

## AHCCCS RESTRICTIVE LANGUAGE FAQ YH20-0087

While the Substance Abuse and Mental Health Services Administration (SAMHSA) has provided PATH Frequently Asked Questions (FAQs), AHCCCS has the discretion to put additional parameters in place.

These FAQs are not meant to replace policy/contract, nor process expectations. Direct payments must never be paid directly to PATH individuals. PATH-funded agencies must have internal controls in place along with policies and procedures describing how all material goods purchased with PATH funding are logged, tracked, and secured as outlined in the State of Arizona Accounting Manual (SAAM) <https://gao.az.gov/publications/saam>.

Therefore, AHCCCS has added additional parameters for the numbered questions below:

DEFINITION OF SERIOUS MENTAL ILLNESS
SAMHSA Question 5
How is serious mental illness defined?
<b>SAMHSA definition:</b> Adults with a serious mental illness generally refers to individuals 18 years of age or older with a diagnosable mental disorder of such severity and duration as to result in functional impairment that substantially interferes with or limits major life activities.
<b>AHCCCS definition:</b> A designation as defined in A.R.S. §36-550 and determined in an individual 18 years of age or older. "Seriously mentally ill" means persons who, as a result of, a mental disorder as defined in section A.R.S. §36-501, exhibit emotional or behavioral functioning that is so impaired as to interfere substantially with their capacity to remain in the community without supportive treatment or services of a long-term or indefinite duration. In these persons, mental disability is severe and persistent, resulting in a long-term limitation of their functional capacities for primary activities of daily living such as interpersonal relationships, homemaking, self-care, employment, and recreation.

HOUSING STATUS
SAMHSA Question 9
If a consumer obtains housing, can a PATH provider continue to work with them?
<b>SAMHSA:</b> Specific rules vary by state about when PATH providers must transition consumers to service providers funded by other programs. In general, once an individual is housed, they should be transitioned to a mainstream provider, if possible. Individuals with a history of homelessness and serious mental illness and/or co-occurring disorders often need time to transition from one service provider to another. PATH providers can assist consumers by including a plan and a clear expectation for a move to a mainstream provider early in the case management relationship.
<b>AHCCCS':</b> AHCCCS does allow the PATH-funded agency to provide ninety (90) days of interim case management for the PATH enrolled individual after being housed.
All efforts <b>must</b> be documented in the Homeless Management Information System (HMIS) and tracked in the individual's case file. After the ninety (90) day period, the PATH-enrolled individual must be exited from the PATH program and HMIS.

FUNDING
Administrative Funds
SAMHSA Question 15
Does the 4 percent cap on administrative costs apply to PATH providers too?
<b>SAMHSA:</b> The 4 percent limit on administrative costs applies only at the state level. PATH providers are not limited to the 4 percent rule in their budgets. States determine and approve the percentage or amount providers may charge to their contract with the state. The state is responsible for monitoring these contracts and must determine what is defined under “administrative costs” and inform the providers. If a SAMHSA Government Project Officer (GPO) observes that a provider appears to be charging an unreasonable rate or amount to administrative costs, the GPO may contact the state to determine whether the costs were approved.
<b>AHCCCS:</b> The 4 percent limit on administrative costs applies only to AHCCCS. If a PATH-funded agency has an approved Indirect Cost Rate, it can be applied in accordance with the approved Indirect Cost Agreement. If the PATH-funded agency has never had a federally negotiated indirect cost rate and is eligible for the de minimis rate of 10 percent in accordance with 2 CFR 200.414, it can be applied. The Approved Indirect Cost Agreement must be submitted with the Intended Use Plan and Budget during the application period or by request. If a PATH-funded agency has an administrative rate, it must include a methodology and justification of costs.
SAMHSA Question 17
Is purchasing HMIS software and other HMIS –related costs applicable under the administrative funds category?
<b>SAMHSA:</b> The PATH-funded agency has flexibility to use PATH administrative funds to support HMIS activities. Some PATH providers will need to pay for licenses to use the local HMIS which the Continuum of Care (CoC) manages through the HMIS Lead Agency. In some cases, the CoC pays for all service provider licenses in the community, including PATH. State PATH Contacts and providers are expected to develop a plan to facilitate PATH. State PATH Contacts and providers are expected to develop a plan to facilitate flexible use of PATH administrative funds to support HMIS activities.
<b>AHCCCS:</b> AHCCCS does allow the use of PATH funds to purchase HMIS software and for other related HMIS costs; however, the PATH- funded agency must document costs in their Intended Use Plan (IUP) and budget narrative during the application period.

MATCH FUNDS
SAMHSA Question 20
How are match funds defined? How much latitude do providers have in determining options for meeting the match requirement of \$1 for every \$3 of federal funds received?
<b>SAMHSA:</b> Match funds must be used for PATH-eligible activities, as described in the PATH legislation

Sec. 522 (b) and administered according to 45 CFR 74.23 and 45 CFR 92.24.  
 Match dollars may be in the form of either cash or in-kind services or goods, such as volunteer time or donations of space and/or equipment. An in-kind match must also be for PATH-eligible activities as defined in the PATH legislation.

