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MATERNAL AND CHILD HEALTH FEDERAL CONSOLIDATED PROGRAMS

State Project/Program: NC MATERNAL MENTAL HEALTH MATTERS (MAKING ACCESS TO TREATMENT, EVALUATION, RESOURCES & SCREENING BETTER) PROGRAM

U. S. Department of Health and Human Services

Federal Authorization: Public Health Service Act, Title III, Part B, Sec. 317L1, as amended by the 21st Century Cures Act (2016)

State Authorization: N/A

**N. C. Department of Health and Human Services
Division of Public Health**

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SFY 2021 audit confirmation reports for payments made to Counties, Local Management Entities (LMEs), Managed Care Organizations (MCOs), Boards of Education, Councils of Government, District Health Departments and DHSR Grant Subrecipients will be available by mid-October at the following web address: <https://www.ncdhhs.gov/about/administrative-offices/office-controller/audit-confirmation-reports>. At this site, click on the link entitled "Audit Confirmation Reports (State Fiscal Year 2020-2021)". Additionally, audit confirmation reports for Nongovernmental entities receiving financial assistance from DHHS are found at the same website except "[Non-Governmental Audit Confirmation Reports \(State Fiscal Years 2019-2021\)](#)".

The auditor should not consider the Supplement to be "safe harbor" for identifying audit procedures to apply in a particular engagement, but the auditor should be prepared to justify departures from the suggested procedures. The auditor can consider the supplement a "safe harbor" for identification of compliance requirements to be tested if the auditor performs reasonable procedures to ensure that the requirements in the Supplement are current.

The grantor agency may elect to review audit working papers to determine that audit tests are adequate.

Auditors may request documentation of monitoring visits by the State Agencies.

This compliance supplement must be used in conjunction with the OMB 2021 Compliance Supplement which will be issued in the summer. This includes "Part 3 - Compliance Requirements," for the types that apply, "Part 6 - Internal Control," and "Part 4 - Agency Program" requirements if the Agency issued guidance for a specific program. The OMB Compliance Supplement is Section A of the State Compliance Supplement.

NC MATERNAL MENTAL HEALTH MATTERS (MAKING ACCESS TO TREATMENT, EVALUATION, RESOURCES & SCREENING BETTER) PROGRAM

I. PROGRAM OBJECTIVES

The North Carolina Maternal Mental Health MATTERS (Making Access to Treatment, Evaluation, Resources & Screening Better) Program will augment and strengthen systems for pregnant and postpartum women associated with maternal depression and related behavioral health disorders. The North Carolina Department of Health and Human Services (DHHS), Division of Public Health (DPH), Women's and Children's Health Section (WCHS) is the state Title V agency charged to plan and support the State's perinatal care system and is the applicant agency for this funding opportunity announcement. WCHS with its key partners, University of North Carolina at Chapel Hill, Duke University School of Medicine, Community Care of North Carolina, and its sister division/offices, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services and the Office of Rural Health, will work collaboratively to improve the behavioral health systems for pregnant and parenting women in our state.

II. PROGRAM PROCEDURES

The NC MATTERS Program is designed to enhance existing efforts being implemented in our state through the North Carolina Pediatric Access Line (NC-PAL). In NC MATTERS Program was built on the experience of NC-PAL, which provides timely access to consultation with a pediatric psychiatrist and social worker for primary care providers in six North Carolina counties (Franklin, Granville, Halifax, Person, Vance, and Warren). Under the leadership of a team of psychiatrists at Duke University School of Medicine, infrastructure to receive incoming telephone consultation and outreach has been established with 39 practices in the six-county area.

Funding for the NC MATTERS Program was awarded to supplement the NC-PAL program to include perinatal services for providers of pregnant and postpartum women and to expand services across the state. NC MATTERS also expanded upon the work of the Department of Psychiatry with the University of North Carolina at Chapel Hill. The Perinatal Psychiatry Program has an integrated clinical and research mission and provides assessment and treatment, including both psychotherapy and medication for women with depression, anxiety, and other related behavioral health disorders during pregnancy and the postpartum period through inpatient and outpatient services.

NC MATTERS will augment the efforts of the UNC Perinatal Psychiatry Department to include telepsychiatry services for patients with their providers in rural areas of the state and work collaboratively with the NC Statewide Telepsychiatry Program (NC-STeP), developed in response to legislation by the NC General Assembly. NC-STeP was instituted so that an individual presenting at a hospital emergency department with an acute behavioral health crisis will receive timely specialized psychiatric assessment via video conferencing technology. This initiative will be a resource to the NC MATTERS program to strengthen our system of care for pregnant and postpartum women.

