



JENNIFER KENT
DIRECTOR

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



EDMUND G. BROWN JR.
GOVERNOR

May 16, 2017

Sent via e-mail to: Todd.Metcalf@lakecountyca.gov

Todd Metcalf, Interim Director
Lake County Behavioral Health
6302 Thirteenth Avenue
PO Box 1024
Lucerne, CA 95458

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

Dear Director Metcalf:

Enclosed are the results of Lake 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 Lake 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.

Lake County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CMU Analyst by June 15, 2017. The CAP must follow the guidelines detailed within the attached report. Please reference the enclosed CAP instructions and e-mail the CAP to the CMU Analyst. Supporting CAP documentation may be e-mailed or mailed to the address listed below. If you have any questions regarding this report or need assistance, please contact the CMU analyst.

Sincerely,

Angela Duhart
CMU Analyst
(916) 327-2661
Angela.duhart@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
Lake County

Distribution:

To: Todd Metcalf, Interim Director, Lake County Behavioral Health (LCBH)

CC: Victoria King-Watson, Substance Use Disorder Program, Policy and Fiscal Division, Assistant Division Chief
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Kevin Thompson, Interim Behavioral Health Director - LCBH

Date: May 16, 2017

Report Prepared by: *Angela Duhart, County Monitoring Analyst*
Manager Approval: *Susan Jones, County Monitoring Supervisor*

Lead CMU Analyst:
Angela Duhart

Review Date: March 2017

Assisting CMU Analyst(s):
N/A

Review Period: SFY 2016-17

County: Lake

County Address:
6302 Thirteenth Avenue
P.O. Box 1024
Lucerne, CA 95458

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:

CD 1.3:

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

Contractor agrees that information produced through these funds, and which pertains to drugs and alcohol - related programs, shall contain a clearly written statement that there shall be no unlawful use of drugs or alcohol associated with the program. Additionally, no aspect of a drug or alcohol - related program shall include any message on the responsible use, if the use is unlawful, of drugs or alcohol (HSC Section 11999-11999.3). By signing this Contract, Contractor agrees that it will enforce, and will require its Subcontractors to enforce, these requirements.

Exhibit A, Attachment I, X

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

Finding: The County does not have the provision *D* within subcontracted provider contracts.

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 the provision *G* within subcontracted provider contracts.

2.0 SAPT BG MONITORING

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

COMPLIANCE DEFICIENCIES:

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 their monitoring tool. The following criteria are missing:

- DHCS *Youth Treatment Guidelines*
- 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 reports for SFY 15/16 to DHCS within two weeks of report issuance.

3.0 DRUG MEDI-CAL

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

COMPLIANCE DEFICIENCIES:

CD 3.27:

State County Contract Exhibit A, Attachment I, Part V, Section 2 B-1 (a)

... Contractor shall have a documented system for monitoring and evaluating accessibility of care, including a system for addressing problems that develop regarding waiting times and appointments.

Finding: The County did not provide a copy of policies and procedures in place for monitoring and evaluating system of care, including a system for addressing problems that develop regarding waiting times and appointments.

4.0 PERINATAL

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

5.0 ADOLESCENT/YOUTH TREATMENT (AYT)

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

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: County did not provided documentation that adequately demonstrates 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.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: Provider #171722, Redwood Community Services, Inc., does not submit DATAR reports by the 10th of each month.

CD 10.58:

State County Contract, Exhibit A, Attachment I, Part III, D (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.

Finding: The County does not adequately monitor their CalOMS Tx report(s):

- Open Admissions Report
- Open Providers Report
- DATAR

11.0 PRIVACY AND INFORMATION SECURITY

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

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 procedure that include a section regarding Security.

CD 11.78:

State County Contract, Exhibit G-1,13 (a-c)

Exhibit G-2, 9 (a-c)

Breaches and Security Incidents. During the term of this Agreement, Contractor agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:

- a. **Initial Notice to the Department.** (1) To notify the Department immediately by telephone call or email or fax upon the discovery of a breach of unsecured PHI in electronic media or in any other media if the PHI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person. (2) To notify the Department within 24 hours (one*

hour if SSA data) by email or fax of the discovery of any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI in violation of this Agreement or this ExhibitG-1, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Contractor as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Contractor. Notice shall be provided to the Information Protection Unit, Office of HIPAA Compliance. If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI, notice shall be provided by calling the Information Protection Unit (916.445.4646, 866-866-0602) or by emailing (privacyofficer@dhcs.ca.gov). Notice shall be made using the DHCS "Privacy Incident Report" form, including all information known at the time. Contractor shall use the most current version of this form, which is posted on the DHCS information Security Officer website (www.dhca.ca.gov, then select "Privacy" in the left column and then "Business Partner" near the middle of the page) or use this link [Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of Department PHI, Contractor shall take:](#)

- i) Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
 - ii) Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
- a. **Investigation and Investigation Report.** To immediately investigate such suspected security incident, security incident, breach, or unauthorized access, use or disclosure of PHI. Within 72 hours of the discovery, Contractor shall submit an updated "Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the Information Protection Unit.
- b. **Complete Report.** To provide a complete report of the investigation to the Department Program Contract Manager and the Information Protection Unit within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall be submitted on the "Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, and the HIPAA regulations. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If the Department requests information in addition to that listed on the "Privacy Incident Report" form, Contractor shall make reasonable efforts to provide the Department with such information. If, because of the circumstances of the incident, Contractor needs more than ten (10) working days from the discovery to submit a complete report, the Department may grant a reasonable extension of time, in which case Contractor shall submit periodic updates until the complete report is submitted. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "Privacy Incident Report" form. The Department will review and approve the determination of whether a breach occurred and whether individual notifications and a corrective action plan are required.

Finding: The County did not demonstrate a process in place for reporting breached or security incidents that include:

- Notifying DHCS immediately by telephone, e-mail, or fax
- Notifying DHCS within 24 hours of a suspected security incident
- Utilizing “Privacy Security Incident Report” form
- Submitting “Privacy Incident Report” form within 72 hours
- Providing a complete report within 10 working days of breach or disclosure

12.0 TECHNICAL ASSISTANCE

County did not request any Technical Assistance for fiscal year 2016-17.