



JENNIFER KENT  
DIRECTOR

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



EDMUND G. BROWN JR.  
GOVERNOR

April 25, 2017

Sent via e-mail to: [tdurick@tularehhsa.org](mailto:tdurick@tularehhsa.org)

Timothy D. Durick, PsyD, Director, AOD Administrator  
Mental Health Department  
Tulare County Health and Human Services Agency  
5957 South Mooney Boulevard  
Visalia, CA 93277-9394

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

Dear Director Durick:

Enclosed are the results of Tulare County's 2016-17 Substance Abuse Prevention and Treatment (SAPT) Block Grant (BG)<sup>1</sup>, 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 Tulare 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.

Tulare County is required to submit a Corrective Action Plan (CAP) addressing each deficiency noted to the CMU Analyst by May 25, 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,

Trang Huynh  
CMU Analyst  
(916) 650-0529  
[Trang.huynh@dhcs.ca.gov](mailto:Trang.huynh@dhcs.ca.gov)

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



**County Monitoring Unit Report**  
Tulare County

Distribution:

To: Timothy Durick, PsyD, Director  
Mental Health Department

CC: Victoria King-Watson, Substance Use Disorder Program, Policy and Fiscal Division, Assistant Division Chief  
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Denise Galvez, Policy and Prevention Branch, Section Chief  
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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  
Forrest McLean, Tulare County Health & Human Services, HHSA Unit Manager  
Niki Moquist, Tulare County Health & Human Services, Staff Services Analyst III

Date: April 25, 2017

Report Prepared by: *Trang Huynh, County Monitoring Analyst*  
Manager Approval: *Susan Jones, County Monitoring Supervisor*

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**Lead CMU Analyst:**  
Trang Huynh

**Review Date:** March 2017

**Assisting CMU Analyst(s):**  
N/A

**Review Period:** SFY 2016-17

**County:** Tulare

**County Address:**  
5957 South Mooney Boulevard  
Visalia, CA 93277-9394

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 1.7:**

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 2.20:**

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](mailto: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](mailto: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.

#### **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](mailto: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 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.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](mailto: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 3.26:**

State County Contract Exhibit A, Attachment I, Part V, Section 4 B-2 (a)

*Contractor shall ensure that all Subcontractors receive training on the requirements of Title 22 regulations and DMC requirements at least annually. Documented attendance of any subcontracted provider at the annual trainings offered by DHCS (specified in Section 4, paragraph (A) (3) of this contract) shall suffice to meet the requirements of this provision.*

*Contractor shall report compliance with this section to DHCS annually as part of the DHCS County monitoring process.*

**Finding:** The County has not provided annual training, current training materials and current sign-in sheets for Title 22 training.

##### **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

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

## 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 provider's annual updates or client discharges, for beneficiaries in treatment over one year, were not submitted.



## 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 current documentation of annual privacy and security training.

#### **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's did not demonstrate program staff renew their confidentiality statement annually.

#### **CD 11.65**

State County Contract, Exhibit G-3, Attachment A, 2, C.

**Minimum Necessary.** Only the minimum necessary amount of Department PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.

**Finding:** The County did not demonstrate that only the minimum necessary amount of Department PHI or PI is copied, downloaded, or exported to perform business functions.

#### **CD 11.69:**

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

**System Security Review.** Contractor must ensure audit control mechanisms that record and examine system activity are in place. All systems processing and/or storing Department PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.

**Finding:** The County does not conduct an annual system risk assessment/security review.

**CD 11.71:**

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

**Emergency Mode Operation Plan.** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of Department PHI or PI held in an electronic format in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.

**Finding:** The County did not provide a copy of the Emergency Mode Operation Plan or similar document.

**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 did not provide written procedures of a data backup plan that include some or all of the following:

- A regular schedule for making backups
- An inventory of backup media
- An estimate of the amount of time needed to restore Department PHI or PI should it be lost

**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 has a section, within subcontracts, that addresses compliance with security incidents or breaches of unsecured PSCI but does not speak to PHI incidents or breaches.

**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](mailto: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](http://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

The County did not make any requests for technical assistance.