Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

THE SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION DID NOT ENSURE THAT CLINICS FULLY COMPLIED WITH FEDERAL REQUIREMENTS WHEN AWARDING AND MONITORING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC EXPANSION GRANTS

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The designation of financial or management practices as questionable, a recommendation for the disallowance of costs incurred or claimed, and any other conclusions and recommendations in this report represent the findings and opinions of OAS. Authorized officials of the HHS operating divisions will make final determination on these matters.

Report in Brief
Date: September 2023
Report No. A-02-21-02010

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL

The Substance Abuse and Mental Health Services Administration Did Not Ensure That Clinics Fully Complied With Federal Requirements When Awarding and Monitoring Certified Community Behavioral Health Clinic Expansion Grants

Why OIG Did This Audit

For fiscal year (FY) 2020, the Substance Abuse and Mental Health Services Administration (SAMHSA) awarded expansion grants to 166 Certified Community Behavioral Health Clinics (CCBHCs) in 32 States, totaling approximately $447 million. The total included $197 million in annual funding and $250 million in emergency funding through The Coronavirus Aid, Relief and Economic Security Act. Due to the speed at which SAMHSA received applications and awarded the emergency funding, it may not have established adequate procedures for awarding and monitoring the grants known as CCBHC Expansion (CCBHC-E) grants.

Our objective was to determine whether SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants ensured that clinics complied with Federal requirements.

How OIG Did This Audit

We obtained a list of 166 CCBHC-E grants that SAMHSA awarded for FY 2020 (audit period). We ranked the grants according to certain indices of demographic data related to the location of the associated grant recipients. We then selected a judgmental sample of 30 CCBHC-E grant totaling $79 million. We reviewed SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants. For our sample of 30 CCBHC-E grants, we obtained and reviewed grant eligibility and performance documentation from SAMHSA and the associated clinics.

What OIG Found

SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants were not adequate to ensure that clinics complied with Federal requirements. Specifically, for 28 of the 30 CCBHC-E grants in our sample, SAMHSA's policies and procedures related to awarding CCBHC-E grants did not establish (1) required time frames for verifying that clinics met certification eligibility requirements, or (2) processes to verify that clinics entered into agreements with designated collaborating organizations (DCOs) to provide certain services. Also, SAMHSA's policies and procedures related to monitoring CCBHC-E grants did not establish processes to verify that clinics (1) filled key personnel positions within established time frames or ensured that key personnel met level-of-effort requirements, (2) timely submitted financial reports, or (3) properly reported cash on hand.

As a result of SAMHSA's inadequate policies and procedures for awarding and monitoring CCBHC-E grants, there is a risk that clinics awarded CCBHC-E grants may not have used these funds efficiently or for their intended purposes. Also, there is a risk that SAMHSA will award future CCBHC-E grants to clinics that are not eligible to receive these funds. Further, individuals working as key personnel at clinics may not have the necessary qualifications and experiences to oversee and effectively manage grant funds. Also, without proper agreements detailing services performed by DCOs, there is a risk that some clinics may not have provided required clinical services.

What OIG Recommends and SAMHSA Comments

We made a series of recommendations to SAMHSA to improve its policies and procedures for awarding and monitoring CCBHC-E grants to ensure that clinics comply with Federal requirements.

In written comments on our draft report, SAMHSA concurred with our recommendations and described actions that it has taken or plans to take to address them. Specifically, SAMHSA updated its funding opportunity notices for CCBCH-E grants to better ensure that clinics meet certification requirements, is developing a standardized tool for monitoring and verifying DCOs, and implemented a process to monitor financial reports. We commend SAMHSA for its actions to address our recommendations.

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WHY WE DID THIS AUDIT

For fiscal year (FY) 2020, the Substance Abuse and Mental Health Services Administration (SAMHSA) awarded grants to 166 Certified Community Behavioral Health Clinics (CCBHCs) in 32 States, totaling approximately $447 million to increase access to and improve the quality of community mental health and substance use disorder treatment services through direct services to adults and children (expansion grants).[1, 2] The total included $197 million in annual funding and $250 million in emergency funding through The Coronavirus Aid, Relief and Economic Security (CARES) Act.[3] Due to the speed at which SAMHSA awarded the emergency funding, it may not have established adequate procedures for awarding and monitoring the grants known as CCBHC Expansion (CCBHC-E) grants.[4]

COVID-19 has created extraordinary challenges for the delivery of health care and human services to the American people. As the oversight agency for the Department of Health and Human Services (HHS), the Office of Inspector General (OIG) oversees HHS's COVID-19 response and recovery efforts. This audit is part of the OIG's COVID-19 response strategic plan.[5]

OBJECTIVE

Our objective was to determine whether SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants ensured that clinics complied with Federal requirements.

[1] CCBHC expansion grants awarded for FY 2020 covered the period May 1, 2020, through April 30, 2021.

[2] Examples of direct services include crisis mental health services, screening, patient-centered treatment planning, and outpatient mental health and substance use services.

[3] The Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. No. 116-136 (enacted Mar. 27, 2020).

[4] SAMHSA began awarding CARES Act funds less than 1 month after the funds were appropriated. Specifically, the funds were appropriated to SAMHSA on March 27, 2020, and SAMHSA began awarding funds to clinics on April 16, 2020.

[5] OIG's COVID-19 response strategic plan and oversight activities can be accessed at HHS-OIG's Oversight of COVID-19 Response and Recovery | HHS-OIG.

BACKGROUND

The Certified Community Behavioral Health Center Demonstration Program

The CCBHC demonstration program is jointly administered at the Federal level by the Centers for Medicare & Medicaid Services (CMS), the Assistant Secretary for Planning and Evaluation (ASPE), and SAMHSA.[6, 7] The program allows States to test new strategies for delivering and reimbursing ambulatory behavioral health services. The program is aimed to improve the availability, quality, and outcomes of ambulatory behavioral health services by establishing a standard definition and criteria for CCBHCs. Specifically, CCBHCs are designed to provide comprehensive 24/7 access to community-based mental health and substance use disorder services, and treatment of co-occurring mental and substance use disorders.

