



Aging and Long-Term Services Department

Administrative Office of the Courts

Children, Youth and Families Department

Corrections Department

Department of Finance and Administration

Department of Health

Department of Transportation

Developmental Disabilities Planning Council

Division of Vocational Rehabilitation

Governor's Commission on Disability

Governor's Senior Health Policy Advisor

Health Policy Commission

Human Services Department

Indian Affairs Department

Mortgage Finance Authority

Public Education Department

Higher Education Department

PO Box 2348
Santa Fe, NM
87504-2348

DATE: August 28, 2009

TO: Sandy Forquer, CEO
OptumHealth New Mexico

FROM: Linda Roebuck, CEO
Behavioral Health Purchasing Collaborative

**RE: Letter of Direction # 76 Amendment
Temporary Assistance for Needy Families (TANF)
Substance Abuse Funding**

for
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8/31/09

This Letter of Direction (LOD) replaces the original LOD dated July 1, 2009, and the amendment LOD dated August 17, 2009. This revised LOD adds sections m to #3 below. This LOD provides guidance to the Statewide Entity (SE) on requirements for the implementation and oversight of the TANF program. TANF is a cash assistance block grant program that replaced the Aid to Families with Dependent Children Program (AFDC) in July 1996. All TANF substance abuse services under this Letter of Direction shall be subject to the following provisions:

1. This funding shall be used for non-medical, work-focused multi-faceted substance abuse treatment to achieve and sustain recovery. Services paid for with TANF funds must include daytime, evening, and/or weekend programming that will:
 - a. Count as an allowable primary/core Job Readiness work activity for no longer than 240 or 360 hours in a federal fiscal year depending on the household status, of which no more than four (4) weeks may be consecutive. Services may include early intervention that may be coupled with case management and/or patient education, outpatient treatment, Intensive Outpatient (IOP) treatment; long term residential treatment for women with children with unique and extensive needs who meet ASAM criteria, and other levels of care.
 - b. Provide ongoing supportive substance abuse services that may or may not count as an allowable work activity
2. TANF block grant funding may only be used for the following TANF populations:

- a. Priority 1 – TANF Cash Recipient Families receiving monthly TANF cash assistance. Priority should be given to those who have identified hardships, such as, homelessness, hardship extension waivers or disability waivers. Referrals may come from the New Mexico Works (NMW) contractor, HSD's Income Support Division (ISD) field office or other community service agencies.
- b. Priority 2 – TANF Eligible Families - not receiving TANF cash assistance. These may be walk-ins to the service provider who include a family caring for at least one related child (or a pregnant woman) with family income at or below 100% of poverty. The eligibility is to be determined by the service provider with a signed statement of income and eligibility [Exhibit F]. This priority group may include referrals from other sources including drug court and CYFD.

3. The Statewide Entity shall:

- a. On or before July 30, 2009, develop and deliver a written service plan that describes in detail how the participant eligible population services will be established and delivered;
- b. Coordinate the selection of TANF substance abuse sites and providers. Include the ISD/Work and Family Support Bureau (WFSB) staff in the decision processes; providers currently servicing the priority populations should be considered for continued services;
- c. Ensure, through provider contracts, on-site services at NMW offices when possible;
- d. Ensure that subcontractors develop an appropriate curriculum for Lifeskills classes, if this service is provided by subcontractor, in accordance with TANF regulations defining the scope and time limits for this activity. Provide ISD/WFSB with copies of curriculum prior to approval of curriculum;
- e. Provide ISD/WFSB with copies of subcontracts within thirty (30) days of completion;
- f. Implement a verification process to determine TANF "Eligibility" for Priority 3 participants [Exhibit F];
- g. Assist in the facilitation of referrals from NMW contractors by providing outreach to NMW offices and ensuring that outreach materials (pamphlets, brochures or flyers) are available in ISD/NMW offices;
- h. Based on identified need, conduct training of the NMW contractors and substance abuse providers directly associated with providing program services. Costs so incurred are considered program costs. For example, training of case managers and other staff about how to provide appropriate services to participants (i.e., screening, identification and referrals to appropriate services) would be a program cost.
- i. Provide program reports to ISD/WFSB monthly by the 15th of each month, based upon TANF approved Guidance Memorandum, TANF 1 report and template. The reports at a minimum must include a description of the major program benefits, services, outreach and training activities as well as a) Program description; and b) Service area and state totals for new, continuing, and completing Priority 1 participants separate from Priority 2 participants.
- j. Manage the TANF funding as follows:
 - Submit a Budget [Exhibit A] for operations cost using the templates attached to this Letter of Direction that must be approved by the Contract Manager designated by

HSD/ISD WFSB. The Statewide Entity shall prepare a budget for the contracted amount that includes all line item elements as prescribed by the New Mexico Department of Finance and Administration (DFA) for: positions, personnel, employee benefits, contractual services, transportation, maintenance/repairs, operating costs, capital outlay, etc., [<http://www.dfafcd.state.nm.us/manuals/coa.pdf>]. The budget must be provided to HSD/ISD WFSB **by the 30th calendar day following the effective date of this Letter of Direction**. No payment shall be made under this Letter of Direction unless the Contract Manager approves the program budget required under this Letter of Direction. The approved budget shall provide the basis for the services provided under this Letter of Direction. The budget shall not be altered without the written approval of HSD.

- Provide monthly billings to ISD/WFSB by the 15th of each month using the templates identified as Invoice [Exhibit B], Invoice Transmittal [Exhibit C] and Expenditure Balance Report [EXHIBIT D], with the exception of the month ending June 30, 2010, for which the invoice must be received no later July 10, 2010. Failure to adhere to these requirements may result in a reduction of available funds and non-payment of invoices. The carryover of funds between fiscal years shall not be permitted. HSD will make every effort to make payment to the AGENCY within 30 days from receipt of a correct invoice.
- Budget adjustments may be made only with the prior written approval of HSD/ISD WFSB staff [EXHIBIT E]
- Ensure expenditures meet federal and state requirements.
- Reimburse service providers for actual expenditures in accordance with the terms of the subcontracts.
- Audit provider monthly billing invoices.
- No more than fifteen (15) percent of the Contract expenditures may be for the SE's administrative expenses including
 - General administration & coordination of programs including contract & indirect costs
 - Salaries, benefits, & other costs of administrative staff performing administration and coordination, eligibility determinations, preparation of budgets, program plans and schedules, and monitoring of programs and projects.
- k. Maintain fiscal records necessary for full accountability, comply with federal accounting and fiscal requirements applicable to handling of any federal funds, and follow generally accepted accounting principles and account for all receipts and disbursement of funds transferred or expended pursuant to this Letter of Direction. Conduct regular program and fiscal reviews by:
 - Developing and providing a review schedule to HSD/ISD WFSB by October 1, 2009.
 - Providing a detailed report on findings to ISD thirty (30) days after the review;
 - Cooperate with ISD reviews and audits.
- l. Contract for an independent audit at the SE's expense. Include the audit of all funds received by virtue of this Letter of Direction in the regular SE's independent audit. An

official copy of the independent audit report must be provided to HSD and any other authorized entity as required by law within 15 days of receipt of the final audit report.
m. Reconcile actual expenditures with ISD on a quarterly basis, based upon TANF approved Guidance Memorandum, TANF 2 report and template.

If you have any questions, please contact Nicole Taylor at nicole.taylor1@state.nm.us or Paul Lucero at Paul.Lucero@state.nm.us.

DFA CONTRACTS REVIEW BUREAU
 Bataan Memorial Bldg. - Rm. 314
 Santa Fe, NM 87503

PROFESSIONAL SERVICES CONTRACT BRIEF
 CRB 1, Revised 10/06
 (CONTRACT BRIEF MUST BE TYPED)

0 9	6 3 0	7 9 0 3	0 0 0 6 3	
FY	Agency Code	Organization Code	Contract No.	Amend. No.

Vendor Code: _____
 Contractor Name: Optum Health SHARE #: _____
 Contractor Address: 6300 Olson Memorial Hwy, Golden Valley, MN 55427 Phone: _____

Agency Contact: _____ Phone: _____

Single-Year Contract: \$ _____ Total Contract Amount	Appropriation Period: FY13	Contract or Amendment Amount: General Fund 0.00
Multi-Year Contract: \$ 0.00 Total Contract Amount		Other State Funds 0.00
		Federal Funds 0.00
		Total \$ 0.00

Contract Term: From: 0 7 / 1 0 1 / 2 0 0 9 To: 0 6 / 1 3 0 / 1 2 0 1 3
 (DFA Approval date to be filled in by Contracts Review Bureau) (Termination Date)

Retroactive: Y/N Date: _____ / _____ / _____
 Documents Enclosed: (check one or more of the following):
 Contract/Agreement Purchase Document Contract Amendment Purchase Document Mod.
 Sole Source Determination Retroactive Justification Other Emergency Justification

BRIEF DESCRIPTION OF SERVICES:

- PROCUREMENT PROCEDURE-Check with X the applicable citation**
- _____ Section 13-1-125 NMSA 1978, small purchase contract (does not exceed \$50,000 excluding gross receipts tax).
 - X Section 13-1-120 NMSA 1978, competitive proposal for architect/engineer/landscape/architect/surveyor.
 - _____ Section 13-1-111 NMSA 1978, competitive sealed proposal (contract over \$50,000).
 - _____ Section 13-1-129 NMSA 1978, contract is based upon Price Agreement # _____
 - _____ Section 13-1-129 NMSA 1978, contract is based upon GSA (please provide all required information)
 - _____ Section 13-1-126 NMSA 1978, sole source procurement (requires written determination and DFA approval).
 - _____ Section 13-1-127 NMSA 1978, emergency procurement.

- REQUIREMENTS-Enter Y (yes) to verify the following mandatory requirements:**
- X The agency certifies to DFA that all relevant requirements of the Procurement Code have been followed.
 - X The agency certifies to DFA that the contractor will perform at all times as an independent contractor for the purpose of IRS tax compliance and is not performing services as an employee of the agency.
 - X The agency certifies to DFA that the agency has performed a legal review and the contract is in compliance with all federal and state laws, rules and regulations.

- OTHER REQUIREMENTS-Enter Y (yes), N (no) or N/A (not applicable) to each of the following:**
- X The agency certifies to DFA that Performance Measures have been outlined as required (attach valid section of strategic plan).
 - X The agency certifies to DFA that the contract complies with GSD rules regarding indemnification and insurance.
 - NA The agency certifies to DFA that the requirements of the Governmental Conduct Act, Section 10-16-1 NMSA 1978 regarding conflict of interest with public officers or state employees have been followed. The agency certifies to DFA that the Attorney General's review has been obtained because: _____

NA The agency certifies to DFA that any required performance bonds have been obtained, Section 13-1-148 NMSA 1978

Kathryn Falls HSD Deputy Secretary
 Cabinet Secretary, Agency Head or Designee Title Date 3/11/2009

DFA USE ONLY

Category		Date Received CRB	
Status		Date Approved CRB	
Amendment Type		Staff	
Amendment Type			

Comments: _____

Number	Amount	PURCHASE DOCUMENT	Date to FCD	Date from FCD
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