# IMPROVING COMMUNITY OUTCOMES FOR MATERNAL AND CHILD HEALTH

**State Authorization:** **Session Law 2017-57, Section 11E.3(a – d)**

**North Carolina Department of Health and Human Services**
**Division of Public Health**

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**N. C. DHHS Confirmation Reports:**

SFY 2019 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 2018-2019). 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 2017-2019)."

**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.**

## I. PROGRAM OBJECTIVES

The objective of the Improving Community Outcomes for Maternal and Child Health Initiative (ICO4MCH) is to provide funds to local health departments (LHD) via Session Law 2017-57, Section 11E.3. (a.- d.) to implement evidence-based strategies that are proven to lower infant mortality rates, improve birth outcomes and improve the overall health status of children ages birth to five through a competitive request for applications process (RFA) every two years. This law places the following requirements on the Division of Public Health (DPH) when selecting local health departments to be funded:

- the Division shall prioritize grant awards to local health departments that are able to leverage non-State funds in addition to the grant award;
- the grant awards to local health departments are to be dedicated to providing services on a county-wide basis;

- the local health department shall participate in evaluation, including measurable impact or outcomes; and
- the local health department shall ensure that grant funds will supplement and not supplant existing funds for health and wellness programs and initiatives.

## II. PROGRAM PROCEDURES

The North Carolina General Assembly continued funding for ICO4MCH via Session Law 2017-57, Section 11E.3. (a.- d.). LHD/health districts are eligible to submit a competitive application through our RFA process, if they meet the eligibility criteria. Single, regional, or multi-county applications are encouraged. For a multi-county application that includes different local health departments, one county must take the lead in submitting the application. DPH will accept applications from single or multi-county Local Health Departments (LHDs) that meet certain criteria of need. The criteria include: (1) 1,000 or more births in 2015 in the county(ies) AND (2) at least ONE of the following:

- Combined 2013-2015 infant mortality rate 10.7 or higher per 1,000 live births and 20 or more infant deaths;
- Combined 2013-2015 infant mortality disparity ratio of 2.3 or higher;
- Based on 2013 data, percent of children <5 years of age must be 42.6% or higher; or
- Combined 2010-2014 percent of children <19 years of age who are uninsured must be 6.9% or higher.

LHD will select one evidence-based strategy (EBS) to address each of the three aims of ICO4MCH: improve birth outcomes, reduce infant mortality, and improve child health among those aged births to five.

| PROGRAM AIMS | EVIDENCE-BASED STRATEGIES |
|---|---|
| **A. Improved Birth Outcomes** | Using a Reproductive Justice Framework to improve the utilization of reproductive life planning (RLP) and access to long-acting reversible contraception (LARC). |
| | Tobacco Use Screening, Counseling, and Documentation |
| **B. Reduced Infant Mortality** | 10 Successful Steps for Breastfeeding, with a specific focus on Step 3 and Step 10 |
| | Tobacco Cessation and Prevention |
| **C. Improved Health Status of Children Ages 0-5** | Positive Parenting Program (Triple P) |
| | Family Connects Newborn Home Visiting |
| | Clinical Effort Against Secondhand Smoke Exposure (CEASE) |

The ICO4MCH funds are 100% allocated from the State. The amount of funding available will be sufficient to fund between four (4) and six (6) ICO4MCH projects will be funded at an award level of $350,000 -$500,000 annually. Funding is available for two years, contingent upon contract compliance, program performance, and the availability of funding. The project period for agreement addendum awarded through this competitive application will begin on the first day of the fiscal year. ICO4MCH is administered by the North Carolina Department of Health and Human Services, Division of Public Health, Women's and Children's Health Section, Women's Health Branch, 1929 Mail Service Center, Raleigh, NC 27699-1929. Question should be directed to the Women's Health Branch, 919-707-5690.

## III. COMPLIANCE REQUIREMENTS

### A. Activities Allowed or Unallowed

Allowable activities are specified in the request for applications and the Agreement Addenda.

### 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

**LOCAL HEALTH DEPARTMENT PROJECTS**

In accordance with the provisions of the Consolidated Agreement with Local Health Departments/Districts/Public Health Authorities/Human Service Agencies (see Section 14 for further discussion of the Consolidated Agreement), local agencies report actual expenditures on a monthly basis. Payments are made in the following month based upon the amounts of reported expenditures to the extent that authorization remains. Payments, comprised of both federal and State funds are used to support operating expenses, primarily staff salary and fringe benefits. For a complete discussion of the Consolidated Agreement, see Section 14 below. (Consolidated Agreement).

