LGC
Reviewed
in accordance to
G.S. 159-34(a)

APRIL 2021

**93.926** **HEALTHY START INITIATIVE**

**State Project/Program:** **HEALTHY START BABY LOVE PLUS COMMUNITIES**

**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Federal Authorization:** PHS Title III, Section 301, 42USC241 P.L. 104-208
SSA Title V, Section 502 (A) 42 USC702 P.L. 107 - 116

**State Authorization:** N/A

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

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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: http://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 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.**

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.

## I. PROGRAM OBJECTIVES

The purpose of the North Carolina Baby Love Plus Program (NC BLP) is to improve birth outcomes and the health of women of childbearing age through strengthening the perinatal systems of care, building family resilience, promoting quality services, and increasing community capacity to address perinatal disparity. The NC BLP program will provide case management and home visiting services to preconception, pregnant and interconception women and their children up to 18 months after birth as well to the fathers/partners associated with the women and/or children.

## II. PROGRAM PROCEDURES

The Health Resources and Services Administration (HRSA)/Maternal and Child Health Bureau (MCHB) Healthy Start program aims to reduce disparities in infant mortality and adverse perinatal outcomes by:

1) improving women's health,
2) improve family health and wellness,
3) promote systems change, and
4) assure impact and effectiveness.

Healthy Start (HS) grants are provided to communities with rates of infant mortality at least 1½ times the U.S. national average and high rates for other adverse perinatal outcomes (e.g., low birth weight, preterm birth, maternal morbidity and mortality) to address the needs of high-risk women and their families before, during, and after pregnancy. Healthy Start seeks to improve health outcomes and reduce racial and ethnic disparities in perinatal health by using community-based approaches to service delivery, and to increase access to comprehensive health and social services for women, infants, and their families. HS services begin in the prenatal period and follow the woman and child through two years after the end of the pregnancy.

Since 1997, the Women's and Children's Health Section-Women's Health Branch (WCHS/WHB) has been the home of three federally funded Healthy Start programs - NC Eastern Baby Love Plus (1997), Northeastern Baby Love Plus (1999), and Triad Baby Love Plus (1999) which served 14 counties. The purpose of this program was to improve perinatal health outcomes and reduce racial and ethnic disparities by using innovative, community and evidence-based approaches to service delivery. These efforts facilitated access to comprehensive health and social services for women, infants, and their families. In April 2019, the Women's Health Branch received funding for a five-year period (April 2019 – March 2024) for a restructured NC Baby Love Plus program that will serve the four counties of Edgecombe, Halifax, Nash and Pitt to address preconception health including reproductive life planning, prenatal health, interconception care and case management and support to fathers/male partners.

NC BLP collaborates with North Carolina's Care Management for High Risk Pregnancy (CMHRP) program, formerly Pregnancy Care Management, as a primary referral source for enrolling pregnant women into the NC BLP program. CMHRP is designed to assess a

medically high-risk pregnant mother's needs, design an individualized care plan and refer her to clinical, mental and behavioral health, nutritional counseling and other services available locally. As part of the case management services, all women receiving Medicaid or eligible to receive Medicaid are screened at their first prenatal appointment for CMHRP services using a risk screening form. Priority risk factors include history of preterm birth, history of low birth weight, multiple gestation, fetal complications, chronic conditions which may complicate pregnancy, and antenatal hospital utilization, the population NC BLP purposed to serve. The CMHRP program will provide referrals to pregnant participants with at least one qualifying risk factor for NC BLP program participation to receive prenatal case management and interconception care coordination services.

Interconceptional Care Coordination/Case Management services focus on the reduction of psychosocial, medical and environmental factors that impact the health and well-being of women for 18 months after birth. Examples of factors addressed include a previous poor birth outcome, history of perinatal depression, chronic conditions including obesity, substance use during pregnancy, and intimate partner violence. A Family Care Coordinator provides case management services to participants during pregnancy and the 18-month interconceptional period. A Family Outreach Worker (FOW) will conduct outreach and educate women and men about preconception health, health promotion, and related issues. This same individual will carry out efforts to support program participant retention in NC Baby Love Plus services as well as the perinatal health system of care. The FOW will also conduct health promotion and support group sessions using an evidence-based curriculum. A Licensed Clinical Social Worker (LCSW) will work with program participants who are in need of behavioral health support. The LCSW, utilizing a combination of evidenced-based tools and clinical interviewing skills, will complete a clinical assessment, diagnose and treat a client's mental and/or behavioral health issues employing appropriate, evidenced-based psychotherapy treatment models, develop an individualized treatment and discharge plan.

The NC BLP program will also provide case management and group education and support sessions on a variety of health and wellness and parenting topics using evidence-based curriculum and a tool kit to fathers/male partners of NC BLP program participants. Case management and group education and support sessions will also be offered by the Fatherhood Coordinator to fathers/male partners of NC BLP program participants with a focus on self-sufficiency.

Statewide and Local Action Networks are formed to increase community and agency coordination and collaboration to build programs that reflect the needs and values of the community. The NC Baby Love Plus Program is administered by the Perinatal Health Unit, Women's Health Branch.

## 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 | Y | Y | Y | N | N | Y | N | Y | Y | Y |

A. Activities Allowed or Unallowed

Contractors, which include local health departments and private, non-profit organizations, are to complete activities as noted on 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.

C. Cash Management

This is a requirement in the Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200 federal supplement. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

E. Eligibility

Per the federal Healthy Start grant application, the restructured NC Baby Love Plus program will serve families (with specific emphasis on African American and American Indian women of childbearing age) in these four counties: Edgecombe, Halifax, Nash and Pitt. This includes women of childbearing age (mainly 15-44 years), children 18 months and younger, fathers/male partners and their families.

Healthy Start Baby Love Plus agencies shall impose no charges on clients for services.

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.

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.

H. Period of Performance

This is a requirement in the Title 2 Code of Federal Regulations, Chapter I, Chapter II, Part 200 federal supplement. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

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. In addition, local health departments are required to submit quarterly expenditure reports to the program. All payments are contingent upon fund availability.

Performance Reporting

Local health departments and community-based contractors submit program participant information (forms sent via password protected email attachments) to the NC Baby Love Plus Program once a month for entry into the NC BLP database. In addition, all entities who receive NC Baby Love Plus funds are required to submit biannual program reports and participant records are viewed during an onsite monitoring visit at least once a year.

M. Subrecipient Monitoring

Local health departments and other entities frequently 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.