
**DIVISION OF MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE
ABUSE SERVICES
POLICIES AND PROCEDURES**

Section: Accountability

Effective Date: 12/15/2008

Team:

Policy No. ACC002

Subject: Plans of Correction Assigned by
DMH/DD/SAS

Revision Effective: Upon
Signature

**Approved
By:**



Approval Date:

3/13/2015

Purpose:

This policy is designed to provide guidance to Division of Mental Health, Developmental Disabilities and Substance Abuse Services (hereinafter DMH/DD/SAS) personnel in determining corrective actions to ensure compliance by the Division's sub-recipients with all statutory, regulatory and contractual obligations.

Scope:

This policy shall apply to all Plans of Correction (hereinafter POCs) originating from DMH/DD/SAS and assigned to a subrecipient. For the purposes of this policy, a sub-recipient is any entity through which the DMH/DD/SAS passes federal or state funds to carry out programs on its behalf. These sub-recipients are the Local Management Entities-Managed Care Organizations (LME-MCOs) and any other entities with which DMH/DD/SAS contracts directly.

Enforcement:

DMH/DD/SAS is responsible for:

1. Determining when a POC is required;
2. Ensuring review and approval of the POC;
3. Ensuring follow-up to the POC;
4. Referral of observed quality performance issues to the appropriate DMH/DD/SAS Section(s), or Team(s) or other state or local entities for appropriate disposition.

Exceptions:

None

Procedure:

A. Determining When to Assign a Plan of Correction

A POC is appropriate when:

1. The findings are systemic in nature. Findings may relate to:
 - a. monitoring of Federal Block Grants
 - b. monitoring of the DMH/DD/SAS-LME Contract requirements

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- c. findings from reviews of funding requirements for the receipt, expenditure or settlement of state or federal funds
 - d. findings from routine program monitoring of contracted entities
 - e. findings of investigations undertaken by DMH/DD/SAS
2. The circumstances which contributed to the out-of-compliance finding(s) may be addressed so that the out-of-compliance finding(s) is minimized or eliminated, resulting in the reviewer designating the action closed.
 3. During the course of routine duties, DMH/DD/SAS staff observe an issue outside the scope of their current visit or review of data, but within their scope of authority that meets the additional criteria above.

B. Notification of Assigned Plan of Correction

The Federal Block Grant report, DMH/DD/SAS-LME Contract monitoring report, agency routine monitoring report, settlement process or other finance report, investigation report or letter identifying the need for a POC will serve as the initial request for a POC. Should the sub-recipient fail to submit a POC within the specified timeframe, the sub-recipient shall be sent a final request letter and asked to submit the plan immediately. The final request letter shall include the consequences of failure to submit a POC. The sub-recipient will have ten (10) calendar days from receipt or attempted delivery to respond to the final request letter. An alternate timeframe may be negotiated if justified by the nature of the POC or the nature of the response needed. If there is no response to the final request within the specified timeframes, the matter shall be submitted by the Director of DMH/DD/SAS or designee to the Secretary of DHHS as part of the monthly report.

C. Components of a Plan of Correction

A POC is a systematic method of eliminating or minimizing the reoccurrence of the out-of-compliance finding. At a minimum, the POC must include:

1. A reference to the finding of out-of-compliance;
2. A description of how all corrections are to be made;
3. A timetable for the implementation and completion of the corrective action(s); and
4. The responsible person(s) who will ensure that the Plan of Correction is followed.

D. Timetable for the Submission of the Plan of Correction

The POC is due to the location specified by DMH/DD/SAS no more than fifteen (15) calendar days from the date of receipt by or attempted delivery of the identified out-of-compliance finding document to the sub-recipient. An alternate timeframe may be negotiated if justified by the nature of the POC or the nature of the response needed. Receipt is defined as an employee of the sub-recipient accepting delivery of the out-of-compliance finding document or verification from an outside source (such as UPS, Fed-Ex, USPS, etc.) that delivery was made. Attempted delivery is defined as verification from an outside source (such as UPS, Fed-Ex, USPS, etc.) that the out-of-compliance finding document delivery was attempted. Refusal by the sub-recipient to accept the out-of compliance document does not alter the timetable.

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E. Criteria for Review of the Plan of Correction

DMH/DD/SAS reviews the POC against the following evaluative criteria:

1. Has the sub-recipient accurately stated the issue to be corrected?
2. Are the corrective action steps appropriate to address the issue to be corrected?
3. Are the corrective action steps realistic and in sufficient detail for the sub-recipient to accomplish?
4. Is the timetable realistic for the corrective action to be accomplished?
5. If training is a component of the corrective action plan, is there sufficient detail present to indicate that the sub-recipient has undertaken the planning and implementation of the training? For instance, are dates for training and required participants documented?
6. Is the POC of sufficient scope to ensure systemic root causes are identified and addressed?

