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**STATE PILOT PROGRAM FOR TREATMENT FOR
PREGNANT AND POSTPARTUM WOMEN (SHORT TITLE:
PPW-PLT)**

**State Project/Program NC PREGNANT & POSTPARTUM WOMEN PILOT (SHORT
TITLE: NC PPW-PILOT)**

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION**

Federal Authorization: Public Law 114-198 (Comprehensive Addiction and Recovery Act of 2016, Title V, Section 501)

State Authorization: NC General Statutes 122C; Developmental Disabilities, and Substance Abuse Act 1985

**NC Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Address Confirmation Letters To:

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 non-governmental entities receiving financial assistance from DHHS are found at the same website except select “[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.

I. PROGRAM OBJECTIVES

The objective of the State Pilot Program For Treatment For Pregnant and Postpartum Women (PPW- PLT is to enhance flexibility in the use of funds designed to : 1) support family-based services for pregnant and postpartum women with a primary diagnosis of a substance use disorder; 2) help state substance abuse agencies address the continuum of care, including services provided to women in nonresidential-based settings; and 3) promote a coordinated, effective and efficient state system managed by the state substance abuse agencies by encouraging new approaches and models of service delivery, as specified in the Comprehensive Addiction and Recovery Act of 2016 (Public Law 114-198).

All grantees are required to comply with the NC Department of Health and Human Services and DMHDDSAS records retention schedules and policies. These include Functional Schedule for State Agencies, Records Retention and Disposition Schedule – DMH/DD/SAS Local Government Entity (APSM 10-6), Records Retention and Disposition Schedule - DMH/DD/SAS Provider Agency (APSM- 10-5) and the DHHS Records Retention and Disposition Schedule for Grants. Financial records shall be maintained in accordance with established federal and state guidelines.

The records of the contractor shall be accessible for review by the staff of the North Carolina Department of Health and Human Services and the Office of the State Auditor for the purpose of monitoring services rendered, financial audits by third party payers, cost finding, and research and evaluation.

Records shall be retained for a period of three years following the submission of the final Financial Status Report or three years following the submission of a revised final Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving these funds has been started before expiration of the three-year retention period, the records must be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later. The grantee shall not destroy, purge or dispose of records related to these funds without the express written consent of DHHS DMH/DD/SAS.

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

II. PROGRAM PROCEDURES

Funds shall be paid to Local Management Entities-Managed Care Organizations (LME-MCOs) based on two methods: (1) A “Financial Status Report” (FSR) on a reimbursement basis. Unit cost will be determined using a consistently applied methodology approved by the Division of Mental Health, Disability Determination and Substance Abuse Services (DMHDDSAS).

(2) Based on earnings computed through unit cost reimbursement via the NC Tracks. This methodology includes the identification of service cost centers, the allocation of allowable costs, the determination of expected units of service and the calculation of a unit cost reimbursement rate.

Funds shall be allocated by DMHDDSAS to Vaya Health and Trillium Health Resources in individual allocation letters that reflect the agreed upon conditions of the funding. The LME-MCO shall identify an eligible contract provider based on the criteria set forth below to provide the services and allowable activities as specified.

A. Provider Requirements: Evidence of Experience and Credentials

NC PPW-Pilot funding must support existing, experienced and appropriately credentialed organizations with demonstrated infrastructure and expertise in order to provide required services quickly and effectively based on the Substance Abuse and Mental Health Services Administration (SAMHSA) grant requirements. As a result, providers must meet the following criteria:

1. Substance use disorder treatment provider organizations participating in the project have been providing relevant services for a minimum of two years prior to the date of the application. (Official documents must definitively establish that the organization has provided relevant services for the last two years); and
2. Official documentation that all substance use disorder treatment provider organizations: 1) comply with all local (city, county) and state requirements for licensing, accreditation and certification; OR 2) official documentation from the appropriate agency of the applicable state, county, or other governmental unit that licensing, accreditation, and certification requirements do not exist. (Official documentation is a copy of each service provider organization's license, accreditation, and certification. Documentation of accreditation will not be accepted in lieu of an organization's license. A statement by, or letter from, the applicant organization or from a provider organization attesting to compliance with licensing, accreditation, and certification or that no licensing, accreditation, certification requirements exist does not constitute adequate documentation.)
3. For tribes and tribal organizations only, official documentation that all participating substance use disorder treatment provider organizations: 1) comply with all applicable tribal requirements for licensing, accreditation, and certification; OR 2) documentation from the tribe or other tribal governmental unit that licensing, accreditation, and certification requirements do not exist.
4. NC PPW-Pilot providers must be non-profit entities.
5. The provider must begin serving the identified population no later than April 1, 2019 or upon receipt of funding.

