

# **Nevada Department of Health and Human Services**

## **The Fund for a Resilient Nevada *Policy and Procedure Manual***

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**THE FUND FOR A RESILIENT NEVADA**  
*Policy & Procedure Manual*

**Section 1 | Administrative**

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**1.1 Introduction**

The Nevada Department of Health and Human Service (DHHS) Director's Office, Grants Management Unit (GMU) is responsible to administer the Fund for a Resilient Nevada (FRN), to supplement and not supplant existing funding focused on opioid use or opioid use disorder in Nevada. The FRN was created by Senate Bill (SB) 390 in the 2021 legislature and codified in Nevada Revised Statute (NRS) 433 utilizing the funds resulting from litigation concerning the manufacture, distribution, sale or marketing of opioids in accordance with the declaration of findings issued by the Governor and Attorney General pursuant to paragraph (a) subsection (1) of Nevada Revised Statute (NRS) 228.111 on January 24, 2019. The DHHS must ensure that all mandates are met to include planning, reporting, auditing, public participation, and identifying activities that may be supported with FRN funds.

**1.2 Planning Level Needs Assessments**

Pursuant to NRS 433, planning efforts are accomplished in partnership with the Advisory Committee for a Resilient Nevada to provide input based on the quantitative and qualitative needs assessment targeting priority populations. This will result in the DHHS completing a state plan with priority areas identified, by focus, and listed in order of significance. The FRN funding will be allocated based on the state plan and through a competitive grant application process overseen by the GMU. Allocations are not guaranteed and must not supplant existing funding sources, including third party liability or billable services through the Medicaid State Manual (MSM).

The GMU is responsible to conduct the initial needs assessment and revise the needs assessment, not less than every four years. The statewide needs assessments will establish the framework for the FRN budgets each biennium. The GMU can provide support to counties, tribal organizations or geographic areas to support the identification of need for public entities requesting assistance.

The needs assessment and state plan may utilize FRN funding for the following activities, subject to the priorities identified in the state plan.

1. Expand access to evidence-based prevention of substance use disorders, early intervention for persons at risk of a substance use disorder, treatment for substance use disorders and support for persons in recovery from substance use disorders;
2. Reduce the incidence and severity of neonatal abstinence syndrome (NAS);
3. Prevent incidents of adverse childhood experiences (ACE) and increase early intervention for children who have undergone adverse childhood experiences

- and the families of such children impacted by SUD;
4. Reduce the harm caused by substance use;
  5. Prevent and treat infectious diseases in persons with substance use disorders;
  6. Provide services for children and other persons in a behavioral health crisis and the families of such persons; and
  7. Provide housing for persons who have or are in recovery from substance use disorders;
  8. Campaigns to educate and increase awareness of the public concerning substance use and substance use disorders;
  9. Programs for persons involved in the criminal justice or juvenile justice system and the families of such persons, including, without limitation, programs that are administered by courts related to SUD;
  10. Evaluation of existing programs relating to substance use and substance use disorders;
  11. Development of the workforce of providers of services relating to substance use and substance use disorders;
  12. The collection and analysis of data relating to substance use and substance use disorders;
  13. Capital projects relating to substance use and substance use disorders, including, without limitation, construction, purchasing and remodeling.
  14. Implementing the hotline for persons who are considering suicide or otherwise in a behavioral health crisis and providing services to persons who access that hotline not already allocated by other funding or supplanting existing funding;
  15. Grants to regional, county, local and tribal agencies and private-sector organizations whose work relates to opioid use disorder and other substance use disorders;
  16. The projects described may include, without limitation, projects to maximize expenditures through federal, local and private matching contributions. This includes expanding services as match through the Medicaid for impacts of substance use disorder; and
  17. Targeted needs assessments.

### **1.3 Compliance with Internal Controls**

The State of Nevada has established internal control policies and procedures that are consistent with the US Government Accountability Office (GAO) and the Office of Management and Budget (OMB). The GAO provides policies and procedures that assure entities run operations efficiently and effectively, report reliable information about operations, and comply with applicable laws and regulations.

