



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

February 21, 2017

Sent via e-mail to: sgrenfell@co.humboldt.ca.gov

Sue Grenfell, MFT, AOD Administrator
Humboldt County Department of Health and Human Services
720 Wood Street
Eureka, CA 95501

SUBJECT: State Fiscal Year (SFY) 2016-17 - County Monitoring Unit Report

Dear Administrator Grenfell:

Enclosed are the results of Humboldt County's 2016-17 Substance Abuse Prevention and Treatment (SAPT) Block Grant (BG)¹, and the State County Contract compliance review. The Department of Health Care Services (DHCS) is responsible for monitoring requirements of the SAPT BG and the terms of the State County Contract operated by Humboldt County.

The County Monitoring Unit (CMU) within the Performance Management Branch (PMB) 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.

Humboldt County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CMU Analyst by March 21, 2017. The CAP must follow the guidelines detailed within the attached report. Please reference the enclosed CAP instructions and email the CAP to the CMU Analyst. Supporting CAP documentation may be emailed or mailed to the address listed below. If you have any questions regarding this report or need assistance, please contact the CMU analyst.

Sincerely,

Cassandra Queen
CMU Analyst
(916) 327-2617
Cassandra.queen@dhcs.ca.gov

¹ Title 45 Code of Federal Regulations, Part 96, Subpart L – Substance Abuse Prevention and Treatment Block Grant requirements



County Monitoring Unit Report
Humboldt

Distribution:

- To: County Administrator Sue Grenfell, Humboldt County Department of Health and Human Services
- CC: Victoria King-Watson, Substance Use Disorder Program, Policy and Fiscal Division, Assistant Division Chief
Tracie Walker, Performance Management Branch, Section Chief
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Denise Galvez, Policy and Prevention Branch, Section Chief
Sandy Yien, Program Support and Grants Management Branch, Section Chief
Susan Jones, County Monitoring Unit, Supervisor
Cynthia Hudgins, Drug Medi-Cal Monitoring Unit I, Supervisor
Stephanie Quok, Drug Medi-Cal Monitoring Unit II, Supervisor
Danielle Stumpf, Office of Women, Perinatal and Youth Services, Supervisor
Tiffany Stover, Postservice Postpayment Unit I, Supervisor
Janet Rudnick, Postservice Postpayment Unit II, Supervisor
Trudi Romero, Policy and Prevention Branch, Office Technician

Date: February 21, 2017

Report Prepared by: *Cassandra Queen, County Monitoring Analyst*
Manager Approval: *Susan Jones, County Monitoring Supervisor*

Lead CMU Analyst:
Cassandra Queen

Review Date: 1/25/17

Assisting CMU Analyst(s):
N/A

Review Period: FY 2016/17

County: Humboldt

County Address:
720 Wood Street, Eureka, CA 95501

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 (SAPT BG), 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 Monitoring Unit (CMU).

CORRECTIVE ACTION PLAN

Pursuant to the State County Contract, Exhibit A, Attachment I, Part V, Section 4, 7, (a-b) each deficiency 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 Corrective Action Plan shall:

1. Address each programmatic deficiency;
2. Provide a specific description of how the deficiency will be corrected;
3. Identify the staff person responsible for correcting the deficiency and ensuring future compliance;
4. Specify the target date for complete implementation of each deficiency; and
5. As deficiencies are corrected, include training documentation, revised policies/procedures, and other materials which demonstrate the correction of a deficiency, if applicable.

The CMU analyst will monitor progress of CAP implementation until complete.

