



<b>Policy Number:</b>	16-07
<b>Policy Name:</b>	Payment of Last Resort - Compliance with the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG)
<b>On Authority:</b>	Title 45 CFR, Part 96
<b>Original Policy Date:</b>	June 20, 2016
<b>Policy Last Revised:</b>	08/20/25
<b>Supersedes:</b>	AOD 2014-04
<b>Attachments:</b>	N/A

**PURPOSE**

To ensure that contracted SUD services comply with Payment as Last Resort requirements of the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG) and County funds, including services for individuals with Other Health Coverage (OHC).

**BACKGROUND**

SUBG funds are dedicated funds mandated by Congress. Behavioral Health and Recovery Services utilizes the funds for contractors providing Substance Use Treatment and Prevention services in the County of San Mateo.

**POLICY**

BHRS contracted SUD Treatment and Prevention providers will comply with the terms of the State-County Contract regarding expenditure of SUBG funds as the “payment of last resort” for services for Pregnant and Parenting Women, Tuberculosis, and HIV. Title 45, Code of Federal Regulations, Part 96, Section 96.137 states:

The Block Grant money to be spent for in accordance to Section 96.124(c) and (e), 96.127 and 96.128 which ensures SUBG funds will be the “payment of last resort.” Contractors that receive funding under the SUBG and provide services required by the above-referenced sections shall make every reasonable effort, including the establishment of systems for eligibility determination, billing, and collection, to:

- Collect reimbursement for the costs of providing such services to persons who are entitled to insurance benefits under the Social Security Act, including programs under title XVIII and title XIX, any State compensation program, any other public assistance program for medical expenses, any grant program, any private health insurance, or any other benefit program; and
- Secure from patients or clients payments for services in accordance with their ability to pay.



SAN MATEO COUNTY HEALTH

## BEHAVIORAL HEALTH & RECOVERY SERVICES

### PROCEDURE/PROTOCOL

County and Contractor staff shall confirm a prospective client's insurance status along with other basic information. If the prospective client has private insurance, he/she should be referred back to their insurance plan for assessment and services.

Contractor staff seeking to provide SUD services to individuals with OHC using SUBG or County funds shall request advance authorization from the BHRS ACCESS Call Center. The following information shall be included in the prior authorization request and sent via fax or secure email.

1. A copy of the Explanation of Benefits (EOB) or other documentation from the insurance plan demonstrating that it either does not provide the service at-issue, benefits have been exhausted, or other explanation.
2. A verbal or written account of what happened when clients/provider attempted to access services from private health insurance plan, including a description of what services were requested and what services were not provided. Individuals who have been unsuccessful in obtaining benefits they are likely entitled to under the parity law shall be referred to the State Insurance Commissioner's Office to help them negotiate with their insurance plan. The consumer hotline is 1-800-927-HELP(4357), Spanish and other languages available;
3. Information that substantiates the prospective client's substance use disorder shall be provided to demonstrate the medical necessity for the requested service. Note: The County's Medical Necessity criterion applies to those with private insurance who seek services through SUBG.
4. Verification of the client's income and copies of the Contractor's financial evaluation including the method for establishing client fees.

BHRS ACCESS Call Center review services authorization requests and related documentation for clients with other health care coverage.

Clients who obtain private insurance after they begin receiving SUBG or County funded SUD services are expected to inform their provider so their billing information can be updated. Providers shall assist the client to transition to using their private insurance benefits in a timely fashion for a formal SUD assessment to determine what benefits they may receive through their insurance. The provider shall submit billing to the insurance plan for reimbursement



**SIGNATURES**

Approved: \_\_\_\_\_ *Signature on File*  
 Dr. Jei Africa, PsyD, FACHE  
 BHRS Director

Approved: \_\_\_\_\_ *Signature on File*  
 Scott Gruendl, MPA  
 BHRS Assistant Director  
 Compliance Officer

Approved: \_\_\_\_\_ *Signature on File*  
 Clara Boyden  
 BHRS Deputy Director of SUD Services

**REVISION HISTORY**

Date of Revision	Type of Revision	Revision Description
08/20/25	Amend	<p><b>Policy:</b> Updated SAPTBG terminology to SUBG.</p> <p>Renamed “Payment of Last Resort - Compliance with the Substance Use Prevention, Treatment and Recovery Services Block Grant (SUBG).” [Former Policy Name: Payment of Last Resort and Services to Individuals with Other Health Coverage (OHC): Compliance with the Substance Abuse Prevention and Treatment Block Grant (SAPTBG)]</p> <p>Compliance Officer added as a reviewer/signer of policy.</p>

**COMPLIANCE REVIEW HISTORY**

Date of Review	Reviewer Name and Job Title
08/29/25	Scott Gruendl, Compliance Officer