Through the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMHDDSAS), a key partner with the Divisions of Public Health and Medical Assistance (Medicaid), North Carolina utilizes Local Management Entities. Managed Care Organizations (LME-MCOs) who are responsible for managing, coordinating, facilitating, and monitoring the provision of publicly funded mental health, developmental disabilities, and substance use services around the state. The LME-MCOs contract with private providers for behavioral health services in NC and are often the point of contact for entering the treatment system. As part of the NC MATTERS Program, the work of LME-MCOs will be enhanced to provide services for pregnant and postpartum women and the role staff have in their care. DMHDDSAS works closely with those with lived experience that will offer insight to this Program's work.

NC MATERNAL MENTAL HEALTH MATTERS (MAKING ACCESS TO TREATMENT, EVALUATION, RESOURCES & SCREENING BETTER) PROGRAM

NC MATTERS will also build upon the work of North Carolina’s Pregnancy Medical Home/Pregnancy Care Management statewide program that employ registered nurses and degreed social workers to provide care management services for low income pregnant and postpartum women in our state. Local health departments, that provide prenatal care services, currently screen women for depression during the prenatal period. Pregnancy Medical Homes, inclusive of local health departments, screen women in the postpartum period for depression. Women who screen positive receive further assessment and referral by their pregnancy care manager. NC MATTERS will strengthen the system for treatment and follow-up care for pregnant and postpartum women.

III. COMPLIANCE REQUIREMENTS

Noted below in the following matrix are the types of compliance requirements that are applicable to the federal program. These Types are determined by the federal agency, noted as “Y,” on the “Matrix of Compliance Requirements” located in Part 2 of the OMB 2021 Compliance Supplement; however, the State Agency may have added the Type and this is noted by “Y.” If the State determines that the federal requirement does not apply at the local level or if the State modifies the federal requirements, this is noted in the supplement under the type of compliance requirement. If the federal and/or State agencies have determined that the type is not applicable, it is noted by “N.”

If the Matrix indicates “Y,” the auditor must determine if a particular type of compliance requirement has a direct and material effect on the federal program for the auditee. For each such compliance requirement subject to the audit, the auditor must use the OMB 2021 Compliance Supplement, Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and Part 4 (which includes any program-specific requirements) to perform the audit.

If there is no program listed on the “Matrix” in Part 2 or Part 4, the State has determined the Type that is applicable. If a Type is determined to be direct and material, the auditor should refer to the requirements found in Part 3 and listed in this supplement.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/ Cost Principles	Cash Management	Eligibility	Equipment/ Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement Suspension & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	Y	N	N	Y	N	Y	Y	Y

NC MATERNAL MENTAL HEALTH MATTERS (MAKING ACCESS TO TREATMENT, EVALUATION, RESOURCES & SCREENING BETTER) PROGRAM

A. Activities Allowed or Unallowed

Grantee are to complete activities as noted in their contract addenda/scope of work. Each scope of work is different based upon the needs of the specific area served. See individual contract scopes of work for more information.

B. Allowable Costs/Cost Principles

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the cost principles described in the N. C. Administrative Code at 09 NCAC 03M .0201.

F. Equipment and Real Property Management

Equipment must be accounted for in accordance with the North Carolina Department of State Treasurer Policies Manual, Chapter 20, Fixed Assets Policy.

Title to equipment costing in excess of \$2,500.00 acquired by the Contractor with funds from this contract shall vest in the contractor, subject to the following conditions:

1. The Contractor shall use the equipment in the project or program for which it was acquired as long as needed. When equipment is no longer needed for the original project or program or if operations are discontinued, the Contractor shall contact the Department of Health and Human Services, Division of Public Health, for written instructions regarding disposition of equipment.
2. When acquiring replacement equipment, the Contractor may use the equipment to be replaced as trade-in against replacement equipment or may sell said equipment and use the proceeds to offset the costs of replacement equipment subject to written approval of the Division of Public Health.
3. For equipment costing in excess of \$2,500.00, equipment controls and procedures shall include at a minimum the following:
 - a) Detailed equipment records shall be maintained which accurately include the:
 - i. Description and location of the equipment, serial number, acquisition date/cost, useful life and depreciation rate;
 - ii. Source/percentage of funding for purchase and restrictions as to use or disposition
 - iii. Disposition data, which includes date of disposal and sales price or method used to determine fair market value.
 - b) Equipment shall be assigned a control number in the accounting records and shall be tagged individually with a permanent identification number.
 - c) Biennially, a physical inventory of equipment shall be taken and results compared to accounting and fixed asset records. Any discrepancy shall immediately be brought to the attention of management and the governing board.
 - d) A control system shall be in place to ensure adequate safeguards to prevent loss, damage, or theft of equipment and shall provide for full documentation and investigation of any loss or theft.
 - e) Adequate maintenance procedures shall be implemented to ensure that equipment is maintained in good condition.