REVIEW SCOPE

- I. Regulations:
 - a. 22 CCR § 51341.1 – Drug Medi-Cal Substance Use Disorder Services
 - b. 9 CCR, Division 4, Chapter 4, Subchapter 1 – 6: Narcotic Treatment Programs
 - c. 45 CFR; Part 96; Subpart L; §96.121 through 96.137: Substance Abuse Prevention and Treatment Block Grant
 - d. 42 USC, Section 300x-21 through 300x-66: Substance Abuse Prevention and Treatment Block
 - e. HSC, Division 10.5, Section 11750 – 11970: State Department of Health Care

- II. Program Requirements:
 - a. State Fiscal Year (SFY) 14/15 - 16/17 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

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 1.5:

State County Contract, Exhibit A, Attachment I, Part I, G

No Substance Abuse Prevention and Treatment (SAPT) Block Grant funds made available through this Contract shall be used to carry out any program that includes the distribution of sterile needles or syringes for the hypodermic injection of any illegal drug unless the State chooses to implement a demonstration syringe services program for injecting drug users.

Exhibit A, Attachment I, Part I, X

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

Finding: The County does not include *Provision G* within subcontracted provider contracts.

CD 1.7:

State County Contract, Exhibit A, Attachment I, Part I, J

Any counselor or registrant providing intake, assessment of need for services, treatment or recovery planning, individual or group counseling to participants, patients, or residents in a DHCS licensed or certified program is required to be certified as defined in Title 9, CCR, Division 4, Chapter 8. (Document 3H).

Exhibit A, Attachment I, Part I, X

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

Finding: The County does not include provisions within subcontracted provider contracts.

2.0 SAPT BG MONITORING

The following deficiencies in the SAPT BG monitoring requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 2.15:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 2, B, 1, (a-j)
Performance under the terms of this Exhibit A, Attachment I A1, Part IV, is subject to all applicable federal and state laws, regulations, and standards. In accepting the State drug and alcohol combined program allocation pursuant to HSC Sections 11814(a) and (b), Contractor shall: (i) establish, and shall require its Subcontractors to establish, written policies and procedures consistent with the following requirements; (ii) monitor for compliance with the written procedures; and (iii) be held accountable for audit exceptions taken by the State against the Contractor and its Subcontractors for any failure to comply with these requirements:

- (a) HSC, Division 10.5, commencing with Section 11760;*
- (b) Title 9, California Code of Regulations (CCR) (herein referred to as Title 9), Division 4, commencing with Section 9000;*
- (c) Government Code Section 16367.8;*
- (d) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130;*
- (e) Title 42 United State Code (USC), Sections 300x-21 through 300x-31, 300x- 34, 300x-53, 300x-57, and 330x-65 and 66;*
- (f) The Single Audit Act Amendments of 1996 (Title 31, USC Sections 7501- 7507) and the Office of Management and Budget (OMB) Circular A-133 revised June 27, 2003 and June 26, 2007.*
- (g) Title 45, Code of Federal Regulations (CFR), Sections 96.30 through 96.33 and Sections 96.120 through 96.137;*
- (h) Title 42, CFR, Sections 8.1 through 8.634;*
- (i) Title 21, CFR, Sections 1301.01 through 1301.93, Department of Justice, Controlled Substances; and*
- (j) State Administrative Manual (SAM), Chapter 7200 (General Outline of Procedures). Contractor shall be familiar with the above laws, regulations, and guidelines and shall assure that its Subcontractors are also familiar with such requirements.*

Finding: The County's monitoring of county-run SAPT BG programs did not meet the following State County Contract requirements:

- (a-j) Policies and procedures submitted were written in draft.

CD 2.16:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 2, B, 1, (a-j)
Performance under the terms of this Exhibit A, Attachment I A1, Part IV, is subject to all applicable federal and state laws, regulations, and standards. In accepting the State drug and alcohol combined program allocation pursuant to HSC Sections 11814(a) and (b), Contractor shall: (i) establish, and shall require its Subcontractors to establish, written policies and procedures consistent with the following requirements; (ii) monitor for compliance

with the written procedures; and (iii) be held accountable for audit exceptions taken by the State against the Contractor and its Subcontractors for any failure to comply with these requirements:

- (a) HSC, Division 10.5, commencing with Section 11760;*
- (b) Title 9, California Code of Regulations (CCR) (herein referred to as Title 9), Division 4, commencing with Section 9000;*
- (c) Government Code Section 16367.8;*
- (d) Government Code, Article 7, Federally Mandated Audits of Block Grant Funds Allocated to Local Agencies, Chapter 1, Part 1, Division 2, Title 5, commencing at Section 53130;*
- (e) Title 42 United State Code (USC), Sections 300x-21 through 300x-31, 300x- 34, 300x-53, 300x-57, and 330x-65 and 66;*
- (f) The Single Audit Act Amendments of 1996 (Title 31, USC Sections 7501- 7507) and the Office of Management and Budget (OMB) Circular A-133 revised June 27, 2003 and June 26, 2007.*
- (g) Title 45, Code of Federal Regulations (CFR), Sections 96.30 through 96.33 and Sections 96.120 through 96.137;*
- (h) Title 42, CFR, Sections 8.1 through 8.634;*
- (i) Title 21, CFR, Sections 1301.01 through 1301.93, Department of Justice, Controlled Substances; and*
- (j) State Administrative Manual (SAM), Chapter 7200 (General Outline of Procedures). Contractor shall be familiar with the above laws, regulations, and guidelines and shall assure that its Subcontractors are also familiar with such requirements.*

Finding: The County's monitoring of subcontracted SAPT BG providers did not meet the following State County Contract requirements:

- (a-j) Policies and procedures submitted were written in draft.

CD 2.18:

State County Contract Exhibit A, Attachment I, Part IV, Section 3, A, 1, (a-e)

Contractor's performance under this Exhibit A, Attachment I A2, Part IV, shall be monitored by the State during the term of this Contract. Monitoring criteria shall include, but not be 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) Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements.*

Contractor shall submit copy of their 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 - Prevention, Treatment and Recovery Services
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 SAPT BG program requirements within the tool. The following criteria are missing:

- DHCS 16/17 Perinatal Services Network Guidelines
- DHCS Youth Treatment Guidelines
- Tuberculosis Services
- Charitable Choice
- Intravenous Drug User Services
- Interim Services
- California Outcomes Measurement System (CalOMS) Treatment (Tx)
- CalOMS Prevention (Pv)
- Drug and Alcohol Treatment Access Report (DATAR)
- Primary Prevention
- Cultural Competence
- National Culturally and Linguistically Appropriate Services (CLAS) Standards
- Americans with Disabilities Act
- Nondiscrimination in Services and Employment
- Trafficking Victims Protection Act of 2000
- Fiscal Requirements

CD 2.20:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)
Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their 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 - Prevention, Treatment and Recovery Services
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 SAPT BG program requirements.

CD 2.21:

State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)
Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their 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 - Prevention, Treatment and Recovery Services
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 SAPT BG monitoring and auditing for SFY 15/16 to DHCS within two weeks of report issuance.

CD 2.22:

*State County Contract Exhibit A, Attachment I A2, Part IV, Section 3, A, 1, (e)
Contractor shall conduct annual onsite monitoring reviews of services and subcontracted services for programmatic and fiscal requirements. Contractor shall submit copy of their 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 - Prevention, Treatment and Recovery Services
Division, Performance Management Branch, Department of Health Care Services, PO Box 997413, MS-2627
Sacramento, CA 95899-7413*

Finding: The County did not submit any of their SAPT BG monitoring reports encrypted and secure when submitting reports electronically.

3.0 DRUG MEDI-CAL

The following DMC deficiencies in regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 3.25.b:

State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 1 (b)

Contractor shall conduct, at least annually, a utilization review of DMC providers to assure covered services are being appropriately rendered. The annual review must include an on-site visit of the service provider. Reports of the annual review shall be provided to the Department's Performance Management Branch at:

Substance Use Disorder - Prevention, Treatment and Recovery Services Division, Performance Management Branch

Department of Health Care Services

PO Box 997413, MS-2621

Sacramento, CA 95899-7413;

Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov

Review reports shall be provided to the State within 2 weeks of completion by the Contractor.