B. Program Requirements: North Carolina Substance Use Disorder Treatment Program for Pregnant and Postpartum Women Pilot (NC PPW-Pilot)

1. Facilitate the availability of family-based treatment and recovery support services. This includes the provision of services for:
 - a. pregnant and postpartum women (up to 12 months);
 - b. their minor children, ages 17 and under; and
 - c. other family members* of the women and children.

*As defined by the program participant.

Minimum Number to Be Served: FFY2019-FFY 2021

FFY	Pregnant/Postpartum Women	Fathers/Other Adult Family Members	Children 17 years and under)
Year 1 FFY 2019	25*	12*	150 over the 3-year period*
Year 2 FFY 2020	50	50	
Year 3 FFY2021	50	50	

*Providers not fully funded during FFY 19 due to late approval of budget by SAMHSA.

Services may be provided by the grantee, purchased through contracts with other providers or made available through memoranda of understanding or memorandum of agreement (MOUs/MOAs) with other providers.

2. Core services:

- a. Outreach, engagement, screening and assessment;
- b. “Wrap Around”/recovery support services (e.g. child care, vocational, education, and transportation services) designed to improve access and retention in services
- c. Family-focused programs to support family strengthening and reunification, including parenting education and evidence-based interventions and social and recreational activities;
- d. Clinically appropriate gender responsive, trauma informed evidence-based practices for treatment of persons with primary diagnosis of Substance Use Disorder (SUD) including opioid use disorders. Including individual, group and family therapy and in-home services. Access to Medication Assisted Treatment (MAT) through Opioid Treatment Programs (OTPs) and Office Based Opioid Treatment (OBOTs) is required.
- e. Mental Health care that includes a trauma-informed system of assessments, interventions and social-emotional skill building services; and
- f. Case management.

3. The program must promote effective and efficient coordination and delivery of services across multiple systems and providers (e.g. behavioral health, primary care, housing, child and family service).

- A. Access to Medication Assisted Treatment: Programs must have a Memorandum of Understanding (MOU)/Memorandum of Agreement (MOA) with Opioid Treatment Programs and Office Based Opioid Treatment providers in the catchment area.
- B. Access to Primary and Preventative Health Care: Programs must have MOUs/MOAs in place with health providers including local health department(s), Federally Qualified Health Centers (FQHCs), Community Health Centers, etc. in the catchment area.

C. Advisory Committee: Program must have an active Advisory Committee that meets at least quarterly and has at a minimum the following membership representative of the catchment area:

- Delivering Hospitals
- Local Health department
- Care Coordination for Children Agency (CC4C)
- FQHC/Community Health Center
- Children's Developmental Services Agencies Services (CDSA)
- County DSS-Child Welfare Section
- OTPs
- OBOTs
- Child/Adolescent Mental Health Provider
- Adult Mental Health provider
- Substance Abuse Prevention provider
- Domestic Violence Agency
- Vocational rehabilitation
- Drug Court, if applicable

C. Program Evaluation, Data Collection and Performance Measurement:

1. Grantees are required to participate in a national program evaluation. At a minimum, data collected for the report must include:

- a. Outcome information from the pilot program, including any resulting reductions in the use of alcohol and other drugs.
- b. Engagement in treatment
- c. Retention in the appropriate level and duration of services; and
- d. Increased access to the use of medications approved by the Food & Drug Administration (FDA) in combination with counseling for the treatment of drug addiction.

2. Participation in all program performance activities are required for NC PPW-Pilot funding. These activities include, but are not limited to the following:

a. Participation in the SAMHSA required Cross Site Evaluation and Government Performance and Results Act (GPRA) data collection (GPRA Client Outcome Measures for Discretionary Programs: <http://www.samhsa.gov/grants/gpra-measurement-tools/csat-gpra/csat-gpra-discretionary-services>). The GPRA will be administered at intake, 6 months post-baseline, discharge, and 6 months post-discharge as will the following tools:

- i. 21-item Beck Depression Inventory (BDI)
- ii. 7-item Generalized Anxiety Disorder (GAD-7)
- iii. 20-item PTSD Checklist (PC) for DSM-5
- iv. Life Events Checklist (LEC-5)
- v. Stages of Change Readiness and Treatment Eagerness Scale (SOCRATES)
- vi. Trauma Symptom Checklist 40:
<http://www.une.edu/sites/default/files/Trauma-Symptom-Checklist.pdf>

- b. A Consumer Satisfaction Survey that will be conducted every six months.
- c. Participation in annual staff and consumer focus groups for quality improvement efforts.
- d. Participation in fidelity assessment to ensure adherence to evidence-based practice service delivery.
- e. Participation in NC Treatment Outcomes and Program Performance System initial, update, discharge and follow-up.