SAMHSA'S Certified Community Behavioral Health Clinic Expansion Grant Program

In addition to the CCBHC demonstration program, SAMHSA awards CCBHC expansion grants to increase access to and improve the quality of community mental health and substance use disorder treatment services provided by CCBHCs. As part of the competitive awarding process to obtain expansion grants, clinics submitted their applications to SAMHSA that included the various aspects of their proposed CCBHC program and a budget justification. These applications were reviewed and scored by independent panels of qualified individuals.[8] For FY 2020, SAMHSA awarded 166 expansion grants to CCBHCs in 32 States, totaling approximately $447 million.[9] The total included $250 million in emergency funding through the CARES Act. Most of the grants were awarded to clinics in States that did not participate in the CCBHC demonstration program; therefore, the States had not established processes to certify clinics as CCBHCs. SAMHSA stated that to be eligible for CCBHC-E grants in FY 2020, applicants must have been either a State-certified CCBHC or a community-based behavioral health clinic that

[6] The demonstration program is authorized under section 223 of the Protecting Access to Medicare Act (PAMA), P.L. 113-93 (enacted Apr. 1, 2014). In 2015, in conjunction with SAMHSA, CMS awarded planning grants to help 24 States plan for and prepare to participate in the program. In 2016, HHS selected eight of these States to participate in the demonstration program. Each State's application had to include verification that the State set up a process to certify participating clinics as CCBHCs. Per PAMA § 223(b)(1), CMS was required to develop guidance for the establishment of a prospective payment system for reimbursing CCBHCs for direct mental health services provided through the CCBHC demonstration program.

[7] ASPE manages the national evaluation of the CCBHC demonstration program.

[8] The panels consisted of individuals contracted by SAMHSA.

[9] SAMHSA awarded CCBHC-E grants to recipients by issuing award notices that stated the approved amounts and the grant awards' terms and conditions.

could meet CCBHC certification criteria and be able to be certified within 4 months of the grant award.[10]

Clinics awarded CCBHC-E grants were required to submit certification attestations to SAMHSA to demonstrate that they met CCBHC certification requirements.[11] Clinics were also required to submit behavioral health Disparity Impact Statements (impact statements) describing the populations and number of individuals they planned to serve. Additionally, clinics were required to submit progress reports and Federal Financial Reports (FFRs) related to their programs' performance according to the terms and conditions of the grants.[12, 13] Key personnel employed by clinics with a level-of-effort of 100-percent toward CCBHC-E grants were required to be approved by SAMHSA prior to working on the CCBHC-E grant program.[14] Lastly, clinics were allowed to contract with designated collaborating organizations (DCOs) to provide certain services (e.g., case management and screening); however, the clinics were required to establish formal care coordination agreements with the DCOs.[15] SAMHSA required clinics to provide their agreements with DCOs as part of their grant applications.

HOW WE CONDUCTED THIS AUDIT

We obtained a list of 166 CCBHC-E grants that SAMHSA awarded for FY 2020 (audit period), totaling $447 million. We ranked the grants according to certain indices of demographic data related to the location of the associated grant recipients.[16] We then selected a judgmental sample of 30 CCBHC-E grants totaling $79 million based on a mix of grant recipients with the lowest rankings of certain indices of demographic data related to the associated clinics' area designation (e.g., urban or rural area) and their geographic location in the United States.

[10] SAMHSA required grant recipients to meet baseline CCBHC certification criteria established by SAMHSA; therefore, clinics did not need to obtain a State certification to be awarded CCBHC-E grants.

[11] Specifically, SAMHSA required grant recipients to provide certification attestations by Aug. 30, 2020 (4 months after the award date). Attestations described how recipients met CCBHC certification criteria covering six administrative areas: (1) staffing, (2) availability and accessibility of services, (3) care coordination, (4) scope of services, (5) quality and other reporting, and (6) organizational authority.

[12] FFRs provide financial information about the clinics' grants and include details associated with cash receipts and Federal expenditures.

[13] As described in the OIG Work Plan, we plan to perform a separate audit that will determine whether CCBHCs used expansion grant funds in accordance with Federal requirements and applicable grant terms.

[14] Specifically, SAMHSA required the equivalent of one full-time employee assigned to each of these positions.

[15] FY 2020 Certified Community Behavioral Health Clinic Expansion Grants Funding Opportunity Announcement No. SM-20-012.

[16] The indices of demographic data used to rank the grants associated with the location of the grant recipients included average household income, Area Deprivation Index (API), Social Vulnerability Index (SVI), number of households below poverty level, and poverty index. See footnotes 35 and 36 for a description of API and SVI, respectively.

We interviewed SAMHSA officials regarding their processes for awarding CCBHC-E grants and obtained and reviewed SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants. For our sample of 30 CCBHC-E grants, we obtained and reviewed grant eligibility and performance documentation from SAMHSA and the associated clinics.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix A contains the details of our audit scope and methodology.

FINDINGS

SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants were not adequate to ensure that clinics complied with Federal requirements. Specifically, SAMHSA's policies and procedures related to awarding CCBHC-E grants did not establish (1) required time frames for verifying that clinics met certification eligibility requirements, or (2) processes to verify that clinics entered into agreements with DCOs to provide certain services. Also, SAMHSA's policies and procedures related to monitoring CCBHC-E grants did not establish processes to verify that clinics (1) filled key personnel positions within established time frames or ensured that key personnel met level-of-effort requirements, (2) timely submitted FFRs, or (3) properly reported cash on hand. The table below summarizes the deficiencies we identified for 28 of the 30 CCBHC-E grants in our sample.