Finding: The County did not provide the appropriate number of completed DMC monitoring tools (one) for FY 2015-16 based on the size of the County. County sizes are indicated below:

- i) MBA and Small counties – one (1) completed DMC review
- ii) Medium counties – two (2) completed DMC reviews
- iii) Large counties – three (3) completed DMC reviews

CD 3.25.c:

State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 1 (b)

Contractor shall conduct, at least annually, a utilization review of DMC providers to assure covered services are being appropriately rendered. The annual review must include an on-site visit of the service provider. Reports of the annual review shall be provided to the Department's Performance Management Branch at:

Substance Use Disorder - Prevention, Treatment and Recovery Services Division, Performance Management Branch

Department of Health Care Services

PO Box 997413, MS-2621

Sacramento, CA 95899-7413;

Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov

Review reports shall be provided to the State within 2 weeks of completion by the Contractor.

Finding: The County did not provide monitoring reports, CAPs, and provider CAP implementation status in response to question number 25(b) of the FY 2016-17 monitoring instrument.

CD 3.25.d:

State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 1 (b)

Contractor shall conduct, at least annually, a utilization review of DMC providers to assure covered services are being appropriately rendered. The annual review must include an on-site visit of the service provider. Reports of the annual review shall be provided to the Department's Performance Management Branch at:

Substance Use Disorder - Prevention, Treatment and Recovery Services Division, Performance Management Branch

Department of Health Care Services

PO Box 997413, MS-2621

Sacramento, CA 95899-7413;

Or by secure, encrypted email to: SUDCountyReports@dhcs.ca.gov

Review reports shall be provided to the State within 2 weeks of completion by the Contractor.

Finding: The County did not submit DMC monitoring reports securely to DHCS within two weeks of report issuance.

CD 3.31:

State County Contract Exhibit A, Attachment I, Part V, Section 4, B, 4, (b)

Counties shall be responsible for investigating complaints and providing the results of all investigations to the Department e-mail address by secure, encrypted e-mail to:

SUDCountyReports@dhcs.ca.gov within two (2) business days of completion.

Finding: The County did not submit DMC complaints and results of the investigations to DHCS as indicated in the requirements above.

CD 3.32:

State County Contract Exhibit A, Attachment I, A2 Part III, C

Contractors or providers that bill the State or the County for services identified in Section 51516.1 of Title 22 shall submit claims in accordance with the Department of Health Care Services DMC Provider Billing Manual. Contractors and Subcontractors that provide DMC services shall be responsible for verifying the Medi-Cal eligibility of each client for each month of service prior to billing for DMC services to that client for that month. Medi-Cal eligibility verification should be performed prior to rendering service, in accordance with and as described in the Department of Health Care Services DMC Provider Billing Manual. Options for verifying the eligibility of a Medi-Cal beneficiary are described in the Department of Health Care Services DMC Provider Billing Manual.

Finding: The County does not check client's Medi-Cal eligibility monthly.

4.0 PERINATAL

After review of the program's protocols, policies and procedures, no deficiencies were cited.

5.0 ADOLESCENT/YOUTH TREATMENT (AYT)

The following deficiencies in Adolescent/Youth Treatment regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 5.43:

State County Contract, Exhibit A, Attachment I, Part I, Q, Document 1V –Youth Treatment Guidelines

Contractor will follow the guidelines in Document 1V, incorporated by this reference, “Youth Treatment Guidelines,” in developing and implementing youth treatment programs funded under this Exhibit, until such time a new Youth Treatment Guideline are established and adopted. No formal amendment of this contract is required for new guidelines to be incorporated into this contract.

