PROGRAM 2 – COMPREHENSIVE BEHAVIORAL HEALTH TREATMENT AND RECOVERY PROGRAMS DEPARTMENT OF HEALTH AND SOCIAL SERVICES

I. PROGRAM OBJECTIVES

Mental Health: The objective of this program is to provide mental health evaluation and treatment services for eligible priority populations. Grant funding supports services after all other appropriate funding sources have been utilized, including Medicaid, insurance, and co-pay. Programs for the comprehensive treatment of mental health include:

1. Psychiatric emergency services
2. Services for adults with a serious mental illness (outpatient)
3. Outpatient services for children and youth with a serious emotional disturbance
4. Residential mental health treatment for youth with a serious emotional disturbance
5. Supported housing for adults with a serious mental illness

Substance Use Disorders: In cooperation with public and private organizations and individuals, the objective of these programs is to develop, encourage, and foster statewide, regional and local resources for the treatment of individuals affected by alcohol, other drug and inhalant abuse. Priority admissions are required for pregnant injection drug users, pregnant women, injection drug users, and women with children. Grant funding supports services after all other appropriate funding sources have been utilized, including Medicaid, insurance, and co-pay. Programs for the comprehensive treatment of substance abuse include:

1. Withdrawal management (detoxification) services
2. Residential substance use disorder treatment services for adults
3. Outpatient substance use disorder treatment for adults
4. Residential substance use disorder treatment for women with children
5. Outpatient substance use disorder treatment for women with children
6. Residential substance use disorder treatment for youth
7. Outpatient substance use disorder treatment for youth
8. Outpatient opioid use disorder treatment for adults and youth

Other Behavioral Health Programs: The following programs also fall within the comprehensive behavior health treatment and recovery program:

1. Parenting with Love and Limits: an evidence-based family therapy model for children and families
2. Coordinated Specialty Care: an evidence-based model for individuals experiencing their first psychotic episode.
3. Supported employment services, including the Individualized Placement and Support Model (an evidence-based employment model for individuals with behavioral health needs)
4. Independent case management and flexible supports
5. Peer and Consumer Support Services: peer services for individuals with behavioral health disorders and their families
6. Permanent Supported Housing services

7. Sobering Centers and Community Service Patrol: services to keep individuals under the influence of alcohol and drugs safe

II. PROGRAM PROCEDURES

Mental Health and Substance Use Disorders: Public funds are appropriated annually by the State Legislature to the Department of Health and Social Services (DHSS) and administered by the Division of Behavioral Health. Fund sources may include federal funds and state general funds. Appropriated funds are distributed by a grant process to nonprofit or local government agencies which become the behavioral health services provider for a specific geographic area, or which provide limited, specialized services. Funds granted under this program require an additional 25% local match except when a waiver is granted for a portion or for the entire required match.

For state and federal grant awards, funds are advanced at 25% each quarter; however, during quarter four, there may be an advance of 20%, followed by an additional 5% at the final payment, if applicable. Funds are paid in response to an approved quarterly Cumulative Fiscal Report (CFR), a program narrative report, a quarterly management information system (AKAIMS) report, and other program specific reports as required. Awards under $50,000 are provided with a 95% up-front advance in the first quarter, followed by an additional 5% at the final payment during the fourth quarter, if applicable.

Funding is a combination of general funds (GF), Alcohol & Other Drug Treatment and Prevention Fund, (ADTP), Mental Health Trust Authority (MHTAAR) funds, and federal funds from SAMHSA (Community Mental Health Block Grant CFDA 93.958, the Substance Abuse Prevention and Treatment Block Grant CDFA 93.959, Homeless Mental Health – PATH CFDA 93.150, and from a number of federal grants including: Partnership for Success; Alaska's Project Hope CFDA 93.243; State Targeted Response; State Opioid Response; Health Resources and Services Administration Partnership Access Line – Psychiatry Alaska.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR UN-ALLOWED -

1. **Compliance Requirement for Mental Health**: The services provided under this program are available to all persons according to a priority assignment where acutely disturbed persons (those diagnosed with a serious mental illness – adults, or a severe/serious emotional disturbance – children and youth) are served first and those with emotional disturbances that are not serious or severe or who receive non-direct mental health services such as consultation or education are provided last.

Each provider has a sliding fee schedule which makes mental health services available at a cost established according to the patient's current economic status, but in no case at a rate that exceeds the actual published cost to provide the service.