Table: Summary of Deficiencies in Sampled CCBHC-E Grants

Type of Deficiency	Number of Deficiencies[17]
Deficiencies Related to Awarding CCBHC-E Grants	
Certification Eligibility Requirements Not Verified	14
Agreements with DCOs Not Verified	5
Deficiencies Related to Monitoring CCBHC-E Grants	
Key Positions Not Timely Filled or Level-of-Effort Requirements Not Met	12
Federal Financial Reports Not Timely Submitted	12
Cash on Hand Not Properly Reported	10

As a result of SAMHSA's inadequate policies and procedures for awarding and monitoring CCBHC-E grants, there is a risk that clinics awarded CCBHC-E grants may not have used these funds efficiently or for their intended purposes. Also, there is a risk that SAMHSA will award future CCBHC-E grants to clinics that are not eligible to receive these funds. Further, individuals

[17] The total exceeds 28 because 18 clinics had more than 1 deficiency.

working as key personnel at clinics may not have the necessary qualifications and experiences to oversee and effectively manage grant funds. Also, without proper agreements detailing services performed by DCOs, there is a risk that some clinics may not provide required clinical services.

SAMHSA'S POLICIES AND PROCEDURES FOR AWARDING CCBHC-E GRANTS WERE NOT ADEQUATE TO ENSURE THAT CLINICS COMPLIED WITH FEDERAL REQUIREMENTS

SAMHSA Did Not Verify That Clinics Met Certification Eligibility Requirements During the Audit Period

To be eligible for a CCBHC-E grant, a clinic must either be certified as a CCBHC or able to meet CCBHC certification requirements and become certified within 4 months of the award (4-month timeframe).[18] SAMHSA guidance required grant applicants to submit documentation verifying that they were a State-certified CCBHC or, if they were not State-certified, documentation that they met or could meet CCBHC certification criteria (certification attestations).[19]

SAMHSA's policies and procedures did not require that it timely reviewed whether clinics met certification eligibility requirements. For clinics associated with 14 of the 30 sampled CCBHC-E grants, SAMHSA did not verify that the clinics met certification eligibility requirements during our audit period. Specifically:

- For 12 clinics, SAMHSA did not complete its review of the clinics' certification attestations within 1 year after the grants were awarded to clinics. Specifically, it took SAMHSA between 52 and 432 days after the end of the audit period (April 30, 2021) to complete its review of the associated clinics' certification attestations.

- One clinic did not submit a certification attestation to SAMHSA prior to the end of the project period (April 30, 2022).[20]

- For one clinic, there was no documentation to indicate that SAMHSA had completed its review of the clinic's certification attestation as of the end of the project period.

SAMHSA stated that its review of clinics' certification attestations was delayed due to various

[18] FY 2020 Certified Community Behavioral Health Clinic Expansion Grants Funding Opportunity Announcement No. SM-20-012.

[19] According to the FY 2020 Certified Community Behavioral Health Clinic Expansion Grants Funding Opportunity Announcement No. SM-20-012, by Aug. 30, 2020 (4 months after the award date), SAMHSA required grant recipients to provide certification attestations demonstrating that they met CCBHC certification requirements. SAMHSA determined that these requirements were met after it reviewed clinics' attestations describing how they met CCBHC certification criteria described in footnote 11.

[20] The project period was from May 1, 2020, through April 30, 2022.

reasons (e.g., initial certification attestations required multiple revisions or documentation was missing or incomplete).

Without SAMHSA's reviewing the information submitted on the certification attestations, there is a risk that clinics may not be eligible for CCBHC-E grants. Specifically, SAMHSA's review of the clinics' attestations may lead SAMHSA to determine that these recipients cannot meet the CCBHC certification criteria covering the six administrative areas. As a result, CCBHC-E grant funds may be awarded to clinics that are not able to properly administer program services. Additionally, there is a risk that, for future CCBHC-E grants, SAMHSA will allow grant recipients to draw down grant funds when they have not met or cannot meet certification eligibility requirements.

SAMHSA Did Not Verify That Clinics Utilizing Designated Collaborating Organizations Complied With Grant Requirements

CCHBC-E grant recipients must enter into formal care coordination agreements with their DCOs that describe the mutual expectations and responsibilities related to each entity.[21] These agreements included dates of coverage, described the services to be provided (e.g., HIV testing and case management), and were signed by senior program officials (e.g., chief executive officer or executive director).

Although SAMHSA required clinics to provide their agreements with DCOs as part of their grant applications, SAMHSA's policies and procedures did not establish processes to verify whether clinics entered into agreements with DCOs to provide certain services. Clinics associated with 21 of the 30 sampled CCBHC-E grants utilized DCOs. For five of these clinics, SAMHSA did not verify that the clinics complied with CCBHC-E grant requirements. Specifically:

- four clinics did not maintain any written agreements with one of their DCOs covering our audit period and

- one clinic's formal agreement with a DCO did not indicate that the DCO would provide a required direct service (screening for HIV).

SAMHSA agreed that it did not have processes for verifying clinics' agreements with DCOs as part of its policies and procedures. As a result, there is a risk that required direct services performed by DCOs may not have been provided in accordance with grant terms and conditions.

[21] FY 2020 Certified Community Behavioral Health Clinic Expansion Grants Funding Opportunity Announcement No. SM-20-012.

SAMHSA'S POLICIES AND PROCEDURES FOR MONITORING CCBHC-E GRANTS WERE NOT ADEQUATE TO ENSURE THAT CLINICS COMPLIED WITH FEDERAL REQUIREMENTS

SAMHSA Did Not Ensure That Clinics Timely Filled Key Personnel Positions or Did Not Verify That Personnel in These Positions Met Level-Of-Effort Requirements

Key personnel (i.e., a project director and an evaluator) for a CCBHC-E grant recipient must make a substantial contribution to the execution of the clinic's CCBHC-E grant program and must be part of the project.[22] These positions require prior approval by SAMHSA after a review of staff credentials and the job descriptions. Further, each position must maintain a level-of-effort of 100-percent toward the CCBHC-E grant.[23] In its funding announcement, SAMHSA stated that at the latest, CCBHC-E grant award recipients were expected to provide services within 4 months of the grants.