These requirements will be addressed through the collaborative partnership with the Division of MH/DD/SAS NC PPW-Pilot Project Administrator, Project Director, and Program Evaluator.

D. Evidence-Based Practices (EBP) and Training:

These funds are intended to support services or practices that have a demonstrated evidence base and that are appropriate for the populations to be served. Programs must utilize one or more of the following EBPs for treatment and parenting interventions:

1) Trauma-Informed Treatment Interventions:

- a. Seeking Safety
- b. Beyond Trauma: A Healing Journey for Women
- c. Helping Women Recover: A Program for Treating Addiction
- d. Trauma Recovery and Empowerment Model (TREM)

2) Parenting Models:

- a. Nurturing Program for Families in Substance Abuse Treatment and Recovery
- b. Celebrating Families
- c. Circle of Security
- d. Strengthening Families Program (SFP)**
- e. Triple Ps

A Woman's Way Through the Twelve Steps will also be utilized to support women in their recovery.

Materials for facilitator and participant materials are included in the start-up budget.

**SFP can be utilized if the provider agency already has an SFP or can establish an MOU/MOA with a provider agency that has one already.

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.

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

A. ACTIVITIES ALLOWED OR UNALLOWED

Allowable activities under this grant are those activities that are aligned with the Program Objectives and Program Procedures each grant program as outlined above.

B. ALLOWABLE COSTS / COST PRINCIPLES

All grantees that expend State funds (including federal funds passed through the NC Department of Health and Human Services) are required to comply with the cost principles described in the NC Administrative Code, specifically 09 NCAC 03M .0201. (Note: Pending the change in reference from OMB Circular A-87 to 2 CFR, Part 200 Subpart E – Cost Principles.)

Certain expenditures are considered non-allowable and are not included in the cost allocation. Fixed assets and moveable assets costing \$5,000 or more must be reported on the cost finding as assets. (Moveable assets costing less than \$5,000 may be directly expensed.)

Funds must be expended or earned in accordance with the individual allocation letter between the Division of MH/DD/SAS and the LME-MCO, including any amended allocation letters.

C. CASH MANAGEMENT

This requirement does not apply at the local level.

E. ELIGIBILITY

These funds must be utilized for the provision of services for:

1. pregnant and postpartum women (up to 12 months);
2. their minor children, ages 17 and under; and
3. other family members* of the women and children.

*As defined by the program participant.

F. EQUIPMENT AND REAL PROPERTY MANAGEMENT

Equipment Management

This requirement refers to tangible property that has a useful life of more than one year and costs of \$5,000 or more. Such equipment may only be purchased per the conditions of the approved contract or grant agreement. Should the contract be terminated, any equipment purchased under this program shall be returned to the Division.

Real Property Management

This requirement does not apply to DMH/DD/SAS contracts.

G. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching: There are no matching requirements for these funds.

Level of Effort: PPW-PLT funds allocated shall be used to supplement and increase the level of State, local and other non-federal funds and shall, in no event, supplant such State, local and other non-federal funds. If PPW-PLT funds are reduced, the LME-MCO may reduce its participation in a proportionate manner in accordance with any agreed upon limitations.

Earmarking: Each LME-MCO shall designate and expend PPW-PLT funds to carry out the program requirements as designated under program procedures section of this compliance supplement.

H. PERIOD OF PERFORMANCE

The period of performance for these funds is 09/30/2019 – 09/29/2020.

I. PROCUREMENT AND SUSPENSION AND DEBARMENT

Procurement

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 comply with the procurement guidelines found in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which can be accessed at:

<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

All grantees that expend State funds (including federal funds passed through the NC 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.

Suspension and Debarment

All grantees awarded contracts utilizing Federal dollars must be in compliance with the provisions of Executive Order 12549, 45 CFR Part 76 and Executive Order 12689.