**AHCCCS:** AHCCCS does require the PATH- funded agency to report their Non- federal match on their budget outline by line item along with their budget narrative. The PATH-funded agency is encouraged to identify in-kind resources that are leveraged for the PATH program during the application period, but does not require the PATH provider to report independently in-kind.

**MOVING OF FUNDS**

SAMHSA Question 25

Is PATH funding limited by what each PATH provider identifies in their budget? In other words, if a PATH provider only identifies salary and fringe benefits in their budget, is the PATH provider limited to this expenditure?

**SAMHSA:** Providers can move funds around within their PATH budgets for PATH-eligible activities, unless the state’s contracting rules prohibit this action.

**AHCCCS:** AHCCCS does allow moving of funds only between funded lines with prior written approval from the AHCCCS PATH Administrator. The PATH-funded agency is authorized to transfer up to a maximum of 10 percent of the total budget amount between line items; anything more than 10 percent would require a contract amendment.  
*Please refer to the executed contract and/or contract amendment(s) for official guidance.*

**OBLIGATING FUNDS: TIMEFRAME**

SAMHSA Question 26

States have one year to obligate funds and two years to spend the funds. Does this mean whoever the funds are obligated to have two years to spend the funds?

**SAMHSA:** All spending must be completed within two years, whether the funds have changed hands during the two years or not. States may have their own specific requirements about providers returning unobligated funds for use by another provider agency within the two -year period.

**AHCCCS:** AHCCCS does not allocate PATH funds during a two -year period. The funds are allocated on a State Fiscal Year; therefore, must be obligated and spent within that year. Please refer to the executed contract and/or contract amendment(s) for official guidance.

SAMHSA Question 31

How long after the client stops receiving services should an agency maintain their records?

**SAMHSA:** The link to the Health and Human Services (HHS) Grant Policy Statement is located at: <http://beta.samhsa.gov/grants/grants-management/policies-regulations/hhs-grants-policy-statement> .

**AHCCCS:** . Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall

contractually require each subcontractor to retain all data and other “records” relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

#### ALLOWABLE VS UNALLOWABLE PATH COSTS AND SERVICES

SAMHSA Question 34, Bus Passes/Tickets/Tokens

**SAMHSA:** Bus passes/tickets/tokens are a transportation expense, and they are allowable as outreach supplies when individuals are using them to complete a referral, such as a housing appointment.

**AHCCCS:** Bus passes/tickets/tokens are an allowable expenditure under PATH. They should only be distributed to PATH enrolled individuals in accordance with their mutually agreed upon case plan. All efforts must be documented in HMIS.

In addition, the PATH-funded agency must have internal controls in place describing how these are secured, distributed, and tracked as outlined in the SAAM.

SAMHSA Question 40, Food

**SAMHSA:** PATH funds should only be used to purchase food in a limited way, such as for snacks or bottled water to assist with establishing contact with homeless individuals during outreach/in-reach. PATH funds CAN NOT be used to purchase groceries for a specific individual on an on-going basis.

**AHCCCS:** AHCCCS has established a not to exceed dollar amount of \$3.00 per individual for snacks or bottled water which can be used as an outreach/engagement tool.

In addition, the PATH-funded agency must have internal controls along with policies and procedures describing how these are distributed and tracked as outlined in the SAAM.

SAMHSA Question 42, Hotel Stay

**SAMHSA:** PATH Funds can be used for security deposits and one-time rental payments to prevent eviction. Paying for a 30-day temporary stay in a hotel is permissible, but a longer stay is not in keeping with PATH legislation.

**AHCCCS:** Hotel stays are an allowable expenditure under PATH; however, there are two different scenarios:

*PATH Enrolled Individual:*

- (1) A Stay can be for up to 30 days with prior AHCCCS approval and justification on a case-by-case basis,
- (2) One-time per grant year,
- (3) An agreed upon sustainability plan must be documented in the PATH Enrolled case file, and
- (4) All efforts must be documented in HMIS.

*Non-PATH Enrolled Individual (Weather Exposure) \*:*

- (1) \*This outreach/engagement strategy should be primarily used during winter and summer

- months to avoid weather exposure,
- (2) Must be included during the Annual application process, described in the Intended Use Plan, Budget Narrative & Budget Outline and approved by AHCCCS,
  - (3) Policy & Procedures for distribution must be established and approved by AHCCCS,
  - (4) Must have internal controls in place describing how this will be documented and tracked, and
  - (5) All efforts must be documented in HMIS.

**PATH FUNDING SHOULD BE PAYOR OF LAST RESORT**

SAMHSA Question 45, Housing Moving Assistance

**SAMHSA:** Monies and other resources provided on behalf of a PATH- enrolled individual to help establish that individual's household.