NC MATERNAL MENTAL HEALTH MATTERS (MAKING ACCESS TO TREATMENT, EVALUATION, RESOURCES & SCREENING BETTER) PROGRAM

- f) Procedures shall be implemented which ensure that adequate insurance coverage is maintained on all equipment. A review of coverage amounts shall be conducted on a periodic basis, preferably at least annually.
- 4. The Contractor shall ensure all subcontractors are notified of their responsibility to comply with the equipment conditions specified in this section.

Prior written approval from Department must be obtained before purchasing equipment valued over \$2,500.00. Institutions of higher education, hospitals and other non-profit organizations shall use procurement procedures that conform to applicable federal law and regulations and standards identified in Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200. All non-federal entities shall follow federal laws and implementing regulations applicable to procurements, as noted in Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200.

I. Procurement and Suspension and Debarment

All grantees that expend federal funds (received either directly from a federal agency or passed through the N. C. Department of Health and Human Services) are required to conform with federal agency codifications of the grants management common rule accessible on the Internet at https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

All grantees that expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are required to comply with the procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Agency Purchasing Manual accessible on the Internet at [http://www.pandc.nc.gov/documents/Procurement Manual 5 8 2013 interactive.pdf](http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf).

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

L. Reporting

Financial Reporting

Monthly expenditure reports (DHHS 2481) are required to be completed for payment. The Contractor shall submit to the Division a monthly reimbursement request and, upon approval by the Division, receive payment within 30 days. The original expenditure report, DHHS 2481, shall be submitted to the Division Contract Administrator. The Contractor shall have up to thirty (30) days from last day of contract for close out, completion and submission of the final monthly expenditure report related to this contract period. If this contract is terminated, the Contractor is required to complete a final accounting report and to return any unearned funds to the Division within 60 days of the contract termination date.

Performance Reporting

Contractors submit program level data, such as, the number of providers trained, the number of consultations provided, the number of depression screening tools completed during pregnancy, the number of depression screening tools completed during postpartum. All entities who receive NC MATTERS funds are required to submit mid-year and annual program reports and to participate in monthly calls with the Health Resources and Services Administration Project Officer.

NC MATERNAL MENTAL HEALTH MATTERS (MAKING ACCESS TO TREATMENT, EVALUATION, RESOURCES & SCREENING BETTER) PROGRAM

M. Subrecipient Monitoring

Organizations may contract with other agencies to provide allowable services. Unless services are obtained on other than fee for service contracts, the auditor does not need to audit for this requirement. (Reference Section C (1) (c and d) of the Consolidated Agreement between the local health department and the Division of Public Health)

N. Special Tests and Provisions

Conflict of Interest and Certification Regarding No Overdue Tax Debts

All non-State entities (except those entities subject to the audit and other reporting requirements of the Local Government Commission) that receive, use or expend State funds (including federal funds passed through the N. C. Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143C-6-23 for fiscal years beginning on or after July 1, 2007. These requirements include the submission of a Notarized Conflict of Interest Policy (see G. S. 143C-6-23(b)) and a written statement (if applicable) completed by the grantee's board of directors or other governing body that the entity does not have any overdue tax debts as defined by G. S. 105-243.1 at the federal, State or local level (see G. S. 143C-6-23(c)). All non-State entities that provide State funding to a non-State entity (except any non-State entity subject to the audit and other reporting requirements of the Local Government Commission) must hold the sub grantee accountable for the legal and appropriate expenditure of those State grant funds.

Audit Objective – Determine whether the grantee has adopted and has on file, a conflict of interest policy, before receiving and disbursing State funds.

Suggested Audit Procedures:

1. Ascertain that the grantee has a conflict of interest policy.
2. Check the policy and verify through board minutes that the policy was adopted before the grantee received and disbursed State funds.