OFFICE OF ADDICTION SERVICES AND SUPPORTS (OASAS)
STATE AID FUNDING AUTHORIZATION
FUNDING REQUIREMENTS

These Requirements supplement the approved State Aid Funding Authorization (Authorization), to which they have been affixed, for Local Governmental Units and the New York City Department of Health and Mental Hygiene (LGU) and governs all State and Federal funding provided by the New York State Office of Addiction Services and Supports (OASAS) through State appropriations for the conduct of the approved program(s).

1 Applicability

The terms of these Requirements shall be applicable to the LGU and any LGU contract with a local service provider performing services funded through the Authorization.

If the LGU enters into subcontracts for the performance of substance use disorder treatment, problem gambling, prevention, harm reduction, recovery or other authorized services, the LGU shall take full responsibility for the acts or omissions of the subcontractors.

By signing the Contract or Authorization, the official authorized by the LGU accepts these funding requirements and agrees to the terms of these Requirements.

2 Reduction of Capacity and/or Funding

It is understood and agreed to by the parties that OASAS shall have the right to reduce the capacity and/or funding of the LGU and any subcontractor(s) for underutilization, or performance deficiencies, in connection with the conduct of the approved program(s).

3 State Requirements and Responsibilities

3.1 Programs:

A substance use disorder treatment, problem gambling, prevention, harm reduction, recovery or other authorized services program (Program) shall be provided. The Program shall perform in accordance with OASAS reporting and performance measures, in accordance with all applicable laws, rules and regulations and, where applicable, in accordance with the operating certificates for Substance Use Disorder and/or Problem Gambling services. All programs shall also comply with the following, as applicable:

A. Mental Hygiene Law, including but not limited to Articles 19, 25, 32 and 41.

B. All current and future Local Services Bulletins.

C. The Administrative and Fiscal Requirements for OASAS-Funded Providers.

D. The provisions of the Code of Federal Regulations (CFR) Title 45 Part 96 including but not limited to, Treatment Services for Intravenous Drug Use and Treatment services for pregnant women.

E. The OASAS Prevention Guidelines.

F. The Standards for Outpatient Compulsive Gambling Treatment Services.

G. The OASAS Budget and Claiming Manual for Calendar and July-June Fiscal Periods and the Consolidated Fiscal Reporting and Claiming Manual.

H. State Finance Law.

I. The Not-For-Profit Corporation Law.

J. All other applicable Federal and State laws and regulations.

3.2 Records Retention:

The LGU and Subcontractor shall keep and maintain efficient, complete and separate records concerning any and all costs incurred in the performance of the approved Program. Records shall be maintained in accordance with OASAS policy; including, but not limited to, applicable laws, rules, regulations, bulletins and manuals. Such records shall be kept available for examination by the LGU, the Federal awarding agency, the U.S. Comptroller General, the New York State Attorney General, the New York State Comptroller (OSC), OASAS, and any representatives specifically directed by said parties at all reasonable times and places during the period of execution of this Authorization and for ten (10) years from the date of final payment.

3.3 Confidentiality and Protection of Human Subjects:

The LGU and/or Subcontractor agrees to safeguard the confidentiality of information relating to individuals and their families who may receive services from the programs funded by this Authorization. The LGU and/or Subcontractor shall maintain the confidentiality of all such information with regard to services provided under this Authorization in conformity with the provisions of applicable State and Federal laws and regulations including 42 CFR Part 2 and the Health Insurance Portability and Accountability Act (45 CFR Part 140, 142, 160 and 162). Any breach of confidentiality by the LGU and/or Subcontractor, its agents or representatives may be cause for immediate termination of the Authorization.

3.4 Audit and Compliance:

The LGU and/or Subcontractor agree to cooperate fully with any audit or investigation that OASAS or any agent of OASAS may conduct and to provide access during normal business hours to any and all information necessary to perform its audit or investigation. The LGU and/or Subcontractor shall also allow the Federal awarding agency, the U.S. Comptroller General, the

New York State Attorney General, OSC, OASAS, and any representatives specifically directed by said parties to take possession of all records and documents relating to this Authorization without prior notice to the LGU and/or Subcontractor. All such records and documents shall be returned to the LGU and/or Subcontractor upon completion of the official purposes for which they were taken.