Compliance Requirements for Substance Use Disorder: Grant funds for this program are used for the treatment of individuals and families affected by alcohol, other drug or inhalant abuse in cooperation with public and private organizations and individuals. Priority populations for substance use are as follows (in order): Pregnant injecting drug users, other pregnant substance users, other injecting substance users, Office of Children's Services engaged families, all others. Each provider has a sliding fee schedule, which makes substance abuse treatment service available at a cost established according to the patient's economic status (ability to pay), but in no case at a rate that exceeds the actual cost to provide the service. Programs are required to comply with state standards for alcoholism programs where applicable; 7 AAC 29, 7 AAC 33 and 7 AAC 85.

Suggested Audit Procedures: Test financial and related records to determine that funds expended were for purposes specified in the grant. Review the following documents:

a) Final grant award (GA), including all conditions;
b) Grant revisions and related transmittal letters;
c) Licenses, certifications, approvals, status of private nonprofit corporation of applicable;
d) Budget documents, including final revised budget and budget narrative.
e) 7 AAC 29, 7 AAC 33 (applicable for Methadone programs) and 7 AAC 85.

2. **Compliance Requirement**: Costs allowed or un-allowed under this program are determined by grant regulation 7 AAC 78 and 7 AAC 81, CFR Title 45 A, Part 96, Sec. 96.135, as well as budget documents and special conditions.

Suggested Audit Procedures:

a) Review DHSS's grant regulation, 7 AAC 78 and budget documents;
b) Review DHSS's regulations 7 AAC 81;
c) Review Block Grants to States Regarding Substance Abuse, CFR Title 45 A, Part 96, Sec. 96.135 Restrictions on Expenditure of Grant;
d) Test financial and related records to determine the appropriateness of costs per 7 AAC 81 and 78; and
e) Determine whether expenditures are within the budget limits prescribed by 7 AAC 81 and 7 AAC 78.260(f)(1).

B. ELIGIBILITY -

Compliance Requirement for Mental Health: The agency must be a nonprofit or a political subdivision per AS 47.30.475(a).

Suggested Audit Procedures: Review articles of incorporation or other appropriate documentation, licenses, certifications and approvals to determine status of agency.

C. MATCHING, LEVEL OF EFFORT AND/OR EARMARKING REQUIREMENTS -

1. **Compliance Requirement for Mental Health**: Grants shall be awarded in accordance with AS 47.30.550 (Cost Sharing Formula Limitations).

   Suggested Audit Procedures:
   a) Review AS 47.30.550, 7 AAC 81, 7 AAC 78 and grant documents;
   b) Test financial and related documents to ensure that matching funds are appropriate and meet the requirements of AS 47.30.550, 7 AAC 81 and 78; and
   c) Confirm compliance with matching requirements.

2. **Compliance Requirement for Substance Abuse**: Alcohol programs are required to match the state funding with 25% local funds or "in-kind services" unless explicitly exempted. This match may include funds available through federal grants or contracts as well as locally generated funds. Other state funds, except for state revenue sharing funds, are not allowable as cash match. In-kind contribution should qualify under AS 47.30.475.

   Suggested Audit Procedures:
   a) Review AS 47.30.475, 7 AAC 29, 7 AAC 78, and grant documents;
   b) Test financial and related records to ensure that matching funds are appropriate and meet the requirements of AS 47.30.475; and
   c) Confirm compliance with matching requirement.

D. REPORTING REQUIREMENTS -

1. **Compliance Requirement**: All programs will submit quarterly written program narratives and cumulative fiscal expenditure reports no later than thirty (30) days after close of each quarter.

   Suggested Audit Procedures:
   a) Confirm if the reports are being filed timely;
   b) Reported revenues and expenditures agree with the agency's general ledger; and
   c) Expenditures are within the budget limits or grant provisions.

2. **Compliance Requirement**: The agency's audit report must present a statement of revenue and expenses, budget and actual, for each state

grant. Such statements must show, for each state fiscal year grant, the final approved budget by line item category, actual revenues and expenditures and variance between budgeted and actual revenues and expenditures. Disallowed or questioned costs must be clearly disclosed.

Suggested Audit Procedures:

a) Review grants regulation 7 AAC 78.230.
b) Review audit report for compliance with the above.

3. **Compliance Requirement: The agency must clearly show on their audit report** any outstanding liability to the State as payable to the State. This includes unspent grant funds and disallowed costs.

Suggested Audit Procedures:

a) Determine whether the agency has any outstanding liability to the State.
b) Review grants regulation 7 AAC 78.230.
c) Review audit report to ensure proper presentation.

E. SPECIAL TESTS AND PROVISIONS -

Compliance Requirement: The agency must act upon any recommendations made by program site review.

Suggested Audit Procedures:

a) Obtain copy of program site review; and
b) Determine if recommendations in the site review are being implemented.