

# Understanding the CSA Denial of Funds Policies

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# What we will cover:

- Code language that led to the Denial of Funds policies,
- The policies adopted by the SEC,
- When the policy applies,
- How the policies are implemented,
- Online Resources,
- Reasons that funds may be denied, and
- Actions that do not fall under the Denial of Funds Policies

# OCS Responsibility under the Code

- The Office of Comprehensive Services holds responsibility to provide consistent oversight for CSA administration and compliance with state policies and procedures (§2.2-2649 B3).

# What prompted the 2011 change in Code language?

- During 2010, the Dept of Behavioral Health contacted OCS indicating that they had been made aware that an unlicensed provider was providing intensive in-home mental health services funded by CSA
- State law requires that providers of mental health intensive in-home services be licensed by DBHDS

# What prompted the 2011 change in Code language?

- Prior to the 2011 modification to Section 2.2-2648 D, the COV directed the State Executive Council to “deny state funding to a locality where the CPMT fails to provide services that comply with the Comprehensive Services Act ...
- The Appropriations Act requires that the OCS, per the policy of the SEC, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services ...

# How was the Code language modified?

- To remove any ambiguity about laws relevant to the provision of services funded by CSA, the COV 2.2-2648 was clarified in 2011 to read:
  - 20. Deny state funding to a locality, *in accordance with subdivision 19*, where the CPMT fails to provide services that comply with the Comprehensive Services Act (§ 2.2-5200 et seq.), ~~in accordance with subdivision 19~~ *any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with § 2.2-5211*; (changes from previous language are in italic)

# Policies Adopted by the SEC

- In 2011, the State Executive Council adopted denial of funds policies which establish specific requirements and procedures for the denial of funding under circumstances “where a CPMT fails to provide services that comply with the CSA, any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with §2.2-5211.”

*(See CSA Policy Manual Section 2.1.3 – Toolkit)*

# Policies Adopted by the SEC

- Local Agency Responsibilities
  - Any state or local agency, or CPMT, that has cause to believe that the statutory requirements of CSA, including those relating to licensure, are not being met by a locality shall contact the Director of the Office of Comprehensive Services
  - State and local agencies, including the one reporting alleged inappropriate use of funds, shall supply any necessary and/or requested supporting documentation relevant to the allegation.

# Policies Adopted by the SEC

- Local Agency Responsibilities
  - Copies of local audits which include review of CSA funding must be provided to the Office of Comprehensive Services within three business days from presentation to the local governing body.
  - If a local audit determines that services provided which affect CSA, for example Title IV-E, were inappropriate, the locality must inform the Office of Comprehensive Services.

# Policies Adopted by the SEC

- **State Agency Responsibilities**
  - Any State or local agency, or CPMT, that has cause to believe that the statutory requirements of CSA, including those relating to licensure, are not being met by a locality shall contact the Director of the Office of Comprehensive Services.
  - State and local agencies, including the one reporting alleged inappropriate use of funds, shall supply any necessary and/or requested supporting documentation relevant to the allegation

# Policies Adopted by the SEC

- State Agency Responsibilities
  - If another state agency learns during the course of its work (routine reviews, audits, complaint investigations, etc.) of a violation of state law affecting the provision of services under the Comprehensive Services Act, the agency shall contact the Office of Comprehensive Services and provide any supporting documentation.

# When does the policy apply?

Denial of funds policies apply when OCS receives notice or has reason to suspect potential non-compliance/violation in the provision of services funded in accordance with §2.2-5211. OCS may receive notice, or have reason to suspect violation based on activities that may include, but are not limited to:

- Reports received from state or local agencies,
- OCS site reviews,
- OCS review of local policies and procedures, or
- OCS analysis of data anomalies and/or supplemental requests.

# How are the policies implemented?

OCS receives notice or has reason to suspect potential non-compliance/violation in the provision of services funded in accordance with 2.2-5211

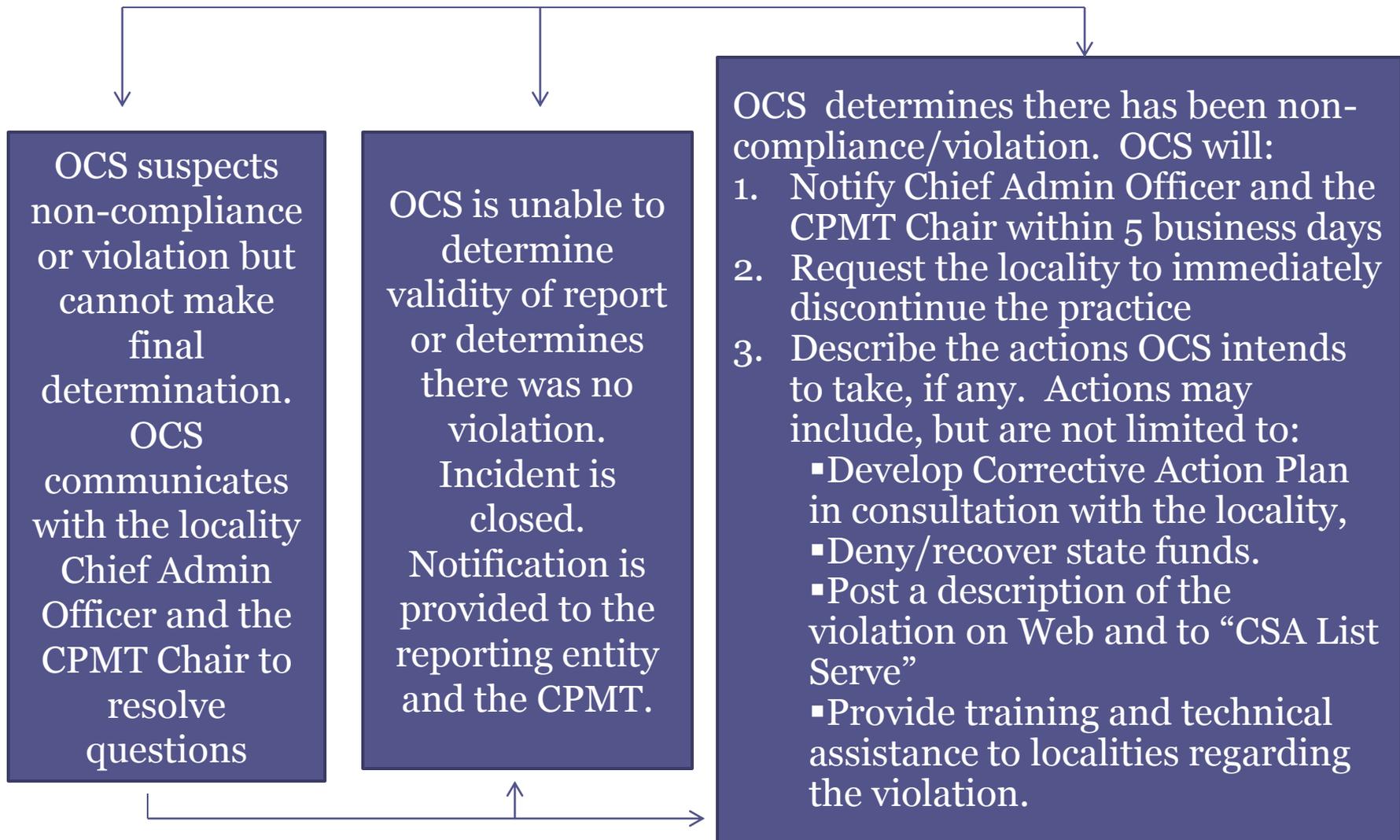


OCS investigates by reviewing available data, including but not limited to:

- Documentation submitted by complainant
- CSA Data Set
- CSA Pool Fund Reimbursement Requests
- Local financial and program records, including CPMT and FAPT minutes
- Other information supplied by the locality
- Interviews

OCS may consult the Office of the Attorney General and any parties it deems appropriate

# How are the policies implemented?



# Online Resources

- As established by SEC policy, the Office of Comprehensive Services shall publish a brief description of any violation which has resulted in the denial of funds to a locality.

# Online Resources

## News

[For Parents](#)

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## Denial of Funds

### Violations Resulting in Denial of Funding to Local Governments

CASE # (NOTICE)	Statutory/Policy Requirement	Description of Violation	Corrective Action
<a href="#">#2012-01</a>	§2.2-5206 <ul style="list-style-type: none"> <li>Develop interagency policies and procedures to govern the provision of services to children and families.</li> <li>Establish quality assurance and accountability procedures for program utilization and funds management.</li> <li>Manage funds in the interagency budget allocated from the state pool.</li> </ul> §2.2-5212 <ul style="list-style-type: none"> <li>Youth shall meet eligibility for state pool funds</li> </ul>	<ul style="list-style-type: none"> <li>Audit by the Auditor of Public Accounts, hearing testimony, and hearing exhibits found that the locality did not have adequate policies, procedures and controls over the CSA program.</li> <li>Pool funds were utilized for private special education placements for youth not eligible for CSA funding, i.e., IEPs did not require placement into private special education programs.</li> <li>Pool funds were utilized for services included in the IEP for students in public school placements.</li> <li>Contracts with private providers were not executed in accordance with local policies.</li> </ul>	<ul style="list-style-type: none"> <li>Repayment of state funds inappropriately spent for period 7/1/2007-6/30/2010. Installments paid over period of 10 years; balance due forgiven if quality improvement program implemented successfully.</li> <li>Implement quality improvement program monitored by OCS and supervised by SEC.</li> </ul>
<a href="#">#2012-02</a>	§2.2-5212 <ul style="list-style-type: none"> <li>Youth shall meet eligibility for state pool funds.</li> </ul>	<ul style="list-style-type: none"> <li>Pool funds were utilized for private special education placements for youth not eligible for CSA funding, i.e., IEPs did not require placement into private special education programs.</li> </ul>	<ul style="list-style-type: none"> <li>Denial of reimbursement for period 7/1/2011-12/31/2011.</li> </ul>

## Administrative Memos

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[Local Government Reporting](#)

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[Dept of Behavioral Health and Developmental Services](#)

[Dept of Medical Assistance Services](#)

# Reasons that funds may be denied

Examples of non-compliance/violation in the provision of services may include, but are not limited to:

- Services/provider did not meet licensing requirements of governing agency,
- Services did not meet policy/regulatory requirements of governing agency,
- Services were provided to a child/youth not eligible for funding,
- Services were not included in IFSP developed by a FAPT/MDT,
- Services were not authorized by CPMT (in accordance with statutory requirement/local policy),
- Services were within the scope of responsibility of a CSA participating agency,
- Services were eligible for payment through another funding source (e.g., Title IV-E, Medicaid) yet those funds were not sought/utilized.

# Actions That Do Not Fall Under the Denial of Funds Policy

OCS may, outside of the denial of funds policies, recover funds inappropriately reimbursed to a locality when the reason/cause for inappropriate use of funds is not related to non-compliance/violation in the provision of services. Examples of inappropriate uses of funds that are not related to the provision of services may include:

- Error in Title IV-E eligibility determination which requires adjustment to Title IV-E and CSA funds,
- Error in reporting of expenditures by service category which requires adjustment to match rate calculation, or
- Medicaid retroactive payments which require adjustment to CSA funds reimbursed.

# Contact Information

- For questions related to the Denial of Funds Policy please contact ....

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Wythe Building, Suite 137  
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