If part or all of the performance of the approved program is to be conducted through subcontracts with other entities, then the LGU agrees that they shall make the provisions of this Authorization and any amendment thereto a formal part of all such subcontracts, which shall specifically make reference to the records required to be maintained, and the retention periods of such records as noted herein above, and that all such records maintained by such subcontractors shall be made available and promptly disclosed to the Governmental Entity, the Federal awarding agency, the U.S. Comptroller General, the New York State Attorney General, OSC, OASAS, and any representatives specifically directed by said parties.

3.5 Data Bank (Central Registry):

Applicable to opioid programs only. In accordance with federal requirements (21 CFR Part 291) and under the explicit authority of the New York State Mental Hygiene Law, Section 19.16, OASAS is empowered to "…establish and maintain, either directly or through contract, a central registry for purposes of preventing multiple enrollment, ensuring accurate dosage delivery and facilitating disaster management in methadone programs. The office shall require all methadone programs to utilize such registry and shall have the power to assess methadone programs such fees as are necessary and appropriate." The function of the registry is to maintain accurate and up-to-date records for all opioid programs in order to ensure that a patient is not receiving opioid services from more than one program at one time and to capture dosage information for use in emergencies, transfers and other situations as OASAS may deem appropriate. The purposes and objectives of the registry function are to ascertain whether a patient was previously known to the system; to admit new patients into the registry; to collect pertinent information and assign unique registry identification numbers; to re-admit previously discharged patients who are eligible for re-admission; to discharge patients from active status; to capture accurate and up to date dosage information; to transfer patients between eligible programs; to facilitate disaster management and to update and correct previously entered information. Accordingly, the LGU and/or Subcontractor agrees to render all necessary assistance to OASAS and/or its designees for such purpose, including but not limited to: (i) making the LGU and/or Subcontractors' records available to, and furnishing such data as may be requested by, OASAS or such designees; (ii) providing patient-identifying data to this registry prior to admission, and for all transfers and discharges; and (iii) utilizing the services of OASAS or a firm under contract with OASAS to provide central registry services to ascertain whether any applicant is being served by any other participating opioid program. OASAS has entered into a contract with a vendor for the conduct and operation within the State of New York of the Central Opioid Registry. Pursuant to the terms of this contract, OASAS shall approve a per transaction fee for each transaction made by an opioid program. The vendor shall bill the LGU or Subcontractor monthly for the total number of transactions performed by the LGU or Subcontractor in the previous month. LGU or Subcontractor agrees to make payment directly to the vendor in accordance with the payment instructions supplied by the

vendor. LGUs and Subcontractors who fail to make timely payments due and owing to the vendor, may be subject to a delay or offset of their funding, as OASAS in its sole discretion deems appropriate.

3.6 Documents, Publications and Public Statements:

The LGU and Subcontractor agree to submit a copy of any document (electronic or otherwise) prepared for publication or release to OASAS for comment prior to publication or release and to take all appropriate care to maintain the confidentiality of sensitive and/or patient identifiable information. Any publication, release or announcement of any nature issued or authorized by the LGU and/or Subcontractor relating to the said Program shall acknowledge OASAS' support using the following statement: "This publication relates to a program funded by the New York State Office of Addiction Services and Supports" and shall state that the opinions, results, findings and/or interpretations of data contained therein are the responsibility of the LGU and/or Subcontractor and do not necessarily represent the opinions, interpretation or policy of OASAS, the State of New York, or the Federal awarding agency. If funded with Federal funds, the publication must also acknowledge the applicable Federal awarding agency including the grant award number.

The LGU and Subcontractor agree that all information obtained by it in the performance of the program shall be kept confidential, and that it shall not issue any publicity release, or make any statements regarding the performance of, or the implementation of the program, without first obtaining prior clearance and approval from OASAS, provided, however, that this paragraph shall not be deemed to prevent the making or preparing of such usual and ordinary reports as may be required by applicable law, or in order to carry on the day-to-day affairs of the LGU and/or Subcontractor.