F. Response to the Plan of Correction

DMH/DD/SAS shall document receipt of the POC and send a letter to the sub-recipient submitting the POC. DMH/DD/SAS will assign the POC for review and provide a deadline for a decision on acceptance of the POC. The assigned reviewer shall review the POC based on established criteria and make one of the following determinations:

1. "Plan Approved" means the POC reviewer has determined that the submitted plan is appropriate to the criteria for review.
2. "Plan Not Approved" means the POC reviewer has determined that the submitted plan does not substantially address the issues identified, and must be resubmitted in full. The POC reviewer returns the determination to the sub-recipient along with a cover letter specifying the criteria by which the POC was determined to be unacceptable.

DMH/DD/SAS shall send a notification letter to the sub-recipient within fifteen (15) calendar days of receipt of the POC by DMH/DD/SAS. The notification letter will advise the sub-recipient of the decision of DMH/DD/SAS and the appropriate response expected from the sub-recipient. The sub-recipient must resubmit the POC to DMH/DD/SAS within ten (10) calendar days from the receipt of the notification letter. An alternate timeframe may be negotiated if justified by the nature of the POC or the nature of the response needed. If the second submission is unacceptable, the matter shall be submitted by the Director of DMH/DD/SAS or designee to the Secretary of DHHS as part of the monthly report.

G. Follow-Up to Plans of Correction

The DMH/DD/SAS reviewer will make a follow-up appointment no more than sixty (60) calendar days following the date the POC is approved. An alternate timeframe may be negotiated if justified by the nature of the POC or the nature of the response needed. The follow-up is to ensure the sub-recipient has followed the approved POC and the items identified in the out-of-compliance finding(s) are minimized or eliminated.

The reviewer may make an on-site visit or arrange with the sub-recipient for the needed review items to be brought to an agreed upon location. In the alternative, the reviewer may, at his or her discretion, have documents mailed, encrypted emailed or faxed to

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DMH/DD/SAS for review. The documents mailed, encrypted emailed or faxed should be of sufficient quantity and scope in order for the reviewer to render a decision as to whether the POC is being implemented and the items identified in the out-of-compliance finding(s) are minimized or eliminated.

1. First Follow-up:

If the reviewer makes the determination that the POC is being followed and the issue(s) identified in the out-of-compliance finding(s) are minimized or eliminated, the reviewer shall designate the action closed. If the reviewer makes the determination that the Plan of Correction is not being followed or the issues are not minimized or eliminated, additional follow-up shall be required. The sub-recipient shall be notified in writing of the need for additional follow-up, the reason for the additional follow-up and the possible consequences of a continued out-of-compliance finding.

2. Final Follow-up:

In approximately twenty (20) calendar days following receipt or attempted delivery of the "additional follow-up required" letter, the assigned reviewer shall follow-up to ensure the sub-recipient has followed the approved POC and the items identified in the out-of-compliance finding are minimized or eliminated. An alternate timeframe may be negotiated if justified by the nature of the POC or the nature of the response needed. If the reviewer makes the determination that the Plan of Correction is being followed AND the issue identified in the out-of-compliance finding is minimized or eliminated, the reviewer will designate the action closed.

3. Issues Not Resolved:

If the issues are still not resolved once all timeframes or negotiated timeframes have passed, the reviewer will submit the findings to the designated DMH/DD/SAS personnel. The designated DMH/DD/SAS personnel will submit the findings to the Director of DMH/DD/SAS or designee for report to the Secretary of DHHS.

Existing Appeals

An appeal of an out-of-compliance finding does not negate the requirement for a POC. Should the appeal be decided in favor of the sub-recipient, the results will be noted in the master POC file and the sub-recipient will be notified that the action is closed. A POC is due or deemed in effect until DMH/DD/SAS provides written notice to the contrary.

Correspondence

All correspondence originating from DMH/DD/SAS shall be in writing and delivered through a traceable source (Certified Mail, Fed-Ex, UPS, etc) with the exception of the action closed notification which may be mailed USPS standard delivery.

Resources

The Plan of Correction Policy and the Plan of Correction electronic form may be found here: <http://www.ncdhhs.gov/mhddsas/providers/POC/index.htm>.