Youth Treatment Guidelines 2002

Section VI, Service Coordination and Collaboration, A, Case Management and Complementary Services (1-4)

Case Management and Complementary Services Except for early intervention programs, programs should provide or arrange for case management services for every youth in treatment. If the case manager function is provided directly by the treatment program, the case manager should:

1. *Have training and skills in the following areas:*
 - a. *AOD treatment, an understanding of addiction, and the intergenerational nature of AOD abuse;*
 - b. *familiarity with community resources and other youth service systems (education, child welfare, juvenile justice, mental health, etc.);*
 - c. *physical and sexual abuse;*
 - d. *family dynamics; and,*
 - e. *legal issues (informed consent for minors, disclosure of confidential information, child abuse/neglect reporting requirements, and duty to-warn issues).*

Finding: The County’s response did not demonstrate that case management staff are trained and skilled in the following AYT service requirements:

- AOD treatment, an understanding of addiction, and the intergenerational nature of AOD abuse;
- familiarity with community resources and other youth service systems;
- physical and sexual abuse;
- family dynamics; and,
- legal issues.

6.0 FISCAL AUDITING

The following deficiencies in Fiscal Auditing regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 6.48:

State County Contract, Exhibit B, A3, Part 3, Section 3, F

Providers of DMC services shall, upon request, make available to the State their fiscal and other records to assure that such provider have adequate recordkeeping capability and to assure that reimbursement for covered DMC services are made in accordance with Title 22, CCR, Section 51516.1. These records include, but are not limited to, matters pertaining to:

- 1) Provider ownership, organization, and operation;*
- 2) Fiscal, medical, and other recordkeeping systems;*
- 3) Federal income tax status;*
- 4) Asset acquisition, lease, sale, or other action;*
- 5) Franchise or management arrangements;*
- 6) Patient service charge schedules;*
- 7) Costs of operation;*
- 8) Cost allocation methodology;*
- 9) Amounts of income received by source and purpose; and,*
- 10) Flow of funds and working capital.*

Finding: The documentation the County provided does not adequately demonstrate DMC services are reimbursed.

7.0 PRIMARY PREVENTION

After review of the program's protocols, policies and procedures, no deficiencies were cited.

8.0 CULTURAL COMPETENCE

After review of the program’s protocols, policies and procedures, no deficiencies were cited.

9.0 ELECTRONIC HEALTH RECORDS (EHR)

After review of the program's protocols, policies and procedures, no deficiencies were cited.

10.0 CALIFORNIA OUTCOMES MEASUREMENT SYSTEM TREATMENT (CalOMS Tx) AND DRUG AND ALCOHOL TREATMENT ACCESS REPORT (DATAR)

The following deficiencies in CalOMS and DATAR regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 10.57.b:

State County Contract, Exhibit A, Attachment I, Part III, F, (3)

Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non-DMC funds.

Finding: The County's and its provider(s) did not report any CalOMS Tx data, and did not generate a Provider No Activity (PNA) report.

CD 10.57.d:

State County Contract, Exhibit A, Attachment I, Part III, F, (3)

Contractor shall comply with the treatment and prevention data quality standards established by the State. Failure to meet these standards on an ongoing basis may result in withholding non-DMC funds.

Finding: The County and its provider(s) annual updates or client discharges for beneficiaries in treatment over one year were not submitted.

CD 10.57.e:

State County Contract, Exhibit A, Attachment I, Part III, G (1), (2)

1. The Contractor shall be responsible for ensuring that the Contractor-operated treatment services and all treatment providers with whom Contractor makes a contract or otherwise pays for the services, submit a monthly DATAR report in an electronic copy format as provided by the State.

2. The Contractor shall ensure that all DATAR reports are submitted by either Contractor-operated treatment services and by each subcontracted treatment provider to the State by the 10th of the month following the report activity month.

Finding: The County does not submit DATAR reports by the 10th of each month.

11.0 PRIVACY AND INFORMATION SECURITY

The following deficiencies in Privacy and Information Security regulations, standards, or protocol requirements were identified:

COMPLIANCE DEFICIENCIES:

CD 11.60:

State County Contract, Exhibit G-3, Attachment A, 1, A.