The results of any activity supported by OASAS funding may not be published without prior written approval of OASAS. Results shall (1) acknowledge the support of OASAS and the State of New York and, if funded with Federal funds, the applicable Federal funding agency including grant award number, and shall state that (2) the opinions, results, findings and/or interpretations of data contained therein are the responsibility of the LGU and/or Subcontractor and do not necessarily represent the opinions, interpretation or policy of OASAS, the State of New York, or the Federal awarding agency.

OASAS and the State of New York expressly reserve the right to a royalty-free, non-exclusive and irrevocable license to reproduce, publish, distribute or otherwise use, in perpetuity, any and all copyrighted or copyrightable material resulting from any activity supported by OASAS funding. All publications by the LGU and/or Subcontractor covered by this Authorization shall expressly acknowledge OASAS' right to such license.

All of the license rights so reserved to OASAS and the State of New York under this paragraph are equally reserved to the United States Department of Health and Human Services (DHHS) and subject to the provisions on copyrights contained in 45 CFR Part 74 if the Authorization includes DHHS funds.

3.7 Financial Records:

LGU and Subcontractor shall ensure that adequate documentation is maintained to support all expenditures pertaining to OASAS or other revenue sources in accordance with budget documents approved by OASAS. LGU and Subcontractor shall have adequate controls in place to provide for the appropriate accounting and expenditure of funds. Journals, ledgers and registers, including, but not limited to, a cash receipts journal, cash disbursements journal, general journal, general ledger, equipment register, payroll register and voucher register must comply with generally accepted accounting procedures and be maintained on the basis of funding source and program type or program site.

LGU and/or Subcontractor shall maintain a separate ledger account to provide accountability of funds received from OASAS. LGU and/or Subcontractor shall additionally maintain separate ledger accounts for each program category in accordance with budget cost categories approved by OASAS. In the event that LGU and Subcontractor wish to maintain single agency accounts, the required information must be supported by work papers that detail direct charges and general allocations to each program category.

Budgeted programs should be reported on OASAS budget and claim documents on a program/site specific basis in accordance with instructions in OASAS Budget and Claiming Manual for Calendar and July-June Fiscal Periods and the Consolidated Fiscal Reporting and Claiming (CFR) Manual. The LGU is responsible for ensuring that no non-allowable expenses, as defined in the CFR Manual and in the OASAS Administrative and Fiscal Requirements, are budgeted or claimed for State Aid reimbursement.

Exceptions to program/site reporting include Residential Services (formerly Supportive Living) Programs with multiple sites assigned a single Program Reporting Unit (PRU) number and additional outpatient locations that do not have separate PRU numbers from the main outpatient site. Such programs with multiple sites should be reported in total under the assigned PRU number.

3.8 Indemnification:

The LGU and the subcontractor agree that the subcontractor is an independent Contractor, and not an employee of the LGU or OASAS. The LGU agrees to indemnify, save and hold harmless the State of New York, OASAS and their officers, agents, servants and employees from any and all liability for anything and everything whatsoever arising from loss or damage resulting from any fault or negligence arising from any act or omission of the LGU and/or Subcontractor, their patients, agents, employees or subcontractors.

Furthermore, the LGU and/or Subcontractor agree to indemnify, defend and save harmless the State of New York, OASAS and its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, and any other person, firm, or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of this Authorization, and from all claims and losses occurring or resulting to any person, firm, or corporation who may be injured or damaged by the LGU and/or

Subcontractor in the performance of this Authorization, and against any liability, including costs and expenses for violation of proprietary rights, copyrights or rights of privacy arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Authorization, or based on any libelous or other unlawful matter contained in such data or written materials in any form produced pursuant to this Authorization.

Should any claim or demand be made, or any action brought against OASAS in any way relating to this Authorization or its performance, the LGU and/or Subcontractor agrees to render diligently to the Governmental Entity and/or OASAS, without additional compensation, any and all cooperation which may be required of the LGU and/or Subcontractor.

3.9 Non-Supplantation:

In no event shall Federal or State funds provided by OASAS be used to substitute for or supplant other available funds.

3.10 Program Income:

Any revenue received in the performance of the approved program shall first be applied toward the total expenses incurred in the performance of the approved program.

