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**State Targeted Response to the Opioid Crisis Grants**

**State Opioid Response Grants**

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**State Project/Program: STATE TARGETED RESPONSE TO THE OPIOID CRISIS GRANT (OPIOID STR)**

**STATE OPIOID RESPONSE GRANT (SOR)**

**STATE OPIOID RESPONSE GRANT SUPPLEMENT**

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**U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES  
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION**

**Federal Authorization:** 21<sup>st</sup> Century Cures Act, Section 1003, Public Law 114 – TBD  
Titles V and XIX of the Public Health Service Act (42 U.S.C. 290aa et seq., 300w et seq.)

H.R. 1625, Title II Division H of the Consolidated Appropriations Act, 2018.

Title II Division H of the Consolidated Appropriations Act, 2018  
North Carolina’s Opioid Action Plan 2017 – 2021

**State Authorization:** Session Law 2015-241 – House Bill 97 – Section 12F.16.(m) – (q) –  
Statewide Strategic Plan – Established Prescription Drug Abuse  
Advisory Committee (PDAAC/OPDAAC)

**NC Department of Health and Human Services  
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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**Agency Contact Person – Program**

DeDe Severino  
(919) 715-2281  
[Lisa.Haire@dhhs.nc.gov](mailto:Lisa.Haire@dhhs.nc.gov)

**Agency Contact Person – Financial**

Christal Kelly  
Phone: (919) 715-2124  
[Christal.kelly@dhhs.nc.gov](mailto:Christal.kelly@dhhs.nc.gov)

**Address Confirmation Letters To:**

SFY 2020 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 DHHS Grant Subrecipients will be available by mid-October at the following web address: <https://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 2019-2020). 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 \(State Fiscal Years 2018-2020\)](#)”.

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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:

To carry out the state plan by providing comprehensive substance use disorder prevention and treatment services, the Division of Mental Health, Developmental Disabilities and Substance Abuse Services was awarded two grants from the Substance Abuse and Mental Health Services Administration (SAMHSA) to address the opioid crisis, improve access to recovery support services and improve infrastructure in the state. The two programs to which this compliance supplement applies are:

**Opioid STR: State Targeted Response to the Opioid Crisis, 21st Century Cures Act**

**SOR: State Opioid Response Grant, 2018 Consolidated Appropriations Act**

**SOR Supplement: State Opioid Response Grant Supplement, 2018 Consolidated Appropriations Act**

**Opioid STR:** In April 2017, North Carolina received \$31,173,448 to address the opioid crisis through the 21<sup>st</sup> Century Cures Act, State Targeted Response to the Opioid Crisis Grants (Opioid STR). This grant will allow North Carolina to serve a greater number of individuals experiencing opioid use disorders. The primary purpose of the proposed project is to design and implement a plan to address the opioid crisis, incorporating components of the Opioid Action Plan, as well as elements delineated in the Opioid STR Needs Assessment, focusing on activities that can realistically be accomplished within the two-year time frame of the grant. The funding period for this grant is May 1, 2017 through April 30, 2019, with an annual award of \$15,586,724. However, in that funds were remaining at the end of year two, the DMHDDSAS submitted a request for a no cost extension and was awarded such for the period of May 1, 2019 through April 30, 2020. The amount of the no cost extension was based on the estimated unobligated balance at the time the application was submitted, which was \$1,291,959.

- Grant funds are expected to serve at least 1,520 individuals in the second year.
- Reduce unmet treatment needs and reduce opioid overdose related deaths through the provision of prevention, treatment and recovery services.

This is the third year of a two-year grant which provides funding for prevention, education and outreach, screening/triage/referral, treatment, recovery supports and provider education and development.

**SOR:** In September 2018, North Carolina received \$46,066,632 to address the opioid crisis through the 2018 Consolidated Appropriations Act, State Opioid Response Grants (SOR). This grant will provide additional funds to North Carolina to address the unmet treatment need for individuals with an opioid use disorder, including prescription opioid drug misuse, as well as illicit opiate use. The primary purpose of this grant is to provide medication-assisted treatment, associated clinical treatment services, recovery supports

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and other services for individuals with an opioid use disorder, including initiatives defined in the Opioid Action Plan. The funding period for this grant is September 30, 2018 through September 29, 2020, with an annual award of \$23,033,316.