*Standards for Internal Control in the Federal Government*, known as the “Green Book” sets the standards for an effective internal control system for federal funds, which has been adopted by the State of Nevada for all grant awards. The OMB sets rules and regulation through federal laws that are applicable to all federal funds. All state and subrecipient organizations must comply with all federal and state regulations.

The DHHS provides grant instructions and requirements, also known as Grant Instruction and Requirements (GIRs), for each grant award and each recipient is mandated to comply with all federal and state controls referenced therein. Additional internal controls may be established through state statute, the state administrative manual or through a DHHS memorandum. Controls are established and must be adhered to by public, private and non-profit grantees. The exclusion of grantees is foreign owned organizations.

#### **1.4 Purpose of Policies and Procedures**

The FRN Guidance only mandates certain aspects of how DHHS operates its defined role as administrators of FRN funds, leaving the authority and flexibility with the DHHS Director's Office - GMU to determine administration of respective programs. This manual defines policies and procedures for the implementation of the FRN. Policies and procedures may be amended, as necessary, to ensure compliance and consistency within the program. The GMU may designate new policies through a formal memorandum and revision, which will be posted on the website and provided to existing FRN service providers.

#### **1.5 Legislation and Guidance**

The FRN is permanently authorized in NRS 433, with the Fund being created by the State Treasury. Unless otherwise required by the applicable judgment or settlement, the Attorney General shall, after deducting any fees and costs imposed pursuant to an applicable contingent fee contract as described in NRS 228.1111, deposit in the Fund all money received by the state pursuant to any judgment received or settlement entered into by the State.

The following legislation, guidance, and legal authority inform the FRN policies and procedures described in this manual:

- Litigation Settlement Agreements
- NRS 433
- NRS 232
- NRS 228.1111
- NRS 353
- NRS 432
- NRS 447.335-350
- NRS 439.620 (No supplanting – funding provision)
- Office of Management and Budget Uniform Administrative Requirements, Cost
- DHHS GIRs
- Nevada State Administrative Manual (SAM)
- Various State Laws, Regulations, Nevada DHHS state plans, memorandums, procurement policies and contract provisions.

## 1.6 Grant Management Unit Program Responsibilities

The DHHS summary of priorities and mandated activities, includes, but is not limited to:

- A. Conduct an initial statewide needs assessment and develop an initial statewide plan for priorities;
- B. Ensure the statewide needs assessment and strategic plan is updated not less than once every four years;
- C. Develop a proposed budget to carry out the provision of the statewide plan;
- D. Ensure compliance with all tenants of the settlement agreement and allowable expenditures;
- E. Support health and social services activities that align with the determinants of litigation and legislatively defined priority areas to address gaps identified in state level community state plan and needs assessment limited to priority areas;
- F. Establish policies and procedures and a plan for the use of the grant money;
- G. Provide administrative support to the Advisory Committee for a Resilient Nevada;
- H. Coordinate with and provide support to regional, local and tribal governmental entities with needs assessments and developing plans in compliance with SB 390 to be eligible to apply for funding;
- I. Consider any money identified by the Attorney General's Office as recovered or anticipated to be recovered by county, local or tribal governmental agencies through judgments received or settlements entered into as a result of litigation concerning the manufacture, distribution, sale or marketing of opioids;
- J. Ensure compliance with legislative mandates for public participation in the planning and development of the FRN;
- K. Ensure activities are evidence-based, data-driven and provide both quantitative and qualitative data to identify the need, which may include the evidence-based practices as identified by the Substance Abuse Mental Health Administration (SAMHSA) or the Pew Institute;
- L. Ensure that applications for consideration for funding include a needs assessment which provides an analysis of the impacts of opioid use and opioid use disorder on the area under the jurisdiction of the applicant that uses quantitative and qualitative data to determine the risk factors that contribute to opioid use, the use of substances and the rates of opioid use disorder, other substance use disorders and co-occurring disorders among residents of the area; and
- M. Focus on health equity and identifying disparities across all racial and ethnic populations, geographic regions and special populations in the area under the jurisdiction of the applicant in coordination with the Office of Minority Health and Equity (OMHE).