*Note: this excludes security deposits and one-time rental payments, which have specific definitions.*

**AHCCCS:** PATH funds should be used only to cover housing moving assistance on a case-by-case basis and only as a one-time cost per year for PATH enrolled individuals.

This service must be a part of the individual's case plan and documented in the Homeless Management Information System (HMIS) along with a sustainability plan.

SAMHSA Question 46, Identification Assistance

**SAMHSA:** Paying for costs to obtain identification is appropriate as a case management activity, if this is part of a plan to obtain benefits or housing.

**AHCCCS:** AHCCCS does allow for PATH funds to be used for obtaining identification for PATH enrolled individuals. This must be documented in the individual's case plan and documented in the Homeless Management Information System (HMIS) or the client's hard file along with a sustainability plan.

Direct payments must never be paid directly to PATH individual(s). In addition, the PATH-funded agency must have internal controls along with policies and procedures describing how these are tracked as outlined in the SAAM.

SAMHSA Question 48, Medication or Medication Payment

**SAMHSA:** PATH funds can be used to purchase medications and cover co-payment under community mental health services. Internal controls need to be in place to document the expenditure in the client's case plan. Before using PATH funds for medications, outreach workers are expected to pursue all other options, including securing free pharmaceuticals for health care providers and medical insurance coverage for the client.

**AHCCCS:** AHCCCS does allow for PATH funds to be used for medication or medication co-payments for PATH enrolled individuals; however, these funds are one-time only per grant year. This must be documented in the individual's case plan and documented in the Homeless Management Information System (HMIS) or the client's hard file along with a sustainability plan.

Direct payments must never be paid directly to PATH individual(s). In addition, the PATH-funded agency must have internal controls along with policies and procedures describing how these are tracked as outlined in the SAAM.

SAMHSA Question 49, One-time rental payments to prevent eviction.

**SAMHSA:** One-time payment on behalf of PATH-enrolled individuals who are at risk of eviction without financial assistance.

**AHCCCS:** AHCCCS does allow for PATH funds to be used for one-time rental payments to prevent eviction for PATH enrolled individuals; however, these funds are one (1) time only per grant year funds.

The one-time housing assistance cannot exceed \$1,500. Additionally, only 20 percent of PATH funds can be spent on housing assistance.

Direct payments must never be paid directly to PATH individual(s). In addition, the PATH-funded agency must have internal controls along with policies and procedures describing how this is tracked as outlined in the SAAM.

This service must be a part of the individual's case plan and documented in the Homeless Management Information System (HMIS) along with a sustainability plan.

SAMHSA Question 64, Vehicle Purchase

**SAMHSA:** See answer in SAMHSA FAQ

**AHCCCS:** AHCCCS *does not* allow for PATH grant funds to be used to purchase vehicles. PATH funds can be used to lease vehicles or the agency can provide them as in-kind. Funds used for leased vehicles must be included in the Agency's budget outline. Please refer to the executed contract and amendments for official guidance.

SAMHSA Question 65, Utility Assistance

**SAMHSA:** Even though it is not specifically stated in the PATH legislation, SAMHSA has allowed the limited use of PATH funds to cover utility assistance for PATH enrolled individuals. PATH funds should be used only to cover utility assistance on a case-by-case basis and only as a one-time cost for PATH clients. The intent of the legislation is for PATH funds to be used for services.

**AHCCCS:** AHCCCS does allow for PATH funds to be used for utility assistance for PATH enrolled individuals; however, these funds are one (1) time only per grant year . This must be documented in the individual's case plan and documented in the Homeless Management Information System (HMIS) or the client's hard file along with a sustainability plan.

Direct payments must never be paid directly to PATH individual(s). In addition, the PATH-funded agency must have internal controls along with policies and procedures describing how these are tracked as outlined in the SAAM.

<b>Step</b>	<b>Date Completed</b>	<b>Who Performed this Action</b>
1. Main author drafts document	May 27, 2021	Leslie Mar'Na, DGA Grant Coordinator
2. SME(s) consulted – indicate who contributed and on what date *If more than 3 people contributed, list out divisions who contributed	June 7, 2021  June 29, 2021	Reviewed by Gabrielle Richardson, DGA Grants Manager  Reviewed by Kelli Donley Williams, DGA editor
3. Assistant Director review completed	July 13, 2021	Reviewed by Alisa Randall, DGA AD
4. Document sent to Communications team for review. Include the intended or target audience of the document.	July 14, 2021	Leslie Mar'Na, DGA Grants Coordinator
5. Document returned to original author for deployment (e.g. to EM or to external source)	July 14, 2021	Heidi Capriotti (edits suggested in google doc)
6. Original author submits document to iNet with request to replace current PATH FAQs on PATH Webpage	July 23, 2021	Leslie Mar'Na, DGA Grant Coordinator