- Grant funds are expected to serve 2000 individuals in the first year and an additional 1000 individuals in the second year.
- Reduce unmet treatment needs and reduce opioid overdose related deaths through the provision of treatment and recovery services.

This is the second year of a two-year grant that partially overlays year three of the Opioid STR grant.

**SOR Supplement:** In March 2019, North Carolina received an additional award of \$12,023,391 **address the opioid crisis through the 2018 Consolidated Appropriations Act, to be used for the same purposes as outlined in the SOR Funding Opportunity Announcement (FOA), number TI-18-015. This grant will provide additional funds to North Carolina to address the unmet treatment need for individuals with an opioid use disorder, including prescription opioid drug misuse, as well as illicit opiate use. The primary purpose of this grant is to provide medication-assisted treatment, associated clinical treatment services, recovery supports and other services for individuals with an opioid use disorder, including initiatives defined in the Opioid Action Plan. The funding period for this supplemental award is September 30, 2018 through September 29, 2020. The goals and objectives of the Opioid STR grant are as follows:**

### **Goal 1: Prevent opioid use and opioid-related deaths.**

- **Objective 1:** Increase awareness about the misuse of prescription drugs and consequences of their misuse via a statewide media campaign (the National Family Partnership Lock Your Meds Campaign) Building on the plan developed by the Community Wellness, Prevention, and Health Integration Section through its Strategic Prevention Framework (SPF) Grants and the Strategic Plan for Prescription Drugs developed through the Policy Academies of which the state has been part.
- **Objective 2:** Expand implementation of evidence-based programs that address non-medical use of opioids and reduce opioid-related deaths. The sub-recipient communities will receive Technical Assistance and or mentoring to deliver evidence-based programs and strategies from the Partnership for Success (PFS) sites that have demonstrated success in their prevention efforts. The evidence-based programs and strategies will include: Lead and Seed program, coalitions to build community capacity to increase or develop local prevention infrastructure, decrease over-prescribing by devising and implementing a prescribing alert system for health care system, use of lock boxes to reduce access, increasing proper disposal, and education to increase perception of risk of harm.
- **Objective 3:** Support efforts to reduce over-prescribing strategies, including training physicians on Centers for Disease Control and Prevention (CDC) prescribing guidelines and the use of non-opioid strategies for pain management
- **Objective 4:** Reduce harm by supporting and funding the use of medications that reverse the adverse effects of opioid overdose. Strategies include training first

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responders and other individuals on naloxone use and funding the purchase of additional naloxone kits.

### Goal 2: To treat Opioid Use Disorders.

- **Objective 1:** To increase access to treatment for OUD by increasing the availability of services, eliminating or reducing barriers to treatment, and assisting individuals who are transitioning from criminal justice or other restrictive settings back into the community. Strategies include promoting telehealth, funding the purchase of Food and Drug Administration (FDA)-approved medications used for medication assisted treatment (MAT), addressing barriers (e.g., helping those in need of transportation or insurance co-pays or deductibles, assisting with treatment costs, and providing same-day services), and working with providers at Emergency Departments and staff at correctional facilities to get individuals discharged from these facilities into OUD treatment as needed.
- **Objective 2:** To increase availability of and access to Evidence-Based Practices (EBPs) for Opioid Use Disorder (OUD). Strategies consist of providing training on MAT and other EBPs that will be used by the proposed project at participating facilities. The measures for the objective are (1) the number of EBPs offered by participating agencies and (2) the number of individuals treated with a specific EBP (e.g., MAT, Seeking Safety).
- **Objective 3:** Expand and strengthen the workforce by opening up training on MAT statewide to providers at non-participating facilities. In addition to training currently provided by the Governor's Institute, the department has committed to examining clinical and administrative policies across all divisions to ensure citizens have access to care and providers are not unnecessarily burdened.
- **Objective 4:** To enhance and increase the capability of the state's Prescription Drug Monitoring Program (PDMP), the Controlled Substances Reporting System (CSRS) which is partially staffed within the Single State Agency (SSA). The DMH/DD/SAS utilizes the CSRS as a prevention and intervention tool by contracting with a Data Analyst to disseminate CSRS data on a monthly basis to all 100 counties in the state. The CSRS Data Analyst will focus on three key strategies which are dissemination for awareness, understanding and action.