The GMU is responsible to develop policies and procedures for the administration and distribution of contracts, grants and other expenditures to state agencies, political subdivisions of this State, private, nonprofit organizations, universities, state colleges and community colleges as part of the FRN program. This includes the competitive proposal process.

On or before June 30<sup>th</sup> of each even-numbered year, the GMU shall ensure the Director receives a report of the priority considerations that includes, without limitation, recommendations from the needs assessment and state plan. With the priorities established, the GMU will make the FRN funds available through specified legislative action and/or a competitive grant selection subject to a comprehensive competitive review process. To ensure complete transparency, the GMU posts all awards on its website at <http://dhhs.nv.gov/grants/> and manages the process and all awards. The FRN grant notice will be posted on-line and distributed through the State Grant Office and DHHS stakeholders' listserv. As part of the grant award, the GMU will report annual evaluations of programs to which grants have been awarded.

The GMU is responsible to provide annual reports on or before January 31 concerning the FRN programs to the Governor, the Director of the Legislative Council Bureau the Advisory Committee for a Resilient Nevada; the regional behavioral health policy board created by NRS 433.429, the Office of the Attorney General and other committees or commissions as deemed appropriate by the Director of DHHS.

The reports must include:

- Funding priorities identified in the state plan;
- All funding awards;
- Annual evaluation of all program activities;
- Administrative operations;
- Committee activities; and
- Any corrective actions or recommendations for the legislature.

## **1.7 The Advisory Committee for a Resilient Nevada**

The Advisory Committee for a Resilient Nevada (Committee) is responsible to:

- a) Develop recommendations for funding based on the quantitative and qualitative state needs assessment;
- b) Consider health equity and identify relevant disparities among racial and ethnic populations, geographic regions and special populations which includes, without limitation, veterans, persons who are pregnant, parents of dependent children, youth, persons who are lesbian, gay, bisexual, transgender and questioning, and persons and families involved in the justice system and child welfare system in Nevada;
- c) Focus priorities on the need to prevent overdoses, address disparities in access to behavioral health and prevent substance use among youth;
- d) Define and use an objective method to define the potential positive and negative impacts of a priority on the health of the affected communities with an emphasis on disproportionate impacts to any population targeted by the priority;
- e) Take into account the resources existing in each jurisdiction and need;

- f) Hold at least one public meeting to solicit comments from the public concerning the recommendations not less than once every four years or when the needs assessment is being updated and make any revisions to the recommendations determined, as a result of the public comment received, to be necessary; and
- g) Conduct a statewide needs assessment with an update to the strategic plan and priorities at least once every four years.

## Section 2 | Fiscal Operations

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### 2.1 Program Management

The GMU is the work unit responsible for awarding and monitoring the use of FRN funds. The GMU ensures accountability and provides technical assistance for social service and health-related programs. The GMU must be assured that partners have adequate systems in place to properly administer the grant both financially and programmatically, and to provide oversight of the subrecipients. Not all applicants will be provided funding for all potential service areas.

All funding must align with the Goals of DHHS to include:

- Provide cost effective services that are accessible, available, and responsive to the needs of individuals, families, and their communities.
- Foster a service delivery system responsive to the individual and cultural diversity of the people and communities we serve.
- Provide a comprehensive and integrated system of services to promote self-sufficiency.
- Promote and protect the health, well-being, and safety of Nevada citizens and visitors through programs administered by the Department.

### 2.2 Program Allocations

The GMU will utilize the state plan based on the quantitative and qualitative needs assessments and complete a strategic plan with priorities. This process will include stakeholder participation in the planning process. These efforts play a key role in determining how FRN funds are distributed to state agencies and partners.

Recommendations for FRN funds are made after a careful review of all available funding to ensure no supplanting of funds, available resources, community needs assessment, and state priorities. Recommendations are identified through the state plan, biennial state budgeting process and are open to public review and comment.

