SUMMARY OF FY 2020-21 COMPLIANCE DEFICIENCIES (CD)

<u>Section</u>	<u>Number of CD's</u>
1.0 Administration	6
2.0 Prevention	0
3.0 Perinatal	0
4.0 Adolescent/Youth Treatment	0
5.0 Data/CalOMS	2
6.0 Program Integrity	1
7.0 Fiscal	0

## **CORRECTIVE ACTION PLAN (CAP)**

Pursuant to the SABG County Application, Enclosure 1, Part I, Section 3, B, 5-8 each CD identified must be addressed via a CAP. The CAP is due within sixty (60) calendar days of the date of this monitoring report.

Please provide the following within the completed FY 2020-21 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.

## Category 1: ADMINISTRATION

A review of the County's Maintenance of Records, service providers, referrals, services, contracts, and general provisions was conducted to ensure compliance with applicable regulations and standards. The following deficiencies in regulations, standards or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD 1.1.3:**

SABG Application, Enclosure 2, III, 7

#### 7. Master Provider File (MPF) Documentation Requirements

The Department shall generate a County MPF Report for the County on the last day of each month and shall send the report to the County. The County shall review the County MPF Report and confirm whether the information, including:

the contract status and identification information for each provider listed in the County MPF Report, is accurate and up to date.

If any information contained in the County MPF Report is inaccurate or has changed, County shall send a written notification to the MPF mailbox at: [DHCSMPF@dhcs.ca.gov](mailto:DHCSMPF@dhcs.ca.gov) within five business days of the Department's issuance of the County MPF report.

If a Non-DMC provider's information is not accurate or has changed, the County shall submit the "Existing Provider Information Update/Change Form" to the MPF mailbox at: [DHCSMPF@dhcs.ca.gov](mailto:DHCSMPF@dhcs.ca.gov) within five business days of the Department's issuance of the County MPF report.

If the contract status has changed for either a DMC or Non-DMC provider, the County shall submit the "Existing Provider Information Update/Change Form" to the MPF mailbox at: [DHCSMPF@dhcs.ca.gov](mailto:DHCSMPF@dhcs.ca.gov) within five business days of the Department's issuance of the County MPF report.

Specific types of changes and/or inaccuracies include, but are not limited to, a change in an existing provider's contract status with the County, a change in scope of services, remodeling of the provider's facility, relocation or facility expansion, or closing of a facility site.

When establishing a new subcontractor relationship, the County shall submit the "New Provider Information Form (Non-DMC) Form" to request a new record be created in the MPF database to identify the new subcontractor. A new CalOMS Data Reporting Number (DRN) will be assigned to the facility. The County's obligation to review the accuracy of the records of their sub-contracted provider(s) extends to all county and out-of-county SUD providers, regardless of the funding source or DHCS licensing and/or certification status.

All SUD Provider Information forms can be requested from the MPF Team through the electronic mail address: [DHCSMPF@dhcs.ca.gov](mailto:DHCSMPF@dhcs.ca.gov)



**Findings:** The County did not demonstrate the Out of County Referral (OOCR) Log is accurate.

**CD 1.1.4:**

SABG Application, Enclosure 3, IV, 1, A

A. The County shall maintain sufficient books, records, documents, and other evidence necessary for DHCS to audit contract/agreement performance and compliance. The County shall make these records available to SAMHSA, Inspectors General, the Comptroller General, DHCS, or any of their authorized representatives upon request, to evaluate the quality and quantity of services, accessibility and appropriateness of services, and to ensure fiscal accountability. Regardless of the location or ownership of such records, they shall be sufficient to determine if costs incurred by County are reasonable, allowable, and allocated appropriately. All records must be capable of verification by qualified auditors.

**Findings:** The County did not make available an accurate list of all SABG-funded prevention and treatment programs utilized during fiscal year 2019-20.

**CD 1.2.1:**

SABG Application, Enclosure 2, I, 1, A, 1, f-g

1. Performance under the terms of this Enclosure is subject to all applicable federal and state laws, regulations, and standards. In accepting DHCS drug and alcohol SABG allocation pursuant to HSC Sections 11814(a) and (b), County shall: (i) establish, and shall require its subcontractors to establish, written policies and procedures consistent with the control requirements set forth below; (ii) monitor for compliance with the written procedures; and (iii) be accountable for audit exceptions taken by DHCS against the County and its subcontractors for any failure to comply with these requirements:
  - f. Code of Federal Regulations (CFR), Title 45, Part 75, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards.
  - g. CFR, Title 45, Part 96, Block Grants.

45 CFR 75.329(d)

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- 1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- 2) Proposals must be solicited from an adequate number of qualified sources;
- 3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
- 4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- 5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be

used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

**Findings:** The County did not provide evidence demonstrating a process for competitive procurement of SABG-funded prevention and treatment programs.

**CD 1.2.3:**

SABG Application, Enclosure 2, I, 1, A, 1, f-g

1. Performance under the terms of this Enclosure is subject to all applicable federal and state laws, regulations, and standards. In accepting DHCS drug and alcohol SABG allocation pursuant to HSC Sections 11814(a) and (b), County shall: (i) establish, and shall require its subcontractors to establish, written policies and procedures consistent with the control requirements set forth below; (ii) monitor for compliance with the written procedures; and (iii) be accountable for audit exceptions taken by DHCS against the County and its subcontractors for any failure to comply with these requirements:
  - f. Code of Federal Regulations (CFR), Title 45, Part 75, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards.
  - g. CFR, Title 45, Part 96, Block Grants.