SAMHSA did not establish a required time frame for verifying that clinics filled key personnel positions. Also, SAMHSA's policies and procedures did not establish processes to verify that clinics' key personnel met SAMHSA's level-of-effort requirement when it approved individuals to fill these key personnel positions. For clinics associated with 12 of the 30 sampled CCBHC-E grants, we determined that SAMHSA did not (1) ensure that the clinics timely filled key personnel positions or (2) verify that key personnel met SAMHSA's level-of-effort requirement during our audit period. Specifically:

- For six clinics, key personnel positions were not filled prior to when the clinics began providing services under their CCBHC-E grant program. At the beginning of the audit period, SAMHSA issued Notices of Award to these clinics with descriptions of key personnel that included "to be hired" or "to be determined." The clinics subsequently filled their key personnel positions and submitted the employees' qualifications to SAMHSA for approval. However, it took SAMHSA an average of 77 days (a range of 14 to 189 days) to approve the clinics' key personnel from when the clinics began providing CCBHC-E grant services.

- For four clinics, SAMHSA was not able to approve the clinics' key personnel during our audit period because the clinics had not filled the positions. Key personnel positions were not filled and approved by SAMHSA before the associated clinics provided CCBHC-E grant services.

- For two clinics, key personnel did not meet SAMHSA's level-of-effort requirement.

[22] Clinics were required to submit the qualifications of their key personnel candidates to SAMHSA for approval. SAMHSA would then verify the candidates' qualifications and screen their names against a list of individuals excluded from participating in Federal programs.

[23] FY 2020 Certified Community Behavioral Health Clinic Expansion Grants Funding Opportunity Announcement No. SM-20-012.

Specifically, at one clinic, the project director and evaluator were approved at a level-of-effort of 80 percent and 120 percent, respectively.[24] For the other clinic, an evaluator was approved at a level-of-effort of 32 percent. SAMHSA stated that, after our audit period, the two clinics adjusted the key personnel's level-of-effort to meet SAMHSA requirements.

SAMHSA stated that clinics had difficulties filling key positions due to the COVID-19 pandemic. Because of these challenges, key personnel were not in place when clinics began providing services or were not qualified to administer clinics' CCBHC-E grant programs. Also, some key personnel may not have met the required level-of-effort to properly administer the associated clinics' CCBHC-E grant programs.

SAMHSA Did Not Ensure That Clinics Timely Submitted Federal Financial Reports

CCBHC-E grant recipients were required to submit FFRs according to the terms and conditions of their grants.[25] According to the terms and conditions of their grant, clinics were required to submit FFRs every 6 months or annually.[26] Subsequently, the Office of Management and Budget allowed SAMHSA to extend these deadlines 60 days because of the COVID-19 pandemic and SAMHSA allowed clinics a 60-day extension on these deadlines due to program flexibilities associated with the COVID-19 pandemic and SAMHSA's transitioning to a new system for submitting FFRs.[27, 28]

SAMHSA's policies and procedures were not adequate to ensure that clinics timely submitted all required FFRs. Specifically, SAMHSA did not establish any required time frames for verifying that clinics timely submitted FFRs. For clinics associated with 12 of the 30 sampled CCBHC-E grants, SAMHSA did not ensure that the clinics timely submitted their required FFRs. Specifically:

[24] SAMHSA indicated that it approved the levels-of-effort for the two clinics' key personnel through a special condition that was detailed in its award notices. However, SAMHSA was not able to provide any documentation that justified the special conditions to waive the level-of-effort requirement for these key personnel.

[25] As seen in 45 CFR §§ 75.302 and 75.341, non-Federal entities are required to have financial systems that produce accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements.

[26] Per the terms and conditions of CCBHC-E grant award notices, clinics that received multi-year COVID-19 grants were required to submit three cumulative FFRs at 6, 12, and 18 months after receiving grant funds. Clinics that received non-COVID-19 grants were required to submit annual FFRs by July 31, 2021.

[27] Effective Jan. 1, 2021, clinics were required to directly submit FFRs via HHS's Payment Management System. According to SAMHSA, the system presented challenges that negatively impacted clinics' ability to submit their FFRs by the initial deadline. For example, some clinics were not able to timely setup their accounts in the payment system and needed additional time to learn how to properly use the new system.

[28] Office of Management and Budget Memorandum 20-21, "Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)," issued Apr. 10, 2020.

- Eight clinics did not submit all of their FFRs, as required. For example, one clinic submitted only two of their three required FFRs.

- Four clinics submitted their FFRs between 6 and 123 days after the extended submission deadline.

SAMHSA indicated that due to the COVID-19 pandemic and the transition to the new system for clinics to submit FFRs, it expected clinics to experience delays in submitting FFRs. FFRs are integral to SAMHSA's ability to effectively monitor clinics' financial activities related to their grants. However, we noted that SAMHSA did not implement alternative procedures to monitor the clinic's financial activities when the required FFRs were not present. As a result, SAMHSA did not adequately monitor how clinics used CCBHC-E grant funds and these funds may have been used inappropriately.

SAMHSA Did Not Verify That Clinics Properly Reported Cash on Hand

Non-Federal entities are required to have financial systems that produce accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements.[29] Further, advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project.[30] SAMHSA guidance states that clinics are permitted to draw down funds in advance for expenditures to be made within 72 hours and should not be made to cover future expenditures.[31]

According to instructions to grant recipients on completing their FFRs in HHS' Payment Management System (PMS), (1) "cash receipts" is the cumulative amount of actual cash received from Federal Government and (2) "cash disbursements" (e.g., cash or checks) is the cumulative amount of Federal funds disbursed as of the *reporting period end date* (emphasis added).[32] Also, "cash on hand" represents immediate cash needs due to undisbursed advance payments. Negative cash on hand should not be included on FFRs. Although grant recipients

[29] 45 CFR §§ 75.302 and 75.341.

[30] 45 CFR § 75.305(b).

[31] Grantee Financial Management Requirements (Accessed Sept. 5, 2023).

