

Behavioral Health is Essential To Health



Prevention Works



Treatment is Effective



People Recover



SUBSTANCE ABUSE AND TREATMENT BLOCK GRANT FISCAL REQUIREMENTS



Overview of SABG Fiscal Requirements

Today's session will cover Substance Abuse Prevention and Treatment Block Grant (SABG) fiscal requirements that impact SABG-funded provider organizations:

- The SABG Funding Bases
- SABG Set-Aside funds
- SABG Maintenance of Effort Requirements
- Single-State Audit and Subrecipient Monitoring Requirements
- Restrictions on SABG Expenditures

Overview of SABG Fiscal Requirements

The block grants are mandated by Congress to provide funds and technical assistance to:

- Each of the 50 states
- The District of Columbia
- Puerto Rico
- The U.S. Virgin Islands
- The 6 Pacific Jurisdictions

The Red Lake Band of Chippewa Indians is an SABG recipient.



Block Grant Funding Bases

State Technical Assistance Project
Contract No. HHSS283201200002I
Task Order No. HHSS28342002T
Reference No. 283-12-0202



SABG Funding Bases

How Are Block Grant Funds Allocated?

- States apply for these noncompetitive grants.
- SAMHSA uses a formula to allocate Block Grant funds to states.
- States establish their own bases for allocating Block Grant funds to provider and intermediary organizations consistent with SAMHSA statutory requirements and priority populations.
- SABG Set-Aside and Maintenance of Effort requirements also influence the allocation of funds within each state.



SABG Set-Aside Funds

State Technical Assistance Project
Contract No. HHSS283201200002I
Task Order No. HHSS28342002T
Reference No. 283-12-0202



Set-Aside Funds

What Are Set-Aside Funds? What Is Their Purpose?

States must set aside specific percentages of their SABG allocations for certain services and populations.

- Primary prevention set-aside
- HIV set-aside

Primary Prevention Set-Aside Funds

What Are the SABG Primary Prevention Set-Aside Requirements?

Under the primary prevention set-aside, states:

- Must expend at least 20% of their SABG funds on primary prevention.
- Must carry out activities to reduce the risk of substance abuse among individuals who do not need treatment.
- Cannot use the primary prevention set-aside funds for early intervention services.
- May use other SABG funds for early intervention activities.

Primary Prevention Set-Aside Funds

The state must use a variety of strategies, as appropriate, for each target group:

- Information dissemination
- Education
- Alternative activities
- Problem identification and referral
- Community-based processes
- Environmental strategies

HIV Set-Aside Requirements

HIV set-aside requirements apply to *Designated States*:

- Designated states are states that have more than 10 HIV cases per 100,000 in population as determined by the Centers for Disease Control and Prevention.
- Designated states *must* expend 5% of their SABG awards on HIV/EIS.

HIV Set-Aside Requirements

Required HIV/EIS:

- Pre- and post-test HIV/AIDS counseling
- HIV/AIDS testing
- Therapeutic measures for those who test positive



SABG Maintenance of Effort Requirements

State Technical Assistance Project
Contract No. HHSS283201200002I
Task Order No. HHSS28342002T
Reference No. 283-12-0202



Overview of Maintenance of Effort

What Is the Purpose and Intent of Maintenance of Effort?

The SABG maintenance of effort (MOE) requirements incentivize states to maintain overall expenditure levels and expenditure levels for specific services and populations:

- Statewide substance use disorder services
- Special services for pregnant women and women with dependent children

Overview of Maintenance of Effort

Collectively, the MOE requirements ensure:

- Stability of a state's contribution to those services and populations over time
- Block grant funds are used to *supplement*, but not *supplant*, state fund expenditures

Supplementing consists of *adding* federal funds to what is available in state, local, or agency funds (e.g., to expand services).

Supplanting consists of using federal funds to *replace* existing state, local, or agency funds with federal funds; this practice is prohibited.

Overview of Maintenance of Effort

What Are the SABG MOEs?

There are now 2 SABG MOE requirements:

- ***SABG State MOE*** under §96.134 Maintenance of Effort Regarding State Expenditures of the SABG regulations
- ***SABG Women's MOE*** under §96.124 Certain Allocations: Special Services for Pregnant Women and Women With Dependent Children of the SABG regulations

The 21st Century Cures Act eliminated the HIV and TB MOE requirements.

Statewide MOE Requirements

What Are the SABG State MOE Requirements?

- The ***single state agency (SSA)*** must maintain expenditures of state funds for ***authorized activities*** at a level no less than the average level for the preceding 2 state fiscal years.

The **SSA** is the *principal agency* for planning, carrying out, and evaluating the state's activities to prevent and treat substance use disorders (SUDs).

Authorized activities include planning, carrying out, and evaluating activities to prevent and treat SUDs.

Statewide MOE Requirements

Example of State that *Meets* MOE Requirement

State Fiscal Year	State Expenditures	Average Expenditures of Previous 2-Year Period	% Over/(Under) MOE
SFY11	\$10,000,000	-	-
SFY12	\$11,000,000	-	-
SFY13	\$12,000,000	\$10,500,000	14.3
SFY14	\$13,000,000	\$11,500,000	13.0

Women's MOE Requirements

What Are the SABG Women's MOE Requirements?

- Current spending is compared to spending in 1994, the base year for this program.
- The SSA must demonstrate that current state fiscal year spending on women's services is at least equal to base year expenditures.
- State and/or SABG funds that flow through the SSA are included in the calculation.

