

## Report in Brief

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Report No. A-02-17-02009

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES  
**OFFICE OF INSPECTOR GENERAL**



### Why OIG Did This Review

In Federal fiscal year 2015, the Substance Abuse and Mental Health Services Administration (SAMHSA) provided approximately \$1.8 billion to States, territories, and tribes under the Substance Abuse Prevention and Treatment Block Grant (SABG) to plan, implement, and evaluate activities that prevent and treat substance abuse, including opioid treatment services. SAMHSA awarded \$111.1 million in SABG funds to New York for the period October 2014 through September 2016.

This review is part of our efforts to ensure the integrity and proper stewardship of grant funds used to combat the opioid crisis.

Our objective was to determine whether New York provided adequate stewardship of SABG funds.

### How OIG Did This Review

We reviewed the State agency's controls for accounting for SABG funds and SAMHSA's efforts to monitor and oversee SABG funds. To test New York's controls for accounting for SABG funds, we reviewed a nonstatistical sample of actual SABG program expenditures for one opioid treatment provider's fiscal year, totaling \$3.1 million.

## New York Did Not Provide Adequate Stewardship of Substance Abuse Prevention and Treatment Block Grant Funds

### What OIG Found

New York failed to trace funds to a level of expenditure adequate to establish that the funds were used for the SABG program's intended purpose. Specifically, New York used estimated expenditure data to advance SABG funds to providers and subsequently reported these payments as expenditures to SAMHSA. In addition, New York did not record information (e.g., provider names) needed to effectively account for or trace the payments to SABG expenditures. By not implementing procedures for reporting actual expenditures and tracing payments, New York may have retained unexpended funds and hindered its ability to ensure that substance abuse prevention and treatment programs received the funds needed to provide timely interventions to people at risk for and suffering from substance use disorders. New York is responsible for implementing effective accounting procedures; however, a lack of guidance from SAMHSA contributed to its inadequate stewardship of the SABG funds.

In addition, New York does not have procedures in place to determine if providers are accurately reporting Medicaid revenues. Specifically, the one opioid treatment provider we reviewed received excess SABG funding from New York totaling more than \$1.8 million because the provider underreported Medicaid revenue on its fiscal report. This occurred because State agency staff who reconciled providers' fiscal reports did not have access to necessary data.

### What OIG Recommends and Auditee Comments

We recommend that SAMHSA provide formal guidance to New York on accounting for and reporting SABG expenditures and any unexpended funds. We also recommend that SAMHSA recover \$1.8 million from New York.

We recommend that New York (1) review the revenues reported on the fiscal reports of providers not reviewed in this audit and recover any excess unexpended funds and (2) develop and implement procedures to ensure that the necessary staff have access to Medicaid revenue data and reconcile the data with the revenue reported on the providers' fiscal reports.

In written comments on our draft report, SAMHSA did not concur with our first recommendation and concurred with our second recommendation. New York generally agreed with our recommendations and described actions that they planned to take to address them.