### Goal 3: To maintain recovery.

North Carolina has a long and strong commitment to recovery as demonstrated by its history of providing recovery support through a peer certification program at the University of North Carolina at Chapel Hill funded with state and SAMHSA funds, inclusion of family members and consumers in its policy-making bodies, the reimbursement of peer support services by state Local Management Entities/Managed Care Organizations (LME/MCOs), and the provision of funding to establish or expand recovery community centers and collegiate wellness and recovery programming. In 2014, DMH/DD/SAS was awarded an Access to Recovery grant that expanded recovery support services and increased the number of individuals receiving them. Goal 3 reinforces the state's commitment to recovery.

- **Objective 1:** Increase access to recovery support services. The primary strategy will be the establishment of linkages between treatment facilities and recovery support providers. Participating providers will be asked to provide documentation on the recovery support services that have been offered to clients.

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- **Objective 2:** Individuals who receive treatment at a participating provider facility will be offered the opportunity to be actively linked with a peer support specialist.
- **Objective 3:** Improve retention of participants in recovery. Analysis of 2016 six-month follow-up data on substance use conducted by the Quality Management section of the SSA indicate that only about 21 percent (21.2%) of individuals served by the system completed their treatment. The proposed project plans to use strategies aimed at increasing retention.

### **Goal 4: To conduct a needs assessment.**

- **Objective 1:** Assess needs and capacity.
- **Objective 2:** Assess performance.

The goals and objectives of the SOR grant are as follows:

### **Goal 1: To increase community awareness and prevention**

- **Objective 1.** To decrease stigma associated with opioid use, particularly injection drug use, through targeted media campaigns and establishing collection sites for used syringes.
- **Objective 2.** To reduce harm from drug use by supporting and funding the use of naloxone, a medication that blocks or reverses the adverse effects of opioid use.

**Goal 2: To treat opioid use disorder.** The proposed project will provide medication assisted treatment (MAT) and other evidence-based practices (EBPs) that have been shown to be effective for opioid use disorders.

- **Objective 1.** To increase access to medication assisted treatment and other EBPs, among uninsured and under-insured North Carolinians, including providing financial assistance for the costs associated with MAT, including FDA-approved medications, by providing funding to opioid treatment programs (OTPs) and office-based opioid treatment practices (OBOTs) through contracts with the LME-MCOs.
- **Objective 2.** Focus services on Division of Social Services-involved families. North Carolina has seen an increase in the number families involved with DSS due to parental substance use, and correspondingly, an increase in the number of children in out-of-home placements. The proposed project will fund a pilot initiative in selected counties, partner with DSS and local treatment providers to engage these parents in MAT and other clinical and recovery supports.
- **Objective 3.** Provide services to transitioning populations. The proposed project will initiate the delivery of MAT in designated reentry facilities, as well as identified detention facilities, to individuals with opioid use disorders. Prior to release, individuals will receive a naltrexone injection, be connected with a community health center for continued care and be provided naloxone.

**Goal 3.: To maintain recovery.** SAMHSA defines recovery as “(A) process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential”, focusing on health, home, purpose, and community.

- **Objective 1.** Improve engagement and retention in treatment. The proposed project

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will highlight the need to engage patients in MAT and retain them in treatment by providing information on the percentage of patients for whom treatment was terminated, the reasons for termination, and the differences between those who remained in treatment and those who did not so that barriers to treatment can be resolved.

- **Objective 2.** Provide linkages to recovery and support services. The proposed project will provide linkages to resources that will enable the individual to build up the foundations (health, home, purpose, and community) to support his or her recovery.
- **Objective 3.** Utilize certified peer support specialists. The proposed project plans to provide support for peer support specialists.

### **Goal 4: To assess project performance and conduct evaluation.**

- **Objective 1.** To assess performance. The proposed project will routinely review the extent to which the project is meeting its goals and objectives at implementation meetings. Action plans will be formulated and revisions to the implementation plan will be made if goals are not met.
- **Objective 2.** To assess the impact of the project on participants. The proposed project will compare baseline/intake data with follow-up data to determine whether participation in the project led to positive outcomes in the indicators measured by the GPRA (Government Performance and Results Act) instruments. The GPRA must be administered the GPRA at intake, at three- and six-month junctures in care and at discharge. The proposed project plans to serve a minimum of 2,000 unduplicated participants in Year 1 and an additional 1000 in the second year of the grant. Because it is anticipated that some participants that began treatment in Year 1 will continue in treatment into Year 2, the number of new participants in Year 2 is decreased. This will allow adequate funding in order that first year participants may continue in treatment as long as necessary. Additionally, it is anticipated that an additional 500 individuals will be served through the proposed pilot initiatives each year. The total number of unduplicated individuals to be served over the course of the two-year grant period is 4,000.

