POLICY: EXPENDITURE OF SAPT BLOCK GRANT

I. PURPOSE:

The purpose of this policy is to ensure funds from the Substance Abuse Prevention and Treatment (SAPT) Block Grant are expended in accordance to Title 45 Code of Federal Regulations, Section 96.135.

II. REFERENCES:

Title 45 CFR, Section 96.135
NNA/DMC State-County Contract, Exhibit B, Section H

III. POLICY:

It is the policy of Marin County Mental Health and Substance Use Services (MHSUS) that SAPT Block Grant funds are not to be expended on the following:

1) Provision of in-patient hospital substance abuse services, except in cases when each of the following conditions are met:
   (a) The individual cannot be effectively treated in a community-based, non-hospital, residential program;
   (b) The daily rate of payment provided to the hospital for providing the services does not exceed the comparable daily rate provided by a community-based, non-hospital, residential treatment program;
   (c) A physician makes a determination that the following conditions have been met:
      i. The primary diagnosis of the individual is substance abuse, and the physician certifies that fact;
      ii. The individual cannot be safely treated in a community-based, non-hospital, residential treatment program;
      iii. The service can reasonably be expected to improve the person's condition or level of functioning;
      iv. The hospital-based substance abuse program follows national standards of substance abuse professional practice.
   (d) The service is provided only to the extent that it is medically necessary (e.g., only for those days that the patient cannot be safely treated in a residential, community-based program).
2) To purchase or improve land; purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
3) To satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of Federal funds;
4) To provide financial assistance to any entity other than a public or nonprofit, private entity;
5) To make payments to intended recipients of health services;
6) To provide treatment services in penal or correctional institutions of the State;
7) To provide individuals with hypodermic needs or syringes;
8) To pay salaries to County or provider staff in excess of Level I of the Federal Senior Executive pay scale.

In addition, the County shall ensure that redirected funds, including interest, are restricted to the purpose of the original allocation in compliance with conditions regarding NNA Contract funds.

**AUTHORITY/RESPONSIBILITY:**

Contract Managers
Alcohol and Drug Administrator
MHSUS Director

V. **PROCEDURE:**

The County ensures that the County and its contractors receiving funding under the NNA/DMC State-County Contract comply with requirements of funding sources and applicable laws and regulations through the below methods.

As a function of annual fiscal review, MHSUS staff or their fiscal representatives shall review agency financials to ensure SAPT Block Grant funds are not used for prohibited activities. In addition, contractors are required to provide a cost report no later than 90 days after the termination of the contract, or at the close of the fiscal year. The findings of the annual cost report shall be subject to an audit by County and State.

Contractor compliance with this policy shall be achieved through:
1. Distribution of the NNA-SAPT Block Grant Requirements in the Contractor Manual annually at contract renewal, which includes a section outlining the Title 45 CFR regulations regarding appropriate block grant expenditures.
2. Approval of contract as to form and legal affect by county counsel.
3. Signature of Contractor on contract agreeing to all conditions set forth in the contract.
4. Approval and execution of contract by the County Board of Supervisors or County Administrator.
5. Annual fiscal monitoring of contractor by County fiscal staff, including review of annually submitted cost report.

County-operated services compliance with this policy shall be achieved through:

1. Approval of State-County NNA/DMC Contract by Board of Supervisors or authorized designee agreeing to all conditions set forth in the contract.
2. Attestation to compliance with expenditure of SAPT BG requirements at the annual DHCS Monitoring review.
3. Annual completion of the Self Audit, including County Alcohol & Drug Administrator’s signed attestation of adherence to all laws and regulations.
4. At annual Site Visit, MHSUS Quality Management shall review the policy and program budget.
5. Annual fiscal monitoring by County fiscal staff, including preparation and review of annual cost report.