



WILL LIGHTBOURNE  
DIRECTOR

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



GAVIN NEWSOM  
GOVERNOR

October 15, 2020

Sent via e-mail to: [lsalas@sierracounty.ca.gov](mailto:lsalas@sierracounty.ca.gov)

Lea Salas, Interim Director  
Sierra County Health and Human Services  
Post Office Box 7  
Loyalton, CA 96118

SUBJECT: Annual County Compliance Unit Report

Dear Director Salas:

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

Sierra 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 11/16/2020. 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 [michael.bivians@dhcs.ca.gov](mailto:michael.bivians@dhcs.ca.gov).

Sincerely,

Michael Bivians  
(916) 713-8966  
[michael.bivians@dhcs.ca.gov](mailto:michael.bivians@dhcs.ca.gov)

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

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Kathryn Hill, Sierra County Behavioral Health Clinical Director

<b>Lead CCU Analyst:</b> Michael Bivians  <b>Assisting CCU Analyst(s):</b> N/A	<b>Date of Review:</b> August 2020
<b>County:</b> Sierra	<b>County Address:</b> Post Office Box 7 Loyalton, CA 96118
<b>County Contact Name/Title:</b> Kathryn Hill, LMFT / Sierra County Behavioral Health Clinical Director	<b>County Phone Number/Email:</b> 530-993-6746 khill@sierracounty.ca.gov
<b>Report Prepared by:</b> Michael Bivians	<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>1</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>0</b>
<b>9.0 Fiscal</b>	<b>1</b>
<b>10.0 Previous CAP</b>	<b>1</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 deficiency in regulations, standards, or protocol requirements was identified:

### COMPLIANCE DEFICIENCY:

#### **CD 1.4:**

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

C. Sub-recipient Pre-Award Risk Assessment: 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.

**Findings:** The County did not conduct pre-award risk assessments for SFY 2019-20.

## 2.0 SABG MONITORING

The following deficiencies in the SABG monitoring requirements were identified:

### COMPLIANCE DEFICIENCIES:

#### **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 provide evidence to demonstrate all SABG program requirements are included within their monitoring tool. The following criteria are missing;

- Charitable Choice;
- Trafficking Victims Protection Act; and
- Minimum Quality Drug Treatment Standards 2F(b).



**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 2018-19, the County monitored zero (0) of three (3) County and sub-contracted providers for SABG programmatic requirements.

**CD 2.18:**

SABG State-County Contract Exhibit A, Attachment I A2, Part II, M 1-3

M. Tuberculosis Treatment

Contractor shall ensure the following related to Tuberculosis (TB):

1. Routinely make available TB services to each individual receiving treatment for AOD use and/or abuse.
2. Reduce barriers to patients' accepting TB treatment.
3. Develop strategies to improve follow-up monitoring, particularly after patients leave treatment, by disseminating information through educational bulletins and technical assistance.

**Findings:** The County did not provide evidence to demonstrate strategies to monitor beneficiaries after leaving treatment regarding Tuberculosis services.

**9.0 FISCAL**

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

COMPLIANCE DEFICIENCY:

**CD 9.38:**

SABG State-County Contract, Exhibit A, Attachment I A2, Part I, Section 2, A

A. Restrictions on Salaries

Contractor agrees that no part of any federal funds provided under this Contract shall be used by the Contractor or its subcontractors to pay the salary and wages of an individual at a rate in excess of Level I of the Executive Schedule. Salary and wages schedules may be found at [https://grants.nih.gov/grants/policy/salcap\\_summary.htm](https://grants.nih.gov/grants/policy/salcap_summary.htm). SABG funds used to pay a salary in excess of the rate of basic pay for Level I of the Executive Schedule shall be subject to disallowance. The amount disallowed shall be determined by subtracting the individual's actual salary from the Level I rate of basic pay and multiplying the result by the percentage of the individual's salary that was paid with SABG funds (Reference: Terms and Conditions of the SABG award).

**Findings:** The County did not provide evidence the County is monitoring compliance with regulations regarding SABG funds and the requirements on CEO salary caps.

## 10.0 PREVIOUS CAP(s)

During the SFY 2019-20 review, the following CAP with CD was discussed and is still outstanding.

### **CD 10.39:**

SABG State-County Contract, Exhibit A, Attachment I A2, Part I, Section 3, B, 8

8. If the Contractor does not submit a CAP, or, does not implement the approved CAP provisions within the designated timeline, then DHCS may withhold funds until the Contractor is in compliance. DHCS shall inform the Contractor when funds will be withheld.

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 75.514(e)

Audit follow-up.

- (e) The auditor must follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee in accordance with § 75.511(b), and report, as a current year audit finding, when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding. The auditor must perform audit follow-up procedures regardless of whether a prior audit finding relates to a major program in the current year.

**Findings:** The County did not demonstrate compliance with requirements to implement the approved CAP deficiency provision in a timely manner. SFY 2019-20, CD 2.9, specifically the County did not monitor two (2) of two (2) County providers for all SABG programmatic and fiscal requirements.

**TECHNICAL ASSISTANCE**

Sierra County did not request Technical Assistance during this review.