[32] HHS' Program Support Center administers PMS as part of its payment management services, which provides disbursement, grant monitoring, reporting, and cash management services to both awarding agencies and grant recipients.

were required to prepare and submit their FFRs using PMS, the awarding agency was responsible for reviewing the information contained in the FFRs.[33, 34]

SAMHSA's policies and procedures were not adequate to verify that clinics properly reported their cash on hand. Specifically, SAMHSA's policies and procedures did not establish processes to verify that the cash on hand reported by clinics on their FFRs were accurate. For clinics associated with 10 of the 30 sampled CCBHC-E grants, we determined that SAMHSA did not verify that clinics properly reported their cash on hand based on what these clinics reported on their FFRs. Specifically, eight clinics reported that their cash disbursements exceeded their cash receipts, resulting in negative cash on hand that totaled approximately $1.8 million. In addition, two clinics reported that they maintained a cash excess (i.e., cash receipts exceeded cash disbursements) totaling approximately $600,000.

For the eight clinics that reported negative cash on hand, the clinics included cash disbursements outside of the reporting period and up to the date they submitted their FFRs to SAMHSA. For the two clinics that reported a cash excess, one clinic included a grant drawdown made after the reporting period. The other clinic stated that its actual grant expenditures were less than it projected, resulting in it maintaining a cash excess.

The clinics stated that SAMHSA did not contact them or inquire as to why they reported a negative cash on hand or cash excess. In addition, SAMHSA indicated that since these clinics reported negative cash on hand or cash excess based on the clinics' interim FFRs, it would wait to take action if these deficiencies existed on clinics' final FFRs which were due at the close-out of the grant. SAMHSA solely relied on the clinics' FFRs to monitor how the clinics managed their grants. SAMHSA utilized clinics' FFRs to reconcile grant funds withdrawn by clinics and their related expenditures. As a result, there was an increased risk that clinics could mismanage these grant funds or not use the grant funds for their intended purposes.

RECOMMENDATIONS

We recommend that the Substance Abuse and Mental Health Services Administration:

- improve its policies and procedures for awarding CCBHC-E grants to ensure that clinics comply with Federal requirements by establishing:
    - required time frames to verify that clinics met certification eligibility requirements, and
    - processes to verify whether clinics entered into agreements with DCOs to provide certain services; and

[33] The HHS *Grants Policy Statement*, page II-82.

[34] HHS Program Support Center - Payment Management Services (Accessed Sept. 5, 2023).

- improve its policies and procedures for monitoring CCBHC-E grants to ensure that clinics comply with Federal requirements by establishing processes to verify that clinics:
    - filled key personnel positions,
    - ensured key personnel met level-of-effort requirements,
    - timely submitted FFRs, and
    - properly reported cash on hand.

SAMHSA COMMENTS AND OFFICE OF INSPECTOR GENERAL RESPONSE

In written comments on our draft report, SAMHSA concurred with our recommendations and described actions that it has taken or plans to take to address them. SAMHSA also provided technical comments on our draft report, which we addressed as appropriate. SAMHSA's comments, excluding the technical comments, are included as Appendix B.

Regarding part of our first recommendation—for SAMHSA to improve its policies and procedures for awarding CCBHC-E grants by establishing required time frames to verify that clinics met certification eligibility requirements—SAMHSA stated that it released two updated Notices of Funding Opportunity after our audit period to clarify requirements between new and existing CCBHCs to better ensure that clinics meet certification requirements.[35] SAMHSA also stated that it is establishing a certification review process to (1) provide clearer time frames for reviewing and approving clinics' certification attestations, and (2) improve its tracking of clinics' certification attestations. Also, as part of its FY 2024 budget justification, SAMHSA requested that Congress provide SAMHSA with authority to develop an accreditation system for CCBHC-E grants to ensure clinics adhere to certification criteria.

Regarding the other part of our first recommendation—for SAMHSA to improve its policies and procedures for awarding CCBHC-E grants by establishing processes to verify whether clinics entered into agreements with DCOs to provide certain services—SAMHSA stated that it is developing a standardized tool for monitoring and verifying clinics' DCOs. This tool will include a review of core services provided by DCOs and will help to ensure that clinics include their signed formal agreements with DCOs.

SAMHSA stated that it is already working toward implementing the first two parts of our second recommendation—to improve its policies and procedures for monitoring CCBHC-E grants by establishing processes to verify that clinics filled key personnel positions and ensured key personnel met level-of-effort requirements. Regarding the third part of our second

[35] Among other changes, SAMHSA extended the CCBHC-E grant period from 2 to 4 years and required that clinics submit documentation to ensure they are still meeting the certification criteria at least every 3 years.

recommendation—for SAMHSA to improve its policies and procedures for monitoring CCBHC-E grants by establishing processes to verify that clinics timely submitted FFRs—SAMHSA indicated that it formed a team to monitor FFR submissions in December 2022 and sends reminder notices to clinics to ensure that they timely submit FFRs. Regarding the remaining part of our second recommendation—for SAMHSA to improve its policies and procedures for monitoring CCBHC-E grants by establishing processes to verify that clinics properly reported cash on hand—SAMHSA stated that it would continue to follow HHS guidance regarding clinics' handling of cash on hand and it will update its closeout guidance and training to ensure positive or negative cash on hand are accurately reported on clinics' final FFRs.

We commend SAMHSA for its actions to address our recommendations. We also commend SAMHSA for following HHS guidance regarding clinics' handling of cash on hand and requesting that Congress provide SAMHSA with authority to develop an accreditation system for CCBHC-E grants to ensure that clinics adhere to the certification criteria.