The goals and objectives of the SOR Supplement award are as follows:

### **Goal 1. To treat opioid use disorder**

- **Objective 1.** To increase access to medication assisted treatment and other EBPs, among uninsured and under-insured North Carolinians, including providing financial assistance for the costs associated with MAT, including FDA-approved medications, by providing funding to OTPs and OBOTs through contracts with the LME-MCOs.
- **Objective 2.** To implement medication assisted treatment in jail settings and expand LEAD. In conjunction with the Department of Public Safety, local Sheriffs' departments and LME/MCOs, these funds would support the initiation of medication assisted treatment for a minimum of 160 individuals preparing for release from one of four identified jail sites.
- **Objective 3.** Implement medication assisted treatment in Emergency Department settings. These funds would be dedicated to expanding access to MAT in emergency departments. One-time funding will assist with technology, training and infrastructure costs of WakeMed's CONVERT project, which aims to improve the rapid

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- identification of those at risk of opioid use disorder and engagement in care.
- **Objective 4.** To conduct outreach and overdose response. These funds would provide additional support to expand current overdose/rapid response teams, primarily in the western, more rural parts of North Carolina, as well as allow for continued partnerships with syringe exchange programs to provide outreach and engagement services, and referral to treatment for individuals participating in the syringe exchange programs.
  - **Objective 5.** To increase the workforce dedicated to providing medication assisted treatment through training and other development activities.

### ***Goal 2 – To sustain recovery from opioid use disorder***

- **Objective 1.** Continue the expansion of peer support services. With these additional funds, focus on placing/embedding peers in opioid treatment programs (OTPs,) office-based opioid treatment practices (OBOTs), recovery community centers and emergency departments.
- **Objective 2.** Safe and healthy living environments are critical for people in recovery. Recovery residences support individuals by providing a safe living environment and readily available community of recovery-related social support. These funds will support recovery supported housing in two LME/MCO service areas, and will include temporary assistance, such as short-term payment of rent at Oxford Houses.
- **Objective 3.** Other Social Determinants of Health. It is increasingly recognized that to improve recovery sustainability, health equity needs to become a priority in the health sector, and measures to reduce disparities must be integrated into health programs and services. As peer support specialists assist with engagement in treatment, additional funding will help to address identified barriers in areas such as utilities, childcare, access to healthcare and dental care, education and literacy, employment skills and social inclusion and other recovery supports.

### ***Goal 3. To prevent opioid use disorder and reduce opioid misuse***

- **Objective 1.** Prevent Opioid Use Disorder (OUD) and Opioid-related deaths building on the plan developed by the Community Wellness, Prevention, and Health Integration Section through its Strategic Prevention Frameworks (SPF) grants and Opioid STR grant. Under this first objective, community organizations may apply, through a request for applications process, to oversee the implementation of various strategies, which will also be available to communities through a competitive process.
- **Objective 2.** Identify and implement, through a competitive process, one or more initiatives to support alternative pain management strategies and approaches basis, particularly in rural, less resource-rich areas.
- **Objective 3.** Naloxone. This objective is directed towards the reduction of harm by supporting and funding the use of medications that block or reverse the adverse

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effects of opioid use.

### II. PROGRAM PROCEDURES:

#### **Advisory Councils and Resources**

##### ***Opioid and Prescription Drug Abuse Advisory Committee.***

In accordance with Section Law 2015-241, Section 12F.16.(m), the NC DHHS PDAAC was established in early 2016. The group, which has changed its name to the Opioid and Prescription Drug Abuse Advisory Committee (OPDAAC), meets quarterly and has focused on providing guidance and leadership in: (1) the implementation of the “Opioid Action Plan” and (2) the Centers for Disease Control and Prevention’s Prescription Drug Overdose Prevention for States Cooperative Agreement awarded to North Carolina through 2019. OPDAAC members represent a wide variety of agencies and fields, including, but not limited to: local health departments, healthcare organizations, law enforcement, substance abuse prevention, the recovery community, mental health treatment, harm reduction, emergency medicine, regulatory boards, and many other groups. To combat the opioid crisis, DHHS joined with community partners to develop the North Carolina Opioid Action Plan. The plan established 13 data metrics to track and monitor North Carolina's opioid epidemic. The metrics track progress toward five overarching goals: reducing deaths, reducing oversupply of prescription opioids, reducing drug diversion and illicit drug flow, increasing naloxone access and increasing access to treatment and recovery services.