Program allocations are identified in order of priority and must be based on community needs assessments to address any gaps in services and must be subject to the target areas below. The policies and procedures will be reviewed on a biennial basis to review legislative changes on targeted populations.

### **2.3 Allowable Costs**

Costs must be directly associated to the requirements of the legislation and may not be outside the scope. Any disbursement from the FRN requires a submittal request through the open and competitive process, outside of the Division of Health Care Financing and Policy (DHCFP). Administrative and indirect cost methodology cannot be taken simultaneously. The FRN funds are not restricted by organization type (i.e. non-profit, public, private organizations).

All subrecipients must utilize the Request for Reimbursement (RFR) forms as provided by the DHHS GMU unit for reimbursement of allowable costs. Without an RFR and appropriate back-up, reimbursement will not be provided. The FRN requires not less than 75% of funding be directed for programs that includedirect services, 15% cap on administration, 10% cap on data collection and analysis, and no more than 8% for indirect costs.

### **2.4 Prohibited Uses**

Although the FRN provides flexibility to meet strategic priorities, the FRN cannot be used for any use that is not specifically identified within statute (NRS 390), or Section 1.2 above and cannot be used to supplant third party liability from private or public partners, including Medicaid or Medicare. This includes not allowing for co-pays for allowable services. This does not include Federal Medicaid Assistance Percentages (FMAP) for expanded or enhanced programming and services.

### **2.5 Recovery of Funds**

If a regional, local or tribal governmental entity that receives or recovers money through a judgment or a settlement resulting from litigation concerning the manufacture, distribution, sale or marketing of opioids: (a) The regional, local or tribal governmental entity must immediately notify the Department; and (b) The Department may recover from the governmental entity an amount not to exceed the amount of the grant or the amount of the recovery, whichever is less.

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## Section 3 | Program Operations

### 3.1 Geographic Service Area(s)

By geographical size, Nevada is the 7th largest state in the nation with a large majority of the state being vast, sparsely populated areas. Nevada's two largest counties of Washoe and Clark represent 88.9% of the state's population. The remaining 15 counties are in rural and frontier counties. The DHHS GMU has identified the entire state as the geographic region eligible for the FRN program activities.



### **3.2 Eligibility Determination**

To be eligible for services provided under the FRN, it must be determined and documented that the applicant is in need of a particular service related to the impacts of substance use disorder and that the provision of the service will assist the participant in meeting that need. In addition, there should be a reasonable expectation of the participant attaining the desired service goal at the conclusion of the service period. Eligible applicants must be residents of Nevada and be impacted by substance use disorder.

### **3.4 Program Records**

The GMU requires each subgrantee to provide an activity report required to be submitted monthly or quarterly, as defined in the award. This reporting document serves as the baseline data on performance and effectiveness of the FRN funding activities. The reports build the mandated legislative report to include services and funding. The following is an example of what would be required for direct services. The state reserves the right to modify the reporting based on the scope of work and provision of services or activities.

All Fund recipients shall provide:

- Number of Individuals Served (unduplicated), submitted by each subrecipient.
- Number of Services provided for each individual eligible for program services, to include, the estimated dollar amount per recipient;
- Identification of any new funding awards (federal, state, or local) that support the activities identified for funding;
- Local and State Planned Activities;
- Project timeline;
- Needs Assessment;
- Case or Project Records;
- Demographic information;
- Notice of Privacy Practices; and
- Other measures as defined through the scope of work and objectives.

Agencies providing FRN funded services must identify priority target populations identified in the needs assessment by geographic region of focus. The criteria must be applied consistently and incorporated into program guidelines and included in the scope of work. No individual shall be denied service for inability to pay. Performance reports with the number of services provided, and the number of individuals served will be required as part of any FRN grant. The GMU will work with each fund recipient to ensure the performance deliverables are in alignment with program activities and consistent with the documentation that is required to evaluate the program activities.