J. PROGRAM INCOME

In accordance with the Funding Opportunity Announcement No. TI-17-016, grantees must utilize third party and other revenue realized from provision of services to the extent possible and use PPW-PLT grant funds only for services to individuals who are not covered by public or commercial health insurance programs, individuals for whom coverage has been formally determined to be unaffordable, or for services that are not sufficiently covered by an individual's health insurance plan.

L. REPORTING

LME-MCOs are required to submit units of service, fund reimbursement documentation and meet funding requirements in accordance with the program requirements for these funds. LME-MCOs that receive these funds are required to submit additional reports to meet any special requirements as stated in the Special Reporting Requirements section of an allocation letter.

Program Evaluation, Data Collection and Performance Measurement:

Contracted providers are required under the statutory authority, Section 501 (r) (5) of the Comprehensive Addiction and Recovery Act, to participate in a national program evaluation. At a minimum, data collected for the report must include:

- a) Outcome information from the pilot program, including any resulting reductions in the use of alcohol and other drug.
- b) Engagement in treatment
- c) Retention in the appropriate level and duration of services; and
- d) Increased access to the use of medications approved by the Food & Drug Administration (FDA) in combination with counseling for the treatment of drug addiction.

2. Participation in all program performance activities are required for NC PPW-Pilot funding. These activities include, but are not limited to the following:

A. Participation in the SAMHSA required Cross Site Evaluation and GPRA data collection (GPRA Client Outcome Measures for Discretionary Programs:

<http://www.samhsa.gov/grants/gpra-measurement-tools/csat-gpra/csat-gpra-discretionary-services>). The GPRA will be administered at intake, 6 months post-baseline, discharge, and 6 months post-discharge as will the following tools:

- i. 21-item Beck Depression Inventory (BDI)
- ii. 7-item Generalized Anxiety Disorder (GAD-7)
- iii. 20-item PTSD Checklist (PC) for DSM-5
- iv. Life Events Checklist (LEC-5)
- v. Stages of Change Readiness and Treatment Eagerness Scale (SOCRATES)

- vi. Trauma Symptom Checklist 40: <http://www.une.edu/sites/default/files/Trauma-Symptom-Checklist.pdf>
 - B. A Consumer Satisfaction Survey that will be conducted every six months.
 - C. Participation in annual staff and consumer focus groups for quality improvement efforts.
 - D. Participation in fidelity assessment to ensure adherence to evidence-based practice service delivery.

- D. Participation in NC Treatment Outcomes and Program Performance System initial, update, discharge and follow-up.

- E. The DHHS Controller's Office is responsible for submitting a Financial Status Report 269 to the Federal Grants Management Officer for documentation of federal funds expended according to the DHHS Cash Management Policy.

M. SUBRECIPIENT MONITORING

Monitoring is required if the agency disburses or transfers any State funds to other organizations, except for the purchase of goods or services. If the agency disburses or transfers any pass-through federal funds received from the State to other organizations, the agency shall require such organizations to comply with the applicable requirements of 2 CFR Part 200.331. Accordingly, the agency is responsible for monitoring programmatic and fiscal compliance of subcontractors based on the guidance provided in this compliance supplement and the audit procedures outlined in the DMH-0 Crosscutting Supplement.

N. SPECIAL TESTS AND PROVISIONS

Audit Objectives

- a. To ensure compliance with the DHHS and DMH/DD/SAS records retention schedules and policies; and
- b. To ensure compliance with all federal and State policies, laws and rules that pertain to this fund source and/or to the contract/grant agreement.

Suggested Audit Procedures

- a. Verify that records related to this fund source are in compliance with DHHS-DMH/DD/SAS record retention schedules and policies.
- b. Review contract/grant agreement identify any special requirements; and verify if the requirements were met.
- c. Verify that financial assistance under the Substance Abuse Prevention and Treatment Block Grant was only provided to public or non-profit entities.
- d. When applicable, verify that the grantee has obtained a DUNS number and is registered in the Central Contractor Registration (CCR) system.
- e. Verify that the Conflict of Interest declaration is signed AND that there is no overdue tax debts at the federal, State or local level as required below.

Conflict of Interest and Certification of 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 NC Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143C-6-23 effective 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) 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. 143-6-23(c)).

G. S. 143C-6-23(b) stipulates that every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

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 subgrantee accountable for the legal and appropriate expenditure of those State grant funds.