***Statewide Overdose Prevention Summits.*** North Carolina’s statewide medication and drug overdose prevention Summits were held in July 2014, July 2015, and June 2017. The 2017 Summit was organized and co-lead by DMHDDSAS and the Injury and Violence Prevention Branch (IVPB) of the Division of Public Health, along with other partners. These events provided opportunities to share the latest data, prevention strategies, and progress on the opioid overdose epidemic. Overall, the Summits helped provide a shared vision for the state in its overdose work, laying the groundwork for shared efforts and contributions towards common goals.

***Monthly Surveillance Reports and the Opioid Data Dashboard.*** Through collaboration with Surveillance Quality Improvement (SQI), dashboards were developed for local departments to monitor prescription drug-related emergency department visits in their counties. Updated data is available daily. Data tables and surveillance statistics are posted on the IVPB website and accessible by all.

***Educating Medical Providers and Promotion of CDC Prescribing Guidelines.*** The Governor’s Institute on Substance Abuse, Inc. (GI) is a statewide organization founded in 1991 to improve how physicians and other healthcare providers prevent, identify, and intervene with substance use issues. The GI has long-standing, strong partnerships with the state’s medical schools, the NC Divisions of MH/DD/SAS and Public Health, the NC Chapter of the American Society of Addiction Medicine (ASAM), the NC Academy of Family Physicians, the NC Psychiatric Association, additional NC healthcare provider groups, the NC Medical Board, regional Area Health Education Centers (AHECs), Community Care of NC and other state and federal agencies that are addressing the opioid epidemic in NC.

Through a contract with DMH/DD/SAS, GI has collaborated with the aforementioned groups on a number of successful addiction medicine workgroups, projects and several websites supporting safer opioid prescribing and addiction medicine efforts in the state

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(e.g. [www.sa4docs.org](http://www.sa4docs.org)). The GI also provides a well-attended and reviewed regional Addiction Medicine conference that is now in its tenth year ([www.addictionmedicine.sa4docs.org](http://www.addictionmedicine.sa4docs.org)). The conference audience is largely physicians with a sizeable group of physician assistants (PAs) and advanced practice nurses (APNs). The conference addresses the needs of both primary care physicians who are new or relatively new to addiction medicine as well as an opportunity for seasoned addiction medicine physicians to get updates, further training and opportunities for case discussion and networking. Last year there were over 300 from as far away as Canada.

### III. COMPLIANCE REQUIREMENTS

#### Crosscutting Requirements

**The DHHS/Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS) mandates that all the testing included within the crosscutting section be performed by the local auditors. All requirements for auditing State appropriations for the Substance Abuse Services Programs are set forth in the Crosscutting Supplement, identified as “DMH-0” for those mandated requirements. This supplement provides additional requirements applicable to the Federal funds.**

#### A. ACTIVITIES ALLOWED OR UNALLOWED

The purpose of these grants is to address the opioid use crisis by carrying out initiatives that supplement activities pertaining to opioids undertaken by the North Carolina Department of Health and Human Services, the State agency responsible for administering the Substance Abuse Prevention and Treatment Block Grant under subpart II of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x–21 et seq.).

**The Opioid STR grant is used for the following purposes:**

- (A) Increasing accessibility to medication-assisted treatment and recovery supports for individuals with an opioid use disorder.
- (B) Improving the CSRS, the state’s prescription drug monitoring program.
- (C) Implementing prevention activities and evaluating such activities to identify effective strategies to prevent opioid abuse.
- (D) Training for health care practitioners, on topics such as best practices for prescribing opioids, conducting assessments and referrals based on the ASAM criteria, referral of patients to treatment programs, and overdose prevention.
- (E) Supporting access to health care services, including those services provided by opioid treatment programs or other appropriate health care providers.