OTHER MATTERS: SAMHSA COULD DEVELOP PROCESSES TO PRIORITIZE AWARDING GRANT FUNDS TO CLINICS THAT SERVE POPULATIONS MOST VULNERABLE TO SOCIOECONOMIC DISPARITIES

As part of the application process for CCBHC-E grants, SAMHSA required applicants to provide a narrative that detailed the population of individuals that were to be served through the CCBHC-E grant program. However, SAMHSA did not require applicants to include any standardized demographic data elements (e.g., minority status or disability) to support these narratives. Although SAMHSA required independent panels to review these narratives as part of the application review process, SAMHSA did not have a process in place that utilized either the demographic data provided in the narratives or other internal or public demographic data. As a result, SAMHSA did not effectively ensure that CCBHC-E grants were equitably awarded to clinics that would serve the neediest population, as intended by the CCBHC-E grant program.[36]

Also, SAMHSA required clinics, after clinics received their respective CCBHC-E grant award, to submit impact statements that detailed the populations most vulnerable to socioeconomic disparities for whom the clinics intended to focus on. SAMHSA indicated that these statements were used to assess how clinics addressed the disparities in the populations served by their grants. As with the narratives that were included in clinics' grant applications, SAMHSA did not require clinics to use standardized data sets to support these statements. For example, one clinic used State-level demographic data in its impact statement while another clinic used demographic data on individuals it served during prior years. Therefore, since clinics did not use standardized data sets when they developed their impact statements, SAMHSA was unable

[36] As described in the FY 2020 Certified Community Behavioral Health Clinic Expansion Grants Funding Opportunity Announcement No. SM-20-012, as part of the evaluation process of grant applications, an equitable distribution of grant funds was to be awarded based on several factors that included (1) the associated clinic's area designation (e.g., urban, rural and remote settings), (2) balance among populations of focus and, (3) the size of the clinic's proposed CCBHC-E grant program.

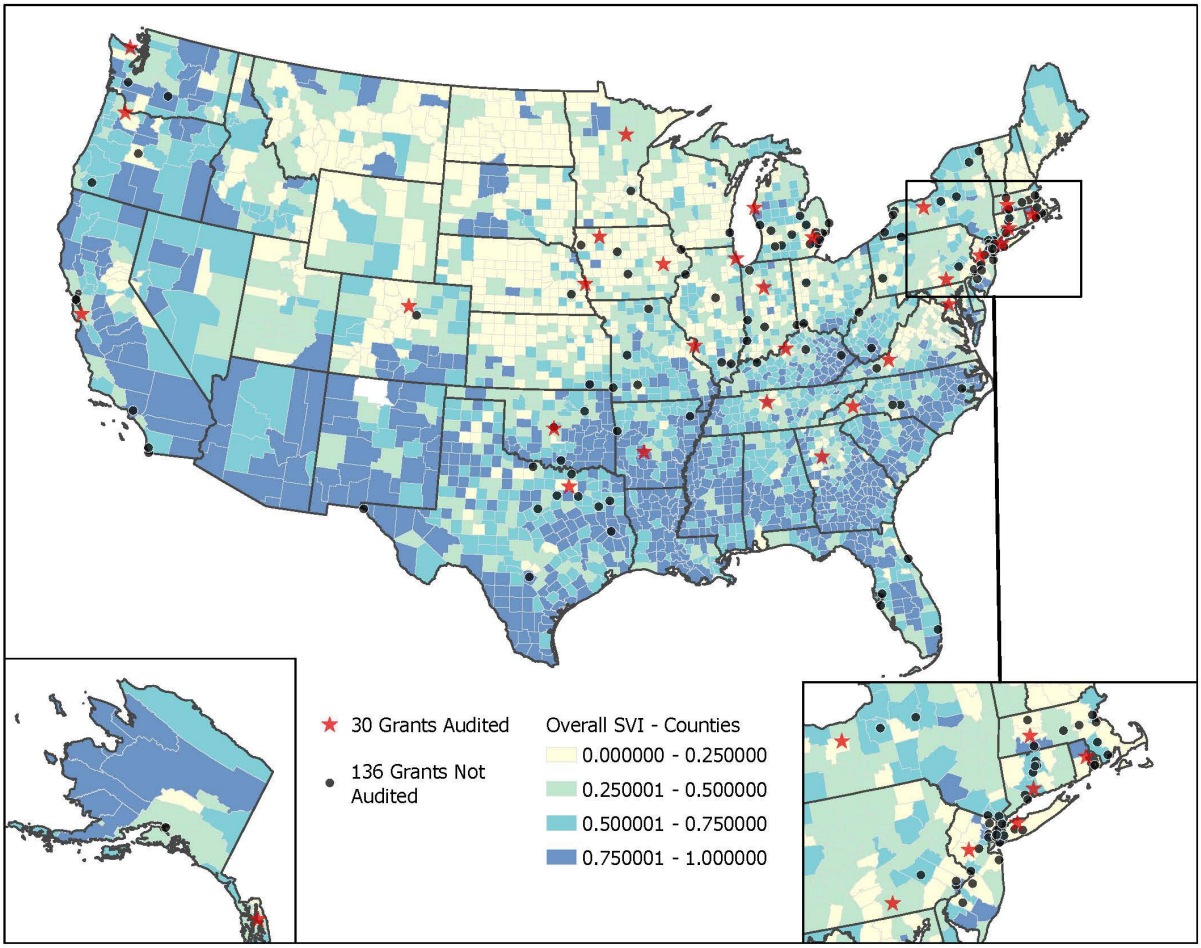
to adequately analyze and compare the data from the impact statements to measure the effectiveness of the CCBHC-E grant program's ability to serve the neediest populations. Furthermore, SAMHSA did not use the impact statements to prioritize awarding CCBHC-E grants to clinics that would serve the populations most vulnerable to socioeconomic disparities

During our audit, we applied the Area Deprivation Index (ADI) and Social Vulnerability Index (SVI) for the location of each of the 166 clinics awarded CCBHC-E grants for our audit period.[37, 38] We determined that only 57 of the 166 clinics (35 percent) operated in areas with a high ADI and that only 67 of the 166 clinics (40 percent) operated in areas with a high SVI. Among the 166 clinics awarded CCBHC-E grants, 39 clinics (24 percent) operated in areas with low SVI scores (between 0 and 0.5). For example, Boulder County, Colorado—an area where a clinic was awarded a CCBHC-E grant—had an SVI score of 0.03. The figure below is a map of the United States detailing the locations of the 166 clinics awarded CCBHC-E grants for our audit period and the location's corresponding SVI.

[37] The ADI was developed by the Center for Health Disparities Research at the University of Wisconsin. It allows for rankings of neighborhoods by socioeconomic disadvantage in a region of interest and includes factors for income, education, employment, and housing quality. The index can be used to inform health delivery and policy, especially for the most disadvantaged neighborhood groups. Using 2019 data, we considered ADI scores between 76 and 100 as the highest.

[38] The SVI, developed by the Centers for Disease Control and Prevention, indicates the relative vulnerability of every U.S. Census tract, which are subdivisions of counties for which the Census collects statistical data. The SVI ranks the tracts on 15 social factors, including unemployment, minority status, and disability. Using 2018 data, we considered SVI scores between 0.75 and 1 as the highest.

Figure: Map of the United States Detailing the Locations of Clinics Awarded CCBHC-E Grants With Their Corresponding Social Vulnerability Index



SAMHSA's current outreach policies include sending emails about grant opportunities and relying on clinics to search a website for Federal grant opportunities. However, more individuals from vulnerable populations could benefit from CCBHC-E grants if SAMHSA reexamines its current grant outreach policies and targets its activities toward clinics located in the neediest areas.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

We obtained a list of 166 CCBHC-E grants that SAMHSA awarded for FY 2020 totaling $447 million. We ranked the 166 CCBHC-E grants according to certain indices of demographic data related to the location of the associated clinics.[39] We then selected a judgmental sample of 30 CCBHC-E grants totaling $79 million based on a mix of grant recipients with the lowest rankings of certain indices of demographic data related to the associated clinics' area designation (e.g., urban or rural area) and their geographic location in the United States.

We performed our audit work from October 2021 through May 2023.

METHODOLOGY

To accomplish our objective, we:

- reviewed applicable Federal laws, guidance, and grant requirements;
- interviewed SAMHSA officials to obtain an understanding of SAMHSA's processes for awarding CCBHC-E grants and obtained and reviewed SAMHSA's policies and procedures for awarding and monitoring CCBHC-E grants;
- obtained from SAMHSA a list of 166 CCBHC-E grants totaling $447 million that were awarded for FY 2020;
- ranked the 166 CCBHC-E grants according to certain indices of demographic data related to the associated clinics' area designation (e.g., urban or rural area);
- selected a judgmental sample of 30 CCBHC-E grants awarded for FY 2020 based on a mix of grant recipients with the lowest rankings of certain indices of demographic data related to the associated clinics' area designation (e.g., urban or rural area) and their geographic location in the United States;
- interviewed officials from the clinics associated with our sampled CCBHC-E grants regarding their administration of the grants, difficulties encountered, and the extent of assistance and guidance they received from SAMHSA;

[39] The indices of demographic data used to rank the 166 CCBHC-E grants based on the location of their associated clinics included average household income, ADI, SVI, number of households below poverty level, and poverty index.

- obtained and reviewed documentation from SAMHSA and the clinics associated with our sampled CCBHC-E grants to support clinics' eligibility for obtaining grants and performance related to the CCBHC-E grant funding they received;[40] and

- discussed the results of our audit with SAMHSA officials.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[40] The documentation included the clinics' grant applications, certification attestations, applicable DCO agreements, grant award notices, Disparity Impact Statements, and FFRs.

APPENDIX B: SAMHSA COMMENTS

SAMHSA
Substance Abuse and Mental Health Services Administration
5600 Fishers Lane • Rockville, MD 20857
www.samhsa.gov • 1-877-SAMHSA-7 (1-877-726-4727)

TO: Office of Inspector General (OIG)

FROM: Assistant Secretary for Mental Health and Substance Use

SUBJECT: OIG Draft Report "*SAMHSA Did Not Ensure That Clinics Fully Complied with Federal Requirements When Awarding and Monitoring CCBHC-E Grants*" A-02-21-02010

The Substance Abuse and Mental Health Services Administration reviewed the changes to the recommendations and offers the attached revised general comments for consideration.

Miriam E. Delphin-Rittmon, Ph.D.

Attachment

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE OFFICE OF INSPECTOR GENERAL'S DRAFT REPORT TITLED THE SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION DID NOT ENSURE THAT CLINICS FULLY COMPLIED WITH FEDERAL REQUIREMENTS WHEN AWARDING AND MONITORING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC EXPANSION GRANTS A-02-21-02010

The Substance Abuse and Mental Health Services Administration (SAMHSA) appreciates the opportunity from the Office of Inspector General (OIG) to review and comment on this draft report.

Recommendation 1
SAMHSA should improve its policies and procedures for awarding CCBHC-E grants to ensure that clinics comply with federal requirements by establishing:

- required time frames to verify that clinics met certification eligibility requirements, and
- processes to verify whether clinics entered into agreements with DCOs to provide certain services.

SAMHSA Response
SAMHSA concurs with OIG's recommendation.

Establishing required time frames to verify that clinics met certification eligibility requirements
SAMHSA has taken steps to establish required time frames to verify that clinics met certification eligibility requirements based on grantee attestations or state certification. On March 18, 2022, SAMHSA released two updated Notices of Funding Opportunity (NOFOs) that, among other changes, created better pathways for assuring that new and future CCBHC Expansion grantees will meet certification criteria requirements. Specifically, these updated NOFOs differentiate the expectations between new CCBHCs and existing CCBHCs. The two NOFOs have divided the CCBHC program into two tracks:

- CCBHC - Planning, Development, and Implementation (PDI) is for new CCBHCs. Awardees have one year to come into compliance with the certification criteria requirements. At the end of the first year, recipients must submit documentation to SAMHSA that they are in compliance with the certification criteria. The recipient may submit documentation of state certification or submit an attestation to SAMHSA that the certification requirements have been met.
- CCBHC - Innovation and Advancement (IA) is for existing CCBHCs. Prior to award, applicants are required to submit documentation that they have met the CCBHC certification criteria requirements consisting of a notice of state certification or documentation of an accepted attestation that the recipient met certification criteria from a previous SAMHSA CCBHC-E grant.

In recognition that coming into compliance with the certification criteria can be challenging and may take up to a year, SAMHSA has extended the grant period from two years to four years.

GENERAL COMMENTS FROM THE DEPARTMENT OF HEALTH & HUMAN SERVICES ON THE OFFICE OF INSPECTOR GENERAL'S DRAFT REPORT TITLED THE SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION DID NOT ENSURE THAT CLINICS FULLY COMPLIED WITH FEDERAL REQUIREMENTS WHEN AWARDING AND MONITORING CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINIC EXPANSION GRANTS A-02-21-02010

The four-year grant period is designed to provide new CCBHCs sufficient time to come into compliance with certification requirements and implement the CCBHC model fully over the course of the grant period. This extended grant period also provides more stability for grantees that already meet the certification criteria as a result of a previous grant or participation in a state CCBHC program.

At least every three years grantees must submit documentation to ensure they are still meeting the certification criteria, either with an updated attestation to SAMHSA or updated documentation of state certification.

In addition, SAMHSA is establishing a more systematic attestation/state certification review process for CCBHC-E grantees, which will provide guidance for attestation/state certification review timeframes, documentation of review process in eRA (including documentation of the initial review, issues identified, and subsequent iterations of the attestation submission), and tracking of the attestation review status. This process will include:

- Clearer time frames for the review and approval of attestations/state certifications, including recommended timeframes for grantees to respond to feedback and for additional SAMHSA review and approval. This process is in review and will be applied to CCBHC-E grants awarded in September 2022 (PDI grants awarded at this time will submit their attestations or state certifications for review in September of 2023) and all grant cohorts going forward – both for initial attestation reviews and for the review of attestations that will take place every three years moving forward.
- Tracking ongoing approvals of attestations/state certification documentation to ensure attestations are reviewed in accordance with the recommended time frame. The tracking process is in review and will be applied to CCBHC-E grants awarded in September 2022 and all grant cohorts going forward.

SAMHSA recognizes that attaining full adherence to the CCBHC criteria can vary from clinic to clinic and can be challenging for some clinics, especially clinics in underserved areas. For grantees experiencing challenges coming into full compliance by the due date, SAMHSA will prioritize continuous review of attestations and will refer the grantee for technical assistance from the CCBHC Technical Assistance Center, as needed. If a grantee attestation is not approved at the due date, SAMHSA will continue to follow-up with the grantee to assist them in coming into compliance.

As part of its Fiscal Year 2024 Congressional Justification, SAMHSA requested Congress provide SAMHSA with authority to develop an accreditation system for CCBHC-E grants. Developing an accreditation system, similar to that used in many areas of health care and requiring its use within the CCBHC-E grant program, would be a major step forward in ensuring grantee adherence to the certification criteria. This would ensure that all CCBHC-E grants are accredited by an independent accrediting body and will have to develop a formal plan to address

any identified deficiencies as a part of this process. The accreditation system would ensure more systematic and complete reviews of each CCBHC-E grantee than are feasible with current resources.

Establishing processes to verify whether clinics entered into agreements with DCOs to provide certain services
Applicants are required to identify designated collaborating organizations (DCOs) and the services that DCOs will provide in their applications, including letters of commitment from DCOs.

SAMHSA is developing a standardized tool for the Government Project Officers (GPOs) to use for monitoring and verification purposes during GPO calls with grantees. This tool will include a review of core services provided by each DCO, if any, and by the CCBHC directly. The tool will be used during initial calls with grantees for grants awarded in September 2023 and during review of the FY 2022 PDI grantee attestations. The tool also will be integrated into ongoing GPO monitoring calls with grantees to allow for greater oversight and verification of DCOs. Grantees will also be asked to include their signed formal agreements with their DCOs as a part of the attestation process.

Recommendation 2
SAMHSA should improve its policies and procedures for monitoring CCBHC-E grants to ensure that clinics comply with federal requirements by establishing processes to verify that clinics:

- filled key personnel positions,
- key personnel met level-of-effort requirements,
- timely submitted FFRs, and
- properly reported cash on hand.

SAMHSA Response
SAMHSA concurs with OIG's recommendation.

Filled key personnel positions
SAMHSA acknowledges this portion of the recommendation and is working toward implementation.

Verify that key personnel met level-of-effort requirements
SAMHSA acknowledges this portion of the recommendation and is working toward implementation.

Verifying clinics timely submitted FFRs
An FFR monitoring process was implemented in December 2022. As part of that process, SAMHSA formed an FFR monitoring team to ensure timely FFR submission and follow-up for delinquent FFRs. In addition, reminder notices are sent and SAMHSA Grant Management

Specialists (GMSs) follow-up at various intervals before/after the performance period to ensure compliance. All these communications are documented in the grant file.

Verifying properly reported cash on hand

SAMHSA in collaboration with the Payment Management System (PMS) will continue to follow Health and Human Service's Department guidance regarding Cash on Hand. Per PMS FFR guidance found on their website: *Grant recipients are no longer required to submit quarterly cash transaction reports (aka Federal Cash Transaction Report (FCTR) 30 calendar days after the end of each calendar quarter.* ***PMS will pre-populate the cash transaction section (lines 10a through 10c) of the FFR using recipient real-time cash receipts (drawdowns, refunds, and journal vouchers) information from PMS and adjust recipient-reported disbursements to equal cash receipts on all non-closed subaccounts (PMS type P).*** *Recipients will be required to certify at the time of each drawdown request whether the cash drawdown request is for reimbursement of actual expenditures or is an advance for immediate disbursement. At the time of each drawdown request, recipients must assert that award funds are used in compliance with all award conditions and federal statutory requirements.*

SAMHSA will update the closeout guidance and training to reflect internal review to ensure positive or negative cash on hand is reported accurately on the Final FFR. Recipients will be asked by SAMHSA to provide a comment if reporting positive or negative cash on hand for interim FFRs.