Any funds received for the performance of the approved program shall be applied to reduce OASAS' State Aid reimbursement in the period in which the funds are received. This shall include local tax levy monies that are being applied to the approved program. Nothing in this Authorization shall be construed to require OASAS to increase State Aid reimbursement should any anticipated revenue, including local tax levy monies in support of the approved program be reduced or eliminated.

LGU and Subcontractor shall develop procedures that conform to OASAS policies and procedures for the billing and collection of patient fees in accordance with the Administrative and Fiscal Requirements for OASAS Funded Providers. LGU and/or Subcontractor shall refer patients as soon as practicable after acceptance of patients into the program to the appropriate third-party payer for determination of their eligibility for third party reimbursement. Any fees paid to the LGU and/or Subcontractor by or on behalf of a patient for program services shall be accounted for and applied as stipulated in the approved budget for the program. In the event that the LGU and/or Subcontractor fail to pursue revenue sources to which the program or its patients are entitled to, the LGU and OASAS shall have the right to deduct from the approved net operating costs eligible for reimbursement an amount equal to the revenue that should have been collected.

3.11 Treatment Services for Intravenous Drug Abuse:

A. If the LGU and/or Subcontractor receives funding from OASAS for treatment services for intravenous drug abuse, the LGU and/or Subcontractor agrees that they will encourage individuals in need of such treatment to undergo such treatment, as described under 45 CFR § 96.126.

B. The LGU and/or Subcontractor further agree that they will ensure that individuals who request and need treatment for intravenous drug abuse receive such treatment as required under 45 CFR § 96.126.

C. The LGU and/or Subcontractor agree to notify OASAS within seven days whenever the LGU and/or Subcontractor reach ninety percent (90%) capacity for treatment services for intravenous drug abuse and OASAS agrees to include this information in the waiting list management program that OASAS is required to maintain under 45 CFR § 96.126.

3.12 Treatment Services for Pregnant Individuals:

A. The LGU and/or Subcontractor agree that each pregnant individual who seeks or is referred for, and would benefit from, treatment services will receive preference in admission to treatment as required under 45 CFR § 96.131.

B. In any instance in which the LGU and/or Subcontractor has insufficient capacity to provide treatment services to a pregnant individual who seeks such services, the LGU and/or Subcontractor shall immediately notify OASAS.

3.13 OASAS Funding for Prevention Services:

The LGU and/or Subcontractor must ensure that funding from OASAS for prevention services is not used for construction (except for minor remodeling needed to conduct the program activities authorized) or for medical services including alcohol and/or drug treatment or rehabilitation.

3.14 Prohibited Use of Funds by Governmental Entities:

The LGU and Subcontractor are prohibited from using OASAS funding herein provided for the remuneration of an employee during the time of that person's employment, who is engaged in political activities intended to interfere with, influence or coerce an election or nomination of a candidate for any public office.

3.15 Non-Sectarian Services:

By signing the Authorization, the LGU certifies that the services provided pursuant to this Authorization are secular health-related services provided without regard to a patient's religious background or preference; and further, these services are not mandated or supplementary portions of an educational curriculum or religious exercise, program or practice and do not directly or indirectly favor or foster any single sectarian view or religion.

3.16 Advance Payments:

LGUs must forward advance payments to all local contract funded service providers within 30 days of the advance's receipt by the LGU. LGUs shall have discretionary authority to

withhold advances from service providers not in compliance with contracting or reporting requirements. LGUs may also temporarily withhold advances pending required action by their county legislature. LGUs must maintain documentation to support the withholding of any portion of the OASAS funding advance. The withholding of any funding by the LGU, and the rationale for doing so, should be reported to the assigned OASAS Regional Office program manager within 30 days of the advance's receipt by the LGU.

4 Compliance with Federal Legislation

The LGU shall comply with all Federal legislation, regulation and guidelines relevant to the services approved and funding provided under the Authorization and shall aid OASAS so as to enable OASAS itself to remain in compliance with relevant Federal law, regulations and guidelines including but not limited to:

4.1 Lobbying:

A. In accepting this Contract, the Contractor certifies that no Federal or State funds have been paid and/or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any state or federal agency, a Member of Congress, an officer or employee of a Member of Congress, a member of the New York State Senate or Assembly, an officer or employee of a member of the New York State Senate or Assembly in connection with the awarding of any State or Federal contract, the awarding of any State or Federal grant, the making of any State or Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any State or Federal contract, grant, loan, or cooperative agreement

B. If any funds other than Federal funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. Dues or portions of dues paid to any professional association or parent agency whose primary function is of a political or lobbying nature and whose intent is to influence legislation or appropriation actions pending before Local, State or Federal bodies; are considered a Non-Allowable Cost and must be identified as such on all Final Claim submissions.