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 the justification of procurement of SABG service providers with noncompetitive proposals included at least one or more of the following required elements:

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

The County did not make available a copy of the procurement proposal along with the justification for each noncompetitive SABG provider.

**CD 1.2.4:**

SABG Application, Enclosure 2, I, 3, C

C. Sub-recipient Pre-Award Risk Assessment

County shall comply with the sub-recipient pre-award risk assessment requirements contained in 45 CFR 75.205 (HHS awarding agency review of risk posed by applicants). County shall review the merit and risk associated with all potential subcontractors annually prior to making an award.

County shall perform and document annual sub-recipient pre-award risk assessments for each subcontractor and retain documentation for audit purposes.

**Findings:** The County did not provide evidence the County completes sub-recipient pre-award risk assessments with all potential subcontractors annually prior to making an award.

The County did not make available two (2) completed FY 2020-21 pre-award risk assessments for current SABG subcontracted providers as requested.

**CD: 1.5.9:**

SABG Application, Enclosure 2, II, 14

14. Tribal Communities and Organizations

County shall regularly review population information available through Census, compare to information obtained in the California Outcome Measurement System for Treatment (CalOMS-Tx) to determine whether the population is being reached, and survey Tribal representatives for insight in potential barriers to the substance use service needs of the American Indian/Alaskan Native (AI/AN) population within the County geographic area. Contractor shall also engage in regular and meaningful consultation and collaboration with elected officials of the tribe, Rancheria, or their designee for the purpose of identifying issues/barriers to service delivery and improvement of the quality, effectiveness, and accessibility of services available to AI/NA communities within the County.

SABG Application, Enclosure 2, II, 23

23. Subcontract Provisions

County shall include all of the foregoing provisions in all of its subcontracts.

**Findings:** The County did not make available evidence demonstrating all of the foregoing SABG Application, Enclosure 2, Section II general provisions are included in all executed subcontracts, specifically Tribal Communities and Organizations.

## Category 5: DATA/CALOMS

A review of data submissions via CalOMS was conducted to ensure compliance with applicable regulations and standards. The following deficiencies in regulations, standards or protocol requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **CD: 5.1.1:**

##### SABG Application, Enclosure 2, III, 2, G

- G. County shall participate in CalOMS-Tx informational meetings, trainings, and conference calls. County staff responsible for CalOMS-Tx data entry must have sufficient knowledge of the CalOMS-Tx Data Quality Standards. All new CalOMS-Tx users, whether employed by the County or its subcontractors, shall participate in CalOMS-Tx trainings prior to inputting data into the system.

**Findings:** The County did not make available evidence demonstrating staff responsible for CalOMS-Tx data entry participated in CalOMS-Tx trainings prior to inputting data into the system.

#### **CD: 5.1.2:**

##### SABG Application, Enclosure 2, III, 2, C-F

#### 2. California Outcomes Measurement System for Treatment (CalOMS-Tx)

The CalOMS-Tx business rules and requirements are:

- C. Electronic submission of CalOMS-Tx data shall be submitted by County within 45 days from the end of the last day of the report month.
- D. County shall comply with data collection and reporting requirements established by the DHCS CalOMS-Tx Data Collection Guide (<https://www.dhcs.ca.gov/provgovpart/Pages/CalOMS-Treatment.aspx>) and all former Department of Alcohol and Drug Programs Bulletins and DHCS Information Notices relevant to CalOMS Tx data collection.
- E. County 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.
- F. County shall comply with the CalOMS-Tx Data Compliance Standards established by DHCS for reporting data content, data quality, data completeness, reporting frequency, reporting deadlines, and reporting method, as identified online at:  
<https://www.dhcs.ca.gov/provgovpart/Pages/CalOMS-Treatment.aspx>

**Findings:** The County's Open Admissions Report is not in compliance.

## Category 6: PROGRAM INTEGRITY

A review of the SABG monitoring, privacy, and program integrity was conducted to ensure compliance with applicable regulations and standards. The following deficiency in regulations, standards or protocol requirements was identified:

### COMPLIANCE DEFICIENCY:

#### **CD 6.1.3:**

#### SABG Application Enclosure 2, I, 3, A, 1, a-e

1. County's performance under the County Performance Contract and the SABG County Application shall be monitored by DHCS during the term of the County Performance Contract. Monitoring criteria shall include, but not be limited to:
  - a. Whether the quantity of work or services being performed conforms to Enclosure 3.
  - b. Whether the County has established and is monitoring appropriate quality standards.
  - c. Whether the County is abiding by all the terms and requirements of this Contract.
  - d. Whether the County is abiding by the terms of the Perinatal Practice Guidelines.
  - e. Whether the County conducted annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. County shall submit copy of its monitoring and audit reports to DHCS within two weeks of issuance. Reports shall be sent by secure, encrypted e-mail to:

SUDCountyReports@dhcs.ca.gov or

Audits and Investigations Division  
Medical Review Branch  
Department of Health Care Services  
PO Box 997413, MS-2703  
Sacramento, CA 95899-7413

**Findings:** The County did not make available evidence it conducted an onsite monitoring review of each County managed and County subcontracted program providing SABG funded services during FY 19-20.

- The County monitored zero (0) of eight (8) SABG funded providers and did not submit audit reports of these annual reviews to DHCS.

## **TECHNICAL ASSISTANCE**

Madera County did not request technical assistance during this review.