Women's MOE Requirements

Example of Determination of Base Expenditure Levels for Services for Pregnant Women and Women With Dependent Children

Federal Fiscal Year	Previous Year's Expenditures	Total SAPT Block Grant Award	(At Least) 5% of Total SAPT Block Grant Award	Base for Fiscal Year
FFY92	-	-	-	\$1,000,000
FFY93	\$1,000,000	\$10,000,000	\$500,000	\$1,500,000
FFY94	\$1,500,000	\$10,000,000	\$500,000	\$2,000,000

Women's MOE Requirements

What Services Are Required of Programs That Receive SABG Funds Set Aside for Special Services for Pregnant Women and Women With Dependent Children?

States must ensure that programs funded out of this set-aside provide or arrange for ***all*** of the following:

- ✓ Primary medical care, including prenatal care
- ✓ Primary pediatric care, including immunizations, for the women's children
- ✓ Gender-specific substance use disorder treatment and other therapeutic interventions for women

Women's MOE Requirements

- ✓ Therapeutic interventions for children in custody of women in treatment
- ✓ Child care while women are receiving services
- ✓ Sufficient case management and transportation to ensure that the women and their children can access the other services

States must also ensure that programs that receive this set-aside treat the family as a unit.

Women's MOE Requirements

Women's MOE funds must be used:

- As the “payment of last resort,” *and*
- Only for clients who have no other financial means for obtaining these services.



SINGLE STATE AUDIT AND SUBRECIPIENT MONITORING



Single State Audit Requirements

What Is the Intent of 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards—Single State Audit (supersedes OMB Circular A-133, effective December 26, 2014)?

- It prescribes the conditions under which non-federal entities must have a single state audit and a program-specific audit.

Single State Audit Requirements

What Are the Specific Requirements for the 2 CFR 200 Single State Audit?

Non-federal entities with \$750,000 or more in federal expenditures during the entities' fiscal year:

- Must receive a single state audit

or

- Elect to have a program-specific audit if:
 1. The expenditures are under only 1 federal program *and*
 2. The federal program does not require a single state audit

Single State Audit Requirements

Non-federal entities that expend less than \$750,000 in federal awards during the entities' fiscal year:

- Are exempt from federal audit requirements for that year
- Must
 1. Retain records to support expenditures *and*
 2. Make those records available for review or audit by the federal agency, the *pass-through entity*, and the General Accounting Office

Pass-through entities are non-federal entities that receive federal awards and pass portions of those funds on to subrecipients to carry out a federal program.



Subrecipient Monitoring

What Are the Specific Requirements for the 2 CFR 200 *Subrecipient Monitoring*?

Requires pass-through entities to:

- Inform each subrecipient of federal awards with specific information, including the Catalogue of Federal Domestic Assistance title and number, the award name and number, and the award year

Subrecipient Monitoring

- Convey requirements from federal laws and regulations, the provisions of contracts or grant agreements, and any supplemental requirements that the *pass-through entity* imposes

Pass-through entities are non-federal entities that receive federal awards and pass portions of those funds on to subrecipients to carry out a federal program.



Subrecipient Monitoring

- Monitor *subrecipients* to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provision of contracts or grant agreements and that performance goals are achieved

Subrecipients are non-federal entities that expend federal awards received from pass-through entities to carry out a federal program.





RESTRICTIONS ON EXPENDITURES



Restrictions on Expenditures

What Are the Restrictions on SABG and MHBG Expenditures?

Prohibited Expenditures	Specifically Prohibited Under SABG	Specifically Prohibited Under MHBG
Provide inpatient hospital services except under those conditions outlined in the regulations	X	X
Make cash payments to intended recipients of health services	X	X
Purchase or improve land	X	X
Purchase, construct, or permanently improve buildings or other facilities	X	X
Purchase major medical equipment	X	X
Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds	X	X
Provide financial assistance to any entity other than a public or nonprofit entity	X	X
Provide individuals with hypodermic needles or syringes	X	
Expend more than the amount of block grant funds expended in FFY91 for treatment services provided in penal or correctional institutions of the state	X	

Salary Limitation

- States and subrecipients *cannot* use the block grants to pay salaries in excess of Level I of the federal senior executive service pay scale (i.e., no more than \$207,800 in 2017).



ADDITIONAL PROVIDER RESPONSIBILITIES



Additional Provider Responsibilities

Providers must ensure adherence to 2CFR 200 Requirements and be able to track and report expenditures:

- For treatment and prevention services separately
- For programs serving pregnant women and women with children
- For HIV testing and counseling (in Designated states)
- By services date and/or expenditure date consistent with federal grant fiscal years
- Of funded activities related to systems development



THANK YOU



Conditions for Using SABG Funds for Inpatient Services

The program cannot expend SABG Block Grant funds to provide inpatient hospital substance abuse services, except in cases when each of the following conditions is met:

- 1.**The individual cannot be effectively treated in a community-based, nonhospital, residential program
- 2.**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

Conditions for Using SABG Funds for Inpatient Services

3. A physician determines the following are:
 - The primary diagnosis of the individual is substance abuse and the physician certifies that fact
 - The individual cannot be safely treated in a community-based, nonhospital, residential treatment program
 - The service can reasonably be expected to improve the person's condition or level of functioning
 - The hospital-based substance abuse program follows national standards of substance abuse professional practice

Conditions for Using SABG Funds for Inpatient Services

4. 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)