D. The Contractor shall require that the language of this Section be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

4.2 Federal Suspension and Debarment:

OASAS, the LGU and its Subcontractors are prohibited from contracting with, subcontracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include procurement contracts for good or services equal to or more than $100,000 and all non-procurement transactions (e.g., subawards to subrecipients). Contractors receiving $100,000 or more and all subcontractors must certify that the organization and its principals are not suspended or debarred. OASAS, the LGU, and its Subcontractors may rely upon the certification unless they know that the certification is erroneous.

4.3 Charitable Choice Requirements:

The LGU and Subcontractor agree that they will adhere to Federal requirements governing program beneficiary or prospective program beneficiary rights, as promulgated under 42 CFR Part 54 and Local Services Bulletin 2004-02, or its update, pertaining to these Federal requirements. To ensure compliance with Federal requirements, the LGU and Subcontractor agree that:

A. If an otherwise eligible program beneficiary or prospective program beneficiary (beneficiary) objects to the religious character of the Subcontractor, the LGU and Subcontractor shall ensure that the beneficiary receives timely notice of the beneficiary's right to services from an alternative provider.

B. The LGU and Subcontractor further agree to refer such beneficiaries who have objected to the religious character of the Subcontractor to an alternative provider that is reasonably accessible and has the capacity to provide comparable services to the individual.

C. The LGU and/or Subcontractor agree to notify OASAS of any instance in which a beneficiary objects to the religious character of the Subcontractor.

D. The LGU and/or Subcontractor will ensure that OASAS receives notice within thirty days of any instance in which there is no alternative provider that is reasonably accessible to the beneficiary or there is no alternative provider with capacity to provide comparable services.

4.4 Prohibited Uses of Funds:

The LGU and/or Subcontractor agree that they will not expend any funding provided by OASAS for services of the LGU and/or Subcontractor on those activities that are delineated under 45 CFR Part 96 or identified as non-allowable or non-reimbursable in the Consolidated Fiscal Reporting and Claiming Manual.

The LGU and/or Subcontractor shall not use Federal funding provided by OASAS herein to:

A. Pay the salary of an individual at a rate more than Level II of the Federal Executive Schedule that is in force during the approved period of the Authorization.

B. Provide inpatient hospital services.

C. Make cash payments to intended recipients of health services.

D. Purchase or improve land, construct or permanently improve (other than minor remodeling) any building or other facility.

E. Purchase major medical equipment.

F. Satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

G. Provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs.

H. Directly or indirectly, purchase, prescribe, or provide marijuana or treatment using marijuana. Treatment in this context includes the treatment of opioid use disorder.

I. For staff educational loan repayments and for anything related to college level fees and college tuition reimbursement.

J. For problem gambling services.

K. For services or activities that do not comply with federal legislation, or DHHS Grants Policy.

The LGU and/or Subcontractor may only use State funding after obtaining OASAS Regional Office approval for the following services:

A. Provide inpatient hospital services.

B. Make cash payments to intended recipients of health services.

C. Purchase or improve land, construct or permanently improve (other than minor remodeling) any building or other facility.

D. Purchase major medical equipment.

5 Fiscal Audit of Federal Funds

The Authorization specifies both the dollar amount and source of Federal funds, if any, that are budgeted in any fiscal period. This section describes the audit requirements you must meet if your Authorization includes Federal funds.

If funding received by the LGU from all Federal sources is more than a combined total of $750,000, the LGU and/or Subcontractor shall submit to OASAS a completed compliance and financial audit performed in accordance with the standards for auditing not-for-profit

organizations, programs, activities and functions established by the United States General Accounting Office and other Federal requirement as contained in Government Auditing Standards issued by the Comptroller General of the United States of America; and the audit requirements in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).