### D. Reserve

### E. Eligibility

Local Health Departments applying for funding had to meet the following eligibility requirements: 1,000 or more births in 2015 in the county(ies); and one of the following:

(a) combined 2013-15 infant mortality rate of 10.7 or higher per 1,000 live births AND 20 or more infant deaths; (b) combined 2013-15 infant mortality disparity ratio of 2.3 or higher; (c) based on 2013, data, percent of children <5 years of age must be 42.6% or higher; OR (d) combined 2010-14 percent of children <19 years of age who are uninsured must be 6.9% or higher.

### 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; and

   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 1, Chapter II, Part 200. All non-federal entities shall follow federal laws and implementing regulations applicable to procurements, as noted in federal agency implementation of Title 2 Code of Federal Regulations, Chapter 1, Chapter II, Part 200.

**G. Matching, Level of Effort, Earmarking**

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.

**H. Period of Performance**

Contract funds may be used to support costs incurred during the funding period. In the case of local health departments, this period is the same as the State fiscal year and the period covered by the Consolidated Agreement, July 1 through June 30. Unobligated, unexpended funds may not be carried forward. Settle-up and final expenditure submission should occur within forty-five days of the end of the contract period, i.e., June 30. (Consolidated Agreement)

**I. Procurement and Suspension and Debarment**

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 conform with federal agency codifications of the grants management common rule accessible on the Internet at

https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.

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 procurement standards described in the North Carolina General Statutes and the North Carolina Administrative Code, which are identified in the State of North Carolina Procurement Manual accessible on the Internet at http://www.pandc.nc.gov/documents/Procurement_Manual_5_8_2013_interactive.pdf.

Nongovernmental subrecipients shall maintain written Procurement policies that are followed in procuring the goods and services required to administer the program.

**J. Program Income**

This is a requirement in the Title 2 Code of Federal Regulations, Chapter 1, Chapter II, Part 200. However, the State retains responsibility for this requirement and thus chooses not to pass it along to any of its subrecipients.

**K. Reserve**

**L. Reporting**

Financial Reporting: Local health departments are required to submit a Local Expenditure Report. (See Consolidated Agreement). All payments are contingent upon fund availability.

Performance Reporting: Quarterly reports are required to be submitted within 30 days at the end of the reporting quarter.

**13. 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).

**M. Special Tests and Provisions**

**Consolidated Agreement System**

The DHHS Division of Public Health is made up of six major sections, Chronic Disease & Injury, Environmental Health, Epidemiology, Women's and Children's Health, Oral Health, and Administrative, Local, and Community Support. The Division utilizes a single written agreement to manage all funds, that is, State, Federal, or private grant funds, that the Division allocates to local health departments across the State. This document, as amended, is called The Consolidated Agreement.

The Agreements sets forth the more general requirements of the funding relationship between the state and local public health agencies. The respective requirements are detailed under the headings: Responsibilities of the Department (Local Public Health Unit); Funding Stipulations; Fiscal Control; Responsibilities of the State; and Compliance. More specific information related to program activity is set out in a document called the Agreement Addenda which detail outcome objectives (which may or may not be negotiable at the beginning of each fiscal year) that each health department must achieve in exchange for the funding. A third part of the system is the Budgetary Estimate which is sent annually from each of the Sections or Branches of the Division to all health departments being allocated funds from specific sources, i.e., State appropriations or other federal grant funds for specific activities. This Estimate indicates

the amount of the allocated funds and their respective sources. Each health department should be able to provide an auditor with a copy of the Consolidated Agreement for the particular year being audited, as well as copies of the Budgetary Authorization and any revisions, Agreement Addenda, expenditure reports and any activity reports for each source of money received. If the health department cannot provide these documents, they may contact the State Division of Public Health Budget Office for assistance.

**Suggested Audit Procedures –** The auditor should review Section B. FUNDING STIPULATIONS of the Consolidated Agreement before beginning an audit. The fourteen items of this Section describe much of the detailed information the auditor may be seeking during a review of these programs.