Employee Training. *All workforce members who assist in the performance of functions or activities on behalf of the Department, or access or disclose Department PHI or PI must complete information privacy and security training, at least annually, at Contractor'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 termination of this Agreement.*

Finding: The County did not provide documentation of annual privacy and security training.

CD 11.62:

State County Contract, Exhibit G-3, Attachment A, 1, C.

Confidentiality Statement. *All persons that will be working with Department PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to Department PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for Department inspection for a period of six (6) years following termination of this Agreement.*

Finding: The County does not renew employee's confidentiality statement annually.

CD 11.63:

State County Contract, Exhibit G-3, Attachment A, 1, C.

Confidentiality Statement. *All persons that will be working with Department PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to Department PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for Department inspection for a period of six (6) years following termination of this Agreement.*

Finding: The County did not demonstrate program staff renew their confidentiality statement annually.

CD 11.64:

State County Contract, Exhibit G-3, Attachment A, 1, 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.

Finding: The County does not perform background checks on staff prior to accessing Department PHI or PI.

CD 11.64.a:

State County Contract, Exhibit G-3, Attachment A, 1, 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.*

Finding: The County does not retain background checks for a minimum of three (3) years.

CD 11.72:

State County Contract, Exhibit G-3, Attachment A, 4, B.

Data Backup Plan. *Contractor must have established documented procedures to backup Department PHI to maintain retrievable exact copies of Department PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore Department PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of Department data.*

Finding: The County's written procedures submitted in draft were of a data backup plan that did not include the following:

- Storing backups offsite
- An estimate of the amount of time needed to restore Department PHI or PI should it be lost

CD 11.73:

State County Contract, Exhibit G-1, 3, D, 2-3

2) **Compliance with the HIPAA Security Rule.** *To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section 164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.*

- 3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
- a. Complying with all of the data system security precautions listed in Attachment A, Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement; and
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A- 130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

Finding: The County does not meet the DHCS expectations for Compliance with the HIPAA Security Rule.

CD 11.74:

State County Contract, Exhibit G-1, 3, D, 2-3

2) **Compliance with the HIPAA Security Rule.** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section 164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.

- 3) **Security.** Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
- a. Complying with all of the data system security precautions listed in Attachment A, Data Security Requirements;
 - b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement; and
 - c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A- 130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.

Finding: The County does not have policies and procedures implemented that address PHI privacy and security, and did not provide a signed and dated copy of the requested document.

CD 11.74.a:

State County Contract, Exhibit G-1, 3, D, 2-3

2) **Compliance with the HIPAA Security Rule.** *To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Department PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of the Department, in compliance with 45 CFR Sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of Department PHI other than as provided for by this Agreement. Contractor shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR Section 164, subpart C, in compliance with 45 CFR Section 164.316. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Contractor will provide the Department with its current and updated policies upon request.*

3) **Security.** *Contractor shall take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:*

- a. Complying with all of the data system security precautions listed in Attachment A, Data Security Requirements;*
- b. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement; and*
- c. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A- 130, Appendix III- Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies.*

Finding: The County does not have policies and procedures that include a section regarding Security.

CD 11.75:

State County Contract, Exhibit G-1, 7, a - b

a. As required by HIPAA, the HITECH Act and the HIPAA regulations, including 45 CFR Sections 164.308 and 164.314, Contractor shall incorporate, when applicable, the relevant provisions of this Exhibit G-1 into each subcontract or subaward to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI be reported to Contractor.

b. In accordance with 45 CFR Section 164.504(e)(1)(ii), upon Contractor's knowledge of a material breach or violation by its subcontractor of the agreement between Contractor and the subcontractor, Contractor shall:

- i) Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by the Department; or*
- ii) Immediately terminate the agreement if the subcontractor has breached.*

Finding: The County does not include sections within sub-contractors' county-provider contract that addresses compliance with security incidents or breaches of unsecured PHI.

12.0 TECHNICAL ASSISTANCE

Humboldt County did not request technical assistance during FY 2016/17.