**The SOR grant and Supplement award are used for the following purposes:**

- (A) Increasing accessibility to medication-assisted treatment and recovery supports for individuals with an opioid use disorder.

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- (B) Developing a “bundled rate” pilot for medication-assisted treatment and related services in 2 opioid treatment program sites and two office-based opioid treatment practices.
- (C) Initiating a pilot in two to three counties hardest hit with families who are involved in DSS services due to parental substance use.
- (D) Initiating a pilot in collaboration with the Department of Public Safety to provide MAT to individuals re-entering communities.
- (E) To provide funding for several initiatives developed by the Eastern band of the Cherokee Indian.
- (F) Providing training, with a primary focus on the principles of MAT.
- (G) Purchase and distribution of naloxone, the medication used to reverse opioid overdoses.

### **B. ALLOWABLE COSTS/COST PRINCIPLES**

All grantees that expend State funds (including federal funds passed through the NC Department of Health and Human Services) are required to comply with the cost principles described in the NC Administrative Code at 09 NCAC 03M.0201 and in 2 CFR, Part 200 Subpart E – Cost Principles.)

Certain expenditures are considered non-allowable and are not included in the cost allocation. Fixed assets and moveable assets costing \$5,000 or more must be reported on the cost finding as assets. (Moveable assets costing less than \$5,000 may be directly expensed.)

Funds must be expended or earned in accordance with the Performance Agreement between the Division of MH/DD/SAS and the Local Management Entity-Managed Care Organization (LME-MCO), including amendments via individual allocation letters.

Funds designated for substance use disorders may be used for planning, establishing, maintaining, coordinating and evaluating projects for the development of more effective prevention and treatment programs and activities to deal with such (42 U.S.C. 300x-3(a)(1) 1989 Revision).

#### **SPECIAL CONDITIONS:**

1. The award of these funds shall not be used by a county or LME-MCO as a basis to supplant any portion of a county’s commitment of local funds to the area authority or LME-MCO;
2. If these funds shall be used to support a new service for which a license and/or accreditation is required, such licensure/accreditation shall be completed prior to the delivery of services;
3. If these funds shall be used for a new service which does not have an established reimbursement rate, a new Service Objective Form must be submitted and approved by the Division before any payments will be made;
4. The funds provided shall not be used to supplant Federal or non-Federal funds for services or activities which promote the purposes of the grant or funding;
5. The funds provided shall not be utilized to supplement any reimbursement for services or staff activities provided through the NC Medicaid Program;

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6. The funds provided shall not be utilized to supplement any reimbursement for services or staff activities supported through the Division's payment of other UCR or non-UCR funds, without the prior written approval of the DMH/DD/SAS Director of Budget and Finance and the Chief of Addictions and Management Operations;
7. The funds provided shall be fully utilized, monitored, and settled in compliance with the conditions of the current Contract Agreement between the LME-MCO and DMH/DD/SAS, with the full adherence of the LME-MCO and its sub-recipient contractors to all applicable State and federal laws, rules, regulations, policies, guidelines, standards, agreements, protocols, plans, and communications;
8. Funds shall not be used for substance use or other treatment services covered by Medicaid reimbursement;
9. No purchases are allowed for any one item above \$5,000 without prior written permission from DMH/DD/SAS;
10. Funds shall not be used for facility purchase, construction or renovation;
11. Opioid STR Grant funds and SOR/SOR Supplement Grant funds are prohibited to be used to make, or to allow to be made, any cash payments to any recipients or intended recipients of health or behavioral health services;
12. Opioid STR Grant funds and SOR/SOR Supplement Grant funds are prohibited to be used for the purchase or improvement of land, purchase, construction or permanent improvement (other than minor remodeling) of any building or other facility, or purchase of major equipment, including medical equipment;
13. Opioid STR Grant funds and SOR/SOR Supplement Grant funds are prohibited to be used to satisfy any requirement for the expenditure of non-Federal funds as a condition of receipt of Federal funds. (i.e. Federal funds may not be used to satisfy any condition for any state, local or other funding match requirement);
14. Opioid STR Grant funds are prohibited to be used to provide individuals with treatment services in penal or correctional institutions of the State (This includes jails, prisons, adult and juvenile detention centers, juvenile training schools, holding facilities, etc.);
15. Opioid STR Grant funds are prohibited to be used towards the annual salary of any contractor or subcontractor, including LME-MCO, provider, or contractor employee, consultant, or other individual that is in excess of Level I of the most current US Office of Personnel Management Federal Executive Salary Schedule. This amount is currently designated for the calendar year effective January 2018 at an annual salary of \$210,700;
16. SOR/SOR Supplement Grant funds may not pay for any lease beyond the project period.
17. SOR/SOR Supplement Grant funds may not provide residential or outpatient treatment services when the facility has not yet been acquired, sited, approved, and met all requirements for human habitation and services provision. (Expansion or enhancement of existing residential services is permissible.)
18. SOR/SOR Supplement Grant funds may not provide detoxification services unless it is part of the transition to MAT with extended release naltrexone.
19. SOR/SOR Supplement Grant funds may not support non-evidence-based treatment approaches.
20. Opioid STR Grant funds shall not be utilized for law enforcement activities;

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21. No part of any Opioid STR Grant funding or SOR/SOR Supplement Grant funding shall be used for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or video presentation designed to support or defeat legislation pending before the Congress or any State legislature, except in presentation to the Congress or any state legislative body itself.
22. Private for-profit OTPs (opioid treatment programs) and OBOTs (office-based opioid treatment practices) are permitted to receive Opioid STR and/or SOR/SOR Supplement funds, as long as these activities are done through a contract mechanism.

### C. CASH MANAGEMENT

The DHHS Controller's Office is responsible for submitting a Financial Status Report 269 to the Federal Grants Management Officer for documentation of federal funds expended according to the DHHS Cash Management Policy.

### E. ELIGIBILITY

The priority population for this grant is individuals with an opioid use disorder (OUD), with emphasis on those who are not currently in treatment.

### G. MATCHING, LEVEL OF EFFORT, EARMARKING

Matching: There are no matching requirements for this program.

Level of Effort: Opioid STR grant funds and SOR grant funds allocated shall be used to increase the level of state, local and other non-federal funds and shall, in no event, supplant such state, local and other non-federal funds. If grant funds are reduced, services and provider agencies participation may be reduced in a proportionate manner with any agreed upon limitations.

Earmarking: Each LME/MCO shall designate and expend Opioid STR and SOR grant funds to carry out the program requirements as designated under program procedures section of this compliance supplement.

### I...PROCUREMENT AND SUSPENSION AND DEBARMENT

#### Procurement

All grantees that expend federal funds (received either directly from a federal agency or passed through the NC Department of Health and Human Services) are required to comply with the procurement guidelines found in 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards which can be accessed at:

<https://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

All grantees that expend State funds (including federal funds passed through the NC 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 Agency Purchasing Manual accessible on the Internet at <https://ncadmin.nc.gov/document/procurement-manual-5-8-2013-interactive>.

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

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### Suspension and Debarment

All grantees awarded contracts utilizing federal dollars must be in compliance with the provisions of Executive Order 12549, 45 CFR Part 76 and Executive Order 12689.

### **J. PROGRAM INCOME**

As per the Funding Opportunity Announcement for the Opioid STR grant (TI-17-014) and the SOR Funding Opportunity Announcement (TI-18-015), recipients must utilize third party and other revenue realized from the provision of services to the extent possible and use SAMHSA grant funds only for services to individuals who are not covered by public or commercial health insurance programs, individuals for whom coverage has been formally determined to be unaffordable, or for services that are not sufficiently covered by an individual's health insurance plan.

### **L. REPORTING**

#### **Financial Reports:**

For federal funds allocated outside of UCR, approved expenditures shall be reported through the routine submission of monthly Financial Status Reports (FSRs). Any exceptions to the required timely reporting of federal funds expended shall be approved in writing by the DMH/DD/SAS Assistant Director of Budget and Finance and the Section Chief of Addictions and Management Operations.

Grantees must provide monthly and final Financial Status Reports (FSRs).

#### **Program Reports:**

Opioid STR grantees must provide bi-annual reports to minimally include the following information:

1. Number of people who receive OUD treatment by age, sex and race/ethnicity.
2. Number of people who receive OUD recovery services by age, sex and race/ethnicity.
3. Number of providers implementing medication-assisted treatment (MAT).
4. Number of OUD prevention and treatment providers trained.
5. Numbers and rates of opioid use.
6. Numbers and rates of opioid overdose-related deaths, and
7. Type of FDA-approved medication (methadone, buprenorphine products, naltrexone, etc.) prescribed/administered.

Additionally, NCTOPPS data must be collected at the standard, defined time periods.

SOR/SOR Supplement grantees must provide reports to minimally include the following information:

1. As per requirements from SAMHSA, all providers receiving these funds for the provision of medication assisted treatment and recovery supports will be required to administer the Government Performance and Measurement Act (GPRA) performance tool and report a series of data elements that will enable SAMHSA to determine the impact of the program on opioid use, and opioid-related morbidity and mortality. Grantees will be required to report client-level data on elements including but not limited to: diagnosis, demographic characteristics, substance use, services received,

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types of MAT received; length of stay in treatment; employment status, criminal justice involvement, and housing. Additional data elements may also be required upon determination by SAMHSA of the feasibility of expanding the current GPRA tools. Examples of the type of data collection tools required can be found here: <https://www.samhsa.gov/grants/gpra-measurement-tools/csat-gpra/csat-gpra-discretionary-services>. Data will be collected via a face-to-face interview using this tool at four data collection points: intake to services, three months post intake, six months post intake, and at discharge. Recipients will be expected to do a GPRA interview on all clients funded through this SOR grant.

2. NCTOPPS data must be collected at the standard, defined time periods.

### **M. SUBRECIPIENT MONITORING**

Monitoring is required if the agency disburses or transfers any State funds to other organizations, except for the purchase of goods or services, the grantee shall require such organizations to file with it similar reports and statements as required by G. S. §143C-6-22 and 6-23. If the agency disburses or transfers any pass-through federal funds received from the State to other organizations, the agency shall require such organizations to comply with the applicable requirements of 2 CFR Part 200.331. Accordingly, the agency is responsible for monitoring programmatic and fiscal compliance of subcontractors based on the guidance provided in this compliance supplement and the audit procedures outlined in the DMH-0 Crosscutting Supplement.

### **N. SPECIAL TESTS AND PROVISIONS**

All grantees are required to comply with the NC Department of Health and Human Services and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services records retention schedules and policies. Financial records shall be maintained in accordance with established federal and state guidelines.

The records of the contractor shall be accessible for review by the staff of the North Carolina Department of Health and Human Services and the Office of the State Auditor for the purpose of monitoring services rendered, financial audits by third party payers, cost finding, and research and evaluation.

Records shall be retained for a period of three years following the submission of the final Financial Status Report or three years following the submission of a revised final Financial Status Report. Also, if any litigation, claim, negotiation, audit, disallowance action, or other action involving these funds has been started before expiration of the three year retention period, the records must be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three year period, whichever is later. The grantee shall not destroy, purge or dispose of records related to these funds without the express written consent of DHHS-DMH/DD/SAS.

The agency must comply with any additional requirements specified in the contract or to any other performance-based measures or agreements made subsequent to the initiation of the contract including but not limited to findings requiring a plan of correction or remediation in order to bring the program into compliance.

#### Audit Objectives

- a. To ensure compliance with the DHHS and DMH/DD/SAS records retention schedules and policies; and
- b. To ensure compliance with all federal and State policies, laws and rules that pertain to this fund source and/or to the contract/grant agreement.

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### Suggested Audit Procedures

- a. Verify that records related to this fund source are in compliance with DHHS-DMH/DD/SAS record retention schedules and policies;
- b. Review contract/grant agreement, identify any special requirements; and
- c. Verify if the requirements were met.

### Conflicts of Interest and Certification Regarding 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 NC Department of Health and Human Services) are subject to the financial reporting requirements of G. S. 143C-6-23 effective 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) 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)).

G. S. 143C-6-23(b) stipulates that every grantee shall file with the State agency disbursing funds to the grantee a copy of that grantee's policy addressing conflicts of interest that may arise involving the grantee's management employees and the members of its board of directors or other governing body. The policy shall address situations in which any of these individuals may directly or indirectly benefit, except as the grantee's employees or members of its board or other governing body, from the grantee's disbursing of State funds, and shall include actions to be taken by the grantee or the individual, or both, to avoid conflicts of interest and the appearance of impropriety. The policy shall be filed before the disbursing State agency may disburse the grant funds.

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.