### **3.5 Governing Board Responsibility Non-Profit**

The governing board of non-profit agencies identified as subrecipients with the Department is the legal contracting entity and ultimately is responsible for its overall operation. For the non-profit agency, the governing board is a board of directors whose main function is to establish policies and to adopt rules, regulations, and bylaws consistent with the purposes of the Agency. It is responsible, also, for resolving management issues, evaluating the performance of the executive director, and functioning in an advisory capacity to the executive director. The public agency usually does not have a board of directors; however, if there is a designated governing body, that group must assume responsibilities like those of the board in a private agency.

The funding mechanism is signed by the Executive Director, as directed by the Board, or the Chairman of the Board, thus obligating the Board of Directors or governing board financially liable for the service program described in the legal agreement. The Board responsibilities include, but are not limited to the following:

1. Ensuring that all necessary requirements of the Department relative to the Department's grant/contract are met.
2. Establishing policies and adopting rules, regulations, and bylaws consistent with the purpose of the agency.
3. Establishing accounting systems and fiscal controls consistent with generally accepted accounting principles (GAAP) and good business practice.
4. Establishing policies prohibiting nepotism (one relative supervising another) whether between the board and the agency or within the agency itself.
5. Using good judgment to avoid even the appearance of a conflict of interest.
6. Ensuring active involvement in directing the agency's operations through the process of regular board meetings held in accordance with the agency's bylaws.
7. Accepting liability for and resolving any costs questioned as the result of audits.

The governing board for public agencies is established through NRS and/or the Director of DHHS.

### **3.6 Governing Board Responsibility For-Profit**

The Chief Executive Officer of a for-profit entity is responsible for ensuring compliance with any contract in compliance with the regulations. The CEO must ensure that all necessary requirements with the contract are met; ensuring that all necessary requirements of the Department relative to the Department's contract are met. This includes but is not limited to ensuring accounting systems and fiscal controls consistent with generally accepted accounting principles (GAAP) and good business practice. By accepting a contract with the Department, the for-profit agency agrees to comply with monitoring and auditing of the program activities and funding.

## Section 4 | Monitoring and Review Activities

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### 4.1 Monitoring

The purpose of monitoring FRN programs is to enhance services and strengthen the overall compliance of provider service networks with the governing regulations and policies. By pursuing this objective, the potential for future deferrals, disallowance, or adverse audit actions can be reduced. Monitoring also provides an effective early warning mechanism that identifies problem areas and motivates DHHS and the provider to take corrective actions that may avoid adverse contractual sanctions.

Monitoring is the process used to conduct an on-site review of the provider's general operating procedures and fiscal and service records to determine adherence to federal and state internal controls (refer to GIRs). Monitoring is also conducted for the purpose of assessing the provider's oversight of the funded program and to determine the appropriateness of the services provided in comparison to the service categories approved within the FRN State Plan. All profit, public and non-profit grantees are subject to monitoring and review. Emphasis in monitoring is placed on administration, efficiency, program design and implementation, customer eligibility (including reviews of outcomes), and recordkeeping. Each FRN recipient is monitored annually, which may include a desk review (conducted off site). All funded agencies are required to submit financial reports of expenditures to the GMU. The report is reviewed by program and fiscal staff and validated by State monitoring staff.

### 4.2 Activities for Review

GMU serves as the administrator of the FRN and focuses on the following goals and initiatives:

- Ensure that services support the mission of DHHS and the FRN objectives.
- Ensure that services reach the targeted population.
- Ensure that services are not duplicative of services already provided by DHHS.
- Ensure that services are integrated with other services offered through DHHS.
- Ensure that efforts are made to fully utilize available resources to meet the needs of the citizens of Nevada.
- Ensure that the expenditures for services are efficient, effective, and follow State and Federal laws and regulations.
- Provide ongoing program and financial technical assistance to providers regarding service provision and client participation, reporting requirements, performance outcomes, and documentation requirements.
- Monitor the cost of providing services to determine if they are reasonable for the services delivered.