



Behavioral Health Department

Alameda County Health

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By: Karyn L. Tibble, PsyD, LCSW, Director

Policy Title:

Identifying, Reporting and Expending Funds in the Substance Use Prevention, Treatment and Recovery Services Block Grant

Policy No: 1350-1-5

Date of Original Approval: 8/13/2024

Date Revision:

PURPOSE

This policy defines the process to identify, report, and expend funds under the Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG).

AUTHORITY

Substance Abuse Prevention and Treatment Block Grant (SABG) Policy Manual, [Version 2.0 \(3.30.21\)](#)
[Alameda County Behavioral Health Department Contracts](#)

SCOPE

All programs receiving SUBG funding under a subcontract with Alameda County, in addition to Alameda County Behavioral Health Department (ACBHD) administration.

POLICY

This policy establishes a process for determining whether the activities of a program comply with the statutes, regulations, and terms and conditions of the SUBG.

PROCEDURE

The California Department of Health Care Services (DHCS) SABG Policy Manual (Policy Manual) offers guidance to counties that contract with DHCS for SUBG funding to provide authorized substance use disorder (SUD) prevention, treatment, and recovery support services. The Policy Manual specifies the restrictions on expenditures and federal rules regarding required expenditures.

ACBHD ensures allocation of funding streams based on appropriate programmatic purposes. This process is managed by the responsible Clinical Operational Leads, Quality Assurance, and the Finance Division (Contracts, Budget & Fiscal Services, Audit & Cost Report). Staff will determine if a new or modified program can be funded with SUBG as identified in the Policy Manual and applicable to the DHCS and federal requirements. The purpose of the program should be for planning, carrying out, and evaluating activities to prevent and treat substance use, and provide recovery support services for substance use disorders and for related activities as authorized ([42 USC 300x-21](#)). This process includes the following:

- I. The Contracts Unit drafts subcontracts between ACBHD and the Community-Based Organizations (CBOs) including general and program specific requirements. Among the exhibits are Exhibit A, which identifies the contract performance requirements, and Exhibit B which lists the payment terms and conditions.

Identifying, Reporting and Expending funds in SUBG Block Grant

- II. The Contracts Unit, Clinical Operational Leads, and Quality Assurance monitor activities according to the requirements in each CBO contract. If the ACBHD monitoring results in the discovery by ACBHD staff that the program is performing or has performed any of the activities prohibited by [45 CFR 96.135](#), ACBHD will make a determination as to if the prohibited activities are necessary or unnecessary. If the activities are not necessary, the Clinical Operational Lead will liaise with the CBO and ACBHD internal units to ensure the activities are discontinued and not reimbursed. If the activities are necessary but not allowable under SUBG, Finance will work to identify another funding source for the non-compliant portion of the program. ACBHD management will make the final determination about any non-compliant activities.
- III. If ambiguity exists about whether an expense is allowable or unallowable, Finance (Audit & Cost Report, Budget & Fiscal Services) will request guidance from the appropriate contact at DHCS.
- IV. Following the terms and conditions of Exhibit B, each CBO is required to submit timely invoices to ACBHD mailbox, @ CBOPayment@acgov.org. The Budget & Fiscal Services Unit, Accounts Payable Team (A/P) will follow up with the CBO when invoices are not submitted in a timely manner and escalate issues to the assigned Contract Manager and/or Clinical Operational Lead if the CBO remains non-responsive. If necessary, the Contracts Unit formally communicates any non-compliance issues to the CBO following at least three documented attempts by A/P to resolve with the provider. If a CBO is invoicing for services not specified in its contract, ACBHD staff will determine whether the activities are necessary and if the activities are allowed under SUBG.
- V. Counties are required to report quarterly expenses on their SUBG invoices to DHCS. The amount reported becomes the quarterly SUBG payment. The Fiscal Grant Manager coordinates with the Clinical Operational Lead, Contract Manager and A/P to analyze the quarterly data including preparing the invoice and ledger packet for approval and signature by the Budget and Fiscal Services Director. SUBG is verified as the payor of last resort for beneficiaries with other health coverages, as required by [45 CFR 96.137](#). The Fiscal Grant Manager confirms that each Provider Number on the final invoice matches the most recent State Master Provider File and works with the Contracts Unit SUD Team if any discrepancies are noted to resolve them before the quarterly packet is submitted to DHCS. The Fiscal Grant Manager emails the packet including the signature page to the email mailbox address designated in the DHCS instructions after the end of each quarter. If an overpayment is discovered or a correction is needed, the Fiscal Grant Manager will make the adjustment in the subsequent claim submission.

In addition to the SUBG Prime quarterly submissions, the Fiscal Grant Manager will email quarterly claim submissions for any required supplemental SUBG programs to the applicable email mailboxes per the quarterly instructions. The quarterly submission for each program is saved in its own folder in the Finance shared drive.

NON-COMPLIANCE

Identifying, Reporting and Expending funds in SUBG Block Grant

Any suspected non-compliance will be reviewed by all ACBHD stakeholders and addressed through meetings with the provider to clarify the contract terms, amending the contract terms, or by identifying other funding sources.

CONTACT

ACBHD Office	Current as of	Email
Budget & Fiscal Services	August 2024	melissa.wong@acgov.org

DISTRIBUTION

This policy will be distributed within ACBHD to the following:

- Clinical Operational Leads
- Quality Assurance
- Finance Division (Contracts, Budget & Fiscal Services, Audit & Cost Report)

ISSUANCE AND REVISION HISTORY

Original Author: Melissa Wong, ACBHD, Budget & Fiscal Services

Original Date of Approval:

Revision Author	Reason for Revision	Date of Approval by (Name, Title)

DEFINITIONS – citations in this policy

Effective 12/1/23, DHCS officially changed the name from Substance Abuse Prevention and Treatment Block Grant (SABG) to Substance Use Prevention, Treatment, and Recovery Services Block Grant (SUBG) on DHCS websites, county grant applications, and DHCS inboxes.

Substance Use Disorder (SUD) State/County Contract [Exhibit B, Part 1, Section 1, G.3](#)

If the allowability or appropriateness of an expense cannot be determined by DHCS because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles, and generally accepted governmental audit standards, all questionable costs may be disallowed, and payment may be withheld by DHCS. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

[42 USC 300x-21. \(b\) Authorized activities](#)

A funding agreement for a grant under subsection (a) of this section is that subject to section 300x-31 of this title, the State involved will expend the grant only for the purpose of planning, carrying out, and evaluating activities to prevent and treat substance abuse and for related activities authorized in section 300x-24 of this title.

Identifying, Reporting and Expending funds in SUBG Block Grant

[45 CFR 96.135 – Restrictions on expenditure of grant](#)

The State shall not expend the Block Grant on the following activities:

- (1) To provide inpatient hospital services, except as provided in [paragraph \(c\)](#) of this section;
- (2) To make cash payments to intended recipients of health services;
- (3) To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
- (4) To satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds;
- (5) To provide financial assistance to any entity other than a public or nonprofit private entity; or
- (6) To provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs, unless the Surgeon General of the Public Health Service determines that a demonstration needle exchange program would be effective in reducing drug abuse and the risk that the public will become infected with the etiologic agent for AIDS.

[45 CFR 96.137 – Payment Schedule](#)

(a) The Block Grant money that may be spent for [§§ 96.124\(c\)](#) and [\(e\)](#), [96.127](#) and [96.128](#) is governed by this section which ensures that the grant will be the “payment of last resort.” The entities that receive funding under the Block Grant and provides services required by the above-referenced sections shall make every reasonable effort, including the establishment of systems for eligibility determination, billing, and collection, to:

- (1) Collect reimbursement for the costs of providing such services to persons who are entitled to insurance benefits under the Social Security Act, including programs under title XVIII and title XIX, any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program; and
- (2) (2) Secure from patients or clients’ payments for services in accordance with their ability to pay.

[2 CFR Part 200 Subpart E - Direct and Indirect \(F&A\) Costs, Sections 200.412 – 200.415](#)

200.412 Classification of costs.

There is no universal rule for classifying certain costs as either direct or indirect (F&A) under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost incurred for the same purpose be treated consistently in like circumstances either as a direct or an indirect (F&A) cost in order to avoid possible double-charging of Federal awards. Guidelines for determining direct and indirect (F&A) costs charged to Federal awards are provided in this subpart.

[45 CFR 96.125 Primary prevention](#)

Each state/Territory shall develop and implement a comprehensive prevention program which includes a broad array of prevention strategies directed at individuals not identified to be *in need of treatment*. The comprehensive primary prevention program shall include activities and services provided in a variety of settings for both the general population, as well as targeting sub-groups who are at high risk for substance abuse.

In implementing the prevention program, the State shall use a variety of strategies, as appropriate for each target group, including but not limited to the following:

- (1) Information Dissemination
- (2) Education
- (3) Alternatives
- (4) Problem Identification and Referral
- (5) Community-Based Process
- (6) Environmental

Identifying, Reporting and Expending funds in SUBG Block Grant

45 CFR 96.124 (e) Certain allocations

All programs providing such services will treat the family as a unit and therefore will admit both women and their children into treatment services, if appropriate. The State shall ensure that, at a minimum, treatment programs receiving funding for such services also provide or arrange for the provision of the following services to pregnant women and women with dependent children, including women who are attempting to regain custody of their children:

- (1) primary medical care for women, including referral for prenatal care and, while the women are receiving such services, child care;
- (2) primary pediatric care, including immunization, for their children;
- (3) gender specific substance abuse treatment and other therapeutic interventions for women which may address issues of relationships, sexual and physical abuse and parenting, and child care while the women are receiving these services;
- (4) therapeutic interventions for children in custody of women in treatment which may, among other things, address their developmental needs, their issues of sexual and physical abuse, and neglect; and
- (5) sufficient case management and transportation to ensure that women and their children have access to services provided by paragraphs